

## Woman guilty of handling \$103m crime proceeds in derivative warrant fraud case

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A woman, charged by the ICAC, was today (Tuesday) convicted at the District Court of dealing with over \$103 million in crime proceeds in relation to the fraudulent trading of derivative warrants.

Cheng Yuen-yi, 41, was found guilty of 17 counts of dealing with property known or believed to represent the proceeds of an indictable offence, contrary to Section 25(1) of the Organised and Serious Crimes Ordinance (OSCO).

Co-defendants Raymond Ng Chun-to, 42, husband of Cheng and operator of Hong Kong Investor Company Limited (HKICL); and Sun Chor-fun, Polly, 35, staff member of HKICL, were yesterday convicted of their roles in the fraudulent trading of derivative warrants.

Ng was found guilty of four counts of conspiracy to defraud, and one of doing an act tending and with intent to pervert the course of public justice, contrary to Common Law; while Sun was convicted of one count of conspiracy to defraud.

Ng's associate Lam Leo Sze-hang, 30, who was also charged for his role in the case, had earlier pleaded guilty to three counts of conspiracy to defraud.

Judge Douglas Yau Tak-hong adjourned the case until 2:00 pm tomorrow (Wednesday) for sentence, and remanded the defendants in the custody of the Correctional Services Department.

Pursuant to the OSCO, the prosecution today applied to the court for a confiscation order in relation to the properties held by Cheng and Ng. Judge Yau adjourned the hearing until June 7.

The case arose from a corruption complaint in relation to the trading of derivative warrants. Subsequent ICAC enquiries revealed the above conspiracy and OSCO offences.

The court heard that between May 2005 and July 2008, Cheng had dealt with over \$103.8 million in crime proceeds obtained from the above fraudulent trading of derivative warrants.

Out of the crime proceeds, over \$34.6 million was recovered from Cheng's safe deposit box at a bank, while the remaining \$69.2 million was deposited into her personal accounts, joint accounts with other family members, as well as accounts of four companies at six banks, the court was told.

The prosecution was today represented by prosecuting counsel Joseph Tse, SC, assisted by ICAC officers Kevin Cho and Ada Lau.