

Trio charged with fraud over company listing in Singapore

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Three former senior executives of an innovative products design company were today (Monday) charged by the ICAC with conspiracy to defraud in relation to the company's listing in Singapore, and deceiving loans, totalling \$7.5 million, from a number of banks in Hong Kong.

The defendants are Raymond Chow Yiu-man, 56, former chief executive officer of Daka Designs Limited (Daka Designs); Mah Pat Y., 54, former executive chairman of Daka Designs; and Kevin Leung Kwok-wah, 46, former chief financial officer of Daka Designs.

Chow and Mah face a joint charge of conspiracy to defraud; while Chow, Mah and Leung are charged with another similar offence. Chow alone faces six other charges of conspiracy to defraud.

The defendants will appear in Eastern Magistracy at 9:30 am on Wednesday (September 16) for mention and the case will then be transferred to the District Court.

The case arose from a corruption complaint. Subsequent ICAC enquiries revealed the above alleged conspiracy offences.

One of the charges alleges that Chow and Mah conspired together with a named person to defraud Singapore Exchange Limited (SGX), the creditors and potential investors of Daka Designs.

The duo are alleged to have dishonestly caused a transfer of 32% of the shares of Daka Industrial Limited owned by Daka Development Limited (Daka Development) to the said named person; and misrepresented the financial position of Daka Designs and its subsidiary, Daka Development, in the prospectus of Daka Designs dated July 2, 2004.

As a result, the duo allegedly induced SGX to approve the application of Daka Designs for listing in Singapore.

Another charge alleges that Chow, Mah and Leung conspired together with another person to defraud existing and potential shareholders of Daka Designs and SGX.

The trio are alleged to have dishonestly falsified goods receipt acknowledgement, commercial invoices, delivery notes and accounting records to inflate the turnover and profit figures of another subsidiary of Daka Designs - Briga Group (Macao Commercial Offshore) Company Limited (Briga) - in the total sum of over \$8.9 million.

They are also alleged to have dishonestly compiled and published documents, including the annual report of Daka Designs, which contained inflated turnover and profit figures of Briga for the financial year ended March 31, 2004; and caused the issuing of the annual report to SGX.

It is alleged that the defendants had misled existing and potential shareholders of Daka Designs and SGX as to the true financial position of the company, and prevented SGX from taking any action against the company for its failure.

The remaining six charges allege Chow to have conspired with other persons to defraud six banks in Hong Kong of loans totalling over \$7.5 million.

The alleged charges were said to have taken place between early 2003 and May 2005.

The defendants have been released on ICAC bail, pending their court appearance on Wednesday.