

Ex-tobacco chief wanted by ICAC for suspected corruption and fraud

10.06.08

The District Court today (Tuesday) issued a warrant for the arrest of the former chairman of a tobacco manufacturer, who was earlier charged by the ICAC and failed to turn up for the resumption of a trial for alleged corruption and fraud in relation to cigarette smuggling activities.

Lu Dayong, 60, former chairman of Nanyang Brothers Tobacco Company Limited (Nanyang Brothers), faced two counts of conspiracy for an agent to accept advantage, contrary to Section 9(1)(a) of the Prevention of Bribery Ordinance and Section 159A of the Crimes Ordinance, and one of conspiracy to defraud.

Lu was earlier granted court bail of \$3 million in cash. He was required to appear in court today for the resumption of the hearing, which had gone on for 54 days.

After Lu failed to turn up in court, Judge Yau Chi-lap issued a warrant for his arrest.

Co-defendants Ko Kit, 39, director of Hang Chun Trade Development Limited (Hang Chun); and Chan Kai-san, 40, sales manager of Hang Chun, had their case adjourned to tomorrow (Wednesday).

One of the bribery charges alleged that between March 2003 and February 2004, Lu, Ko and Chan had conspired together and with other persons for Lu to accept advantages from purchasers of cigarettes from the Mainland.

The alleged advantages were for Lu to cause Nanyang Brothers to sell "Double Happiness" cigarettes to Hang Chun so that they could be supplied to those Mainland purchasers.

The other conspiracy charge alleged Lu, Ko and Chan of conspiring together and with another person between November 2003 and February 2004 to defraud Nanyang Brothers by concealing from Nanyang Brothers that Lu had interests in Hang Chun.

The defendants were alleged to have caused Nanyang Brothers to supply "Double Happiness" cigarettes to Hang Chun, knowing that those cigarettes would be sold to the Mainland, in violation of the contracts between Nanyang Brothers and Hang Chun.

The remaining bribery charge alleged Lu and Ko of conspiring together between December 2002 and February 2004 for Lu to accept advantages from two other persons for causing Golden Leaf International Development (Hong Kong) Limited (Golden Leaf) to become a purchaser of "Double Happiness" cigarettes and/or supplying "Double Happiness" to Golden Leaf.

Anyone who has information on the whereabouts of Lu or any other information which may lead to his arrest is urged to contact the ICAC on its 24-hour hotline 2526 6366. Information received will be treated in the strictest confidence.

