

15/11/00 Trio charged over alleged \$285m credit frauds involving Guangnan

Three persons were charged by the ICAC in connection with alleged credit frauds totalling \$285 million worth of Letters of Credit (L/C) facilities involving Guangnan (Holdings) Limited (Guangnan) and brought to Eastern Court this (Wednesday) afternoon in two separate cases.

The alleged frauds were uncovered in the course of ICAC investigation into L/C scams involving Guangnan.

So far 25 persons, including the three defendants, have been charged for a series of alleged scams involving \$2,061 million worth of L/Cs in total.

Tang Wai-na, 45, deputy general manager of Asian Honour International Limited (Asian Honour), faced four offences today.

Asian Honour is a subsidiary company of Guangnan.

Three of the charges alleged that Tang had conspired with her late husband Yip Hiu-sui, Chan Ka-sun, Fan Yuk-shu, Ma Chi-hang and other persons to defraud 23 banks.

Tang was alleged to have dishonestly caused Guangnan to apply and utilise credit facilities from the banks in the form of 40 Letters of Credit, and submitted false documents to the banks.

The bogus documents were said to have purportedly showed that there were genuine commercial transactions between Guangnan, Positive Image Investments Limited, Setter Investments Limited, and Jade United Commerce Company.

Tang had allegedly caused the banks to release about \$267,570,970 in total to the companies under the L/Cs.

The remaining charge alleged Tang of dealing with \$3,222,814.20, being the proceeds of an indictable offence.

The alleged offences took place between October 1, 1996 and March 31 last year.

In a separate case, William Yao, 37, and Joseph Ma Shiu-hung, 41, both merchants, were charged with a total of six L/C fraud offences involving \$18 million.

Three of the charges alleged that Yao and Ma had conspired with Chen Li-wen, Fan Yuk-shu and other persons to defraud Banque Worms and DG Bank Deutsche Genossenschaftsbank by similar means between August 1, 1996 and February 28, 1997.

They were alleged to have dishonestly caused Guangnan to apply and utilise credit facilities from the two banks in the form of three L/Cs.

It was alleged that false documents were used to support the relevant L/Cs, causing the two banks to release \$18,399,761 in total to Po Shing Industrial Company and Sunlex Limited when in fact there were no genuine transactions between Guangnan and the two companies.

The remaining three charges alleged Yao and Ma of dealing with proceeds of indictable offences totalling \$18,324,834.

No pleas were entered in both cases. Magistrate Mr Ian Candy adjourned the cases until December 27 this year for mention.

Tang, Yao and Ma were granted cash bail ranging from \$30,000 to \$250,000, and surety from \$50,000 to \$250,000.

They were ordered to surrender their travel documents, not to interfere with prosecution witnesses, to reside at reported addresses, to report to the ICAC with 24 hours of any change of address, and to report to the Police three times a week.

Tang and Yao were also ordered not to leave Hong Kong, while Ma was granted permission to leave Hong Kong before December 22 this year.

The prosecution of both cases was represented by Acting Senior Assistant Director of Public Prosecutions Liu Yuen-ming, assisted by ICAC officers