

Press Release

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Ex-listed company chairman guilty of misappropriating \$20m funds

The former chairman of publicly listed Wealthmark International (Holdings) Limited (Wealthmark), charged by the ICAC, has been convicted at the District Court of submitting false statements to auditors for covering up the misappropriation of company funds totalling \$20.8 million.

Wong Chor-wo, 54, was yesterday found guilty of 17 offences - seven of theft, four of furnishing false information, three of using false instruments, one of using copies of false instruments, one of an officer of a company knowingly making a false statement to the auditors, and one of publishing a false statement.

Also charged in connection with the case was his 50-year-old cousin Wong Chun-ping, who was yesterday found guilty of two counts of dealing with property known or believed to represent proceeds of an indictable offence.

Deputy Judge Adriana Noelle Tse remanded the defendants in the custody of the Correctional Services Department. She adjourned the case to 2:30 pm tomorrow (Friday) for sentence.

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

The court heard that since 1987, Wong Chor-wo had operated Wallmark Enterprise Company Limited (Wallmark), which later became a subsidiary of Wealthmark.

Between February 16 and March 21, 2001, Wong Chor-wo had stolen seven sums of funds totalling \$20.8 million from Wallmark.

To cover up the misappropriation, Wong Chor-wo, in furnishing information for the making of entries in the accounts of Wealthmark, produced four false receipts between February 19 and March 26, 2001.

The false receipts, issued by a Mainland construction company, purported to show that a total of over 22 million renminbi was received by the construction company as deposit and construction fees for a project in Huizhou City.

The court heard that when confronted by the listed company's auditors, Wong Chor-wo had used various false documents or copies of false documents to cover up the scam.

In addition, on April 24, 2002, Wong Chor-wo submitted a false statement to the auditors, claiming that there was a meeting of the Board of Directors of Wealthmark in which it was resolved that certain arrangement with C.K. Trading Company (CKTC) / Wong Chun-ping were approved. CKTC was operated by Wong Chun-ping and his wife.

On the same day, Wong Chor-wo also published a false written statement in the Annual Report of Wealthmark, stating that the net proceeds of the initial first offer of the shares of Wealthmark were used for various purposes in relation to Wealthmark's business.

The court also heard that between February 16 and March 22, 2001, Wong Chun-ping had dealt with two sums of \$4 million and \$16.8 million, which represented the funds stolen from Wallmark.

The prosecution was today represented by Audrey Campbell-Moffat, counsel on fiat, assisted by ICAC officer Joey To.