

Trio jailed for deceiving \$3m in land resumption project

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Three persons, charged by the ICAC, were today (Monday) sentenced at the District Court for their involvement in a scam to defraud the government and the liquidators and creditors of Howin Industrial Limited (HIL) of over \$3.3 million under a land resumption project for drainage improvement work in Tai Po.

Yim Tung-hoi, 56, and Vincent Li Wan-fong, 61, both former directors cum shareholders of HIL, each received a jail term of three years. Lau Kam-ying, 38, a former Principal Solicitor of Peter Lau & Co Solicitors, was jailed for four years.

In sentencing, Judge Stephen Geiser said the court had to mete out custodial sentences to the defendants in view of their serious criminality.

The judge reprimanded Lau for abusing his position as a solicitor in colluding with Yim and Li to defraud the government of land resumption compensation. Lau had brought disgrace on the noble legal profession, and his acts constituted a breach of trust, the judge added.

The defendants were earlier found guilty of one count of conspiracy to defraud.

The case originated from a corruption report. Subsequent ICAC enquiries revealed the above offence.

The court heard that between 1994 and 1995, HIL acquired two pieces of adjoining land in Tai Hang Village, Tai Po, which were later subdivided into 19 small plots for building 17 small houses.

At the end of 1995, HIL transferred its titles in the 19 small plots to 17 indigenous villagers known as "dings", who had sold their "ding rights" to HIL for the development. Each of them was asked to sign legal documents at a solicitors firm representing HIL.

In 2000, the Lands Department suspended the processing of the 17 small house applications after receiving objections from villagers of the Tai Hang Village.

HIL was wound up under a court order in June 2001. The titles of the 19 plots of land, however, remained registered in the names of the 17 "dings".

In 2004, the government commenced a land resumption project for carrying out drainage improvement works in various areas, including Tai Hang Village. Under the project, the registered owners of the 19 plots of land would be entitled to cash compensation paid by the government.

The court heard that having learnt about the project, Yim and Li decided to transfer the registered titles of the 19 plots of land, which belonged to the creditors of HIL, from the "dings" to a new company with a view to collecting cash compensation payable by the government.

Pursuant to his agreement with Yim and Li, Lau arranged for the incorporation of a company known as China Group Global Limited (CGG) in August 2006.

Between September 2006 and March 2007, Yim had successfully arranged for 12 "dings" to sign documents at the solicitors firm of Lau, effecting the transfer of titles in 12 out of the 19 plots of land to CGG at considerations ranging from \$30,000 to \$70,000.

In March 2007, CGG wrote to the Tai Po District Land Office (DLO/TP), falsely representing that the company had acquired the 12 plots of land as a bona fide purchaser for valuable consideration, and that CGG was entitled to claim and receive compensation payments under the land resumption project.

As a result, the DLO/TP was induced to arrange for compensation payments, amounting to over \$3.3 million, to be made in favour of CGG instead of the liquidators and creditors of HIL, the court was told.

The prosecution was today represented by prosecuting counsel Graeme Mackay, assisted by ICAC officer Derek Cheung.