

Press Release

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Bank chief and five others in court for alleged HK\$880m credit fraud and bribery

The general manager and a credit manager of Hang Seng Bank Limited (HSB), together with four businessmen, charged by the ICAC, appeared at Eastern Court today (Friday) for alleged bribery and conspiracy in connection with a HK\$880 million Letters of Credit (L/C) scam.

Four of the defendants, Sau Ming, Lo Pui-shing, Ho Siu-hoi and Lee Tsang-kong had their case committed to the Court of First Instance. The trial date is yet to be fixed.

Two other defendants, Tam Kei-kwong and Leung Chi-por, were ordered by Magistrate Colin Mackintosh to reappear at Eastern Court on June 16.

Sau Ming, 54, general manager of HSB, today faced three corruption offences after charges were amended.

He was alleged of having accepted from Ho Chi-chun of Au Kiang International Company Limited (Au Kiang) HK\$200,000 and US\$15,000 in bribes and two Rolex watches in return for favours to Au Kiang and Dero Enterprises Limited (Dero) in the granting and maintaining of credit arrangements between May 1994 and August 1995.

Lo Pui-shing, 47, credit manager of HSB, faced four counts of accepting bribes totalling HK\$100,000 and two Rolex watches from Ho Siu-hoi for the same reason between May 1994 and August 1995.

Ho Siu-hoi, 31, shareholder-cum-director of Au Kiang and Dero, faced ten counts of conspiring with his father Ho Chi-chun and Yin Hueh-lan, financial controller of Au Kiang and Dero, to offer advantages, including various sums in cash and five Rolex watches, to Lo and two other employees of HSB, Lam Tze-leung and Wong Tai-wai, between April 1994 and March 1998.

The advantages were allegedly offered for facilitating the granting and maintaining of credit arrangements to the two companies.

Ho Siu-hoi further faced four charges of conspiring with a number of people to defraud HSB by:

- causing Au Kiang and Dero to apply and utilise credit facilities from the bank in the form of L/Cs;

- submitting to the bank false documents which purportedly evidenced genuine commercial transactions between the above two companies and Star Regent International Limited and Sunmex Limited; and

- causing HSB to release funds under such L/Cs.

Meanwhile, Ho and three other defendants, Tam Kei-kwong, 48, shareholder-cum-director of Pure Guard Industrial Limited (Pure Guard) and former director of Sparkco International Limited (Sparkco); Leung Chi-por, 50, shareholder-cum-director of Pure Guard; and Lee Tsang-kong, 44, shareholder-cum-director of Sparkco, faced a total of three conspiracy charges.

Ho Siu-hoi, Tam and Leung jointly faced two counts of conspiracy to defraud HSB over the issue of L/Cs in favour of Pure Guard.

Ho, Tam and Lee jointly faced one count of conspiracy to defraud HSB in relation to L/Cs in favour of Sparkco.

The alleged fraud offences occurred between July 1995 and April 1998.

It was alleged that Au Kiang and Dero had applied for 243 L/Cs with bogus documents, involving a total of HK\$880 million in credit facilities.

The court ordered Ho be remanded in the custody of the Correctional Services Department.

Sau was granted bail of HK\$2 million in cash and two sureties of HK\$1 million each. Lo,

Tam and Leung were each granted bail