

Six persons have been charged by the ICAC for their alleged roles in defrauding six banks of short-term loans totalling over \$178 million by submitting bogus invoices in relation to the purchase of goods.

The defendants are Tony Hsu Ming-tung, 47, financial controller of Gafeng Chemical (Canada) Company Limited (Gafeng); Kimbo Lo Ngan-pui, 54, director of Gafeng; Wong Shu-fai, 47, manager of Gafeng and owner of Join Creator Limited (Join Creator); Bowie Li Yin-ping, 33, director of Brilliant Fine Asia Limited (Brilliant Fine); Yu Shun-lin, 45, and Lee Kin-kwok, 45, both directors of Profit Smooth Technology Limited (Profit Smooth).

Hsu alone faces 10 counts of fraud, four of which he jointly faces with Lo, Wong or Li. Hsu, Wong and Li face a joint charge of conspiracy to defraud and two alternative charges of conspiracy to falsify accounts.

Li has also been charged with three counts of dealing with property known or believed to represent proceeds of an indictable offence; while Yu and Lee face a similar offence.

The defendants will appear at Eastern Magistracy at 9:30 am tomorrow (Wednesday), pending transfer to the District Court for plea.

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

Gafeng, which was operated by Hsu and Lo, was engaged in the trading of lubricant oils manufactured by its factory on the Mainland.

The fraud charges allege that Hsu, Lo, Wong and Li falsely represented to six banks that invoices presented by Gafeng showing Gafeng had purchased goods from Brilliant Fine, Profit Smooth or Good Billion Corporation Limited or Gafeng had sold goods to Join Creator, which were under Hsu's control, were genuine.

It was alleged that with intent to defraud, Hsu, Lo, Wong and Li induced the six banks to settle on behalf of Gafeng the invoice amounts totalling over \$178 million, and arranged the sums of money in terms of short-term loans to be transferred from the above companies to Gafeng or other entities as directed by Hsu.

Another charge alleges that Hsu, Wong and Li conspired with other persons to defraud the then American Stock Exchange by dishonestly inflating the turnover and profit figures of Gafeng and an energy company, thereby inducing the said stock exchange to approve the application of their holding company for listing. The listing application was eventually abandoned.

Hsu, Wong and Li also face two alternative charges of conspiracy to falsify accounts to show Gafeng and the energy company had higher profits than they really had.

Li alone faces three counts of having dealt with loan proceeds totalling more than \$157 million received through three bank accounts under her control, knowing or having reasonable grounds to believe that the monies represented the proceeds of an indictable offence.

Yu and Lee face a similar offence, which alleges that they dealt with loan proceeds of over \$14 million.

The above alleged offences were said to have taken place between January 2006 and October 2008.

The six defendants have been released on ICAC bail, pending their court appearances tomorrow.