Businessman charged for alleged $1.29b fraud over sale of Mainland companies to listed Uni-Bio

14.04.10

A businessman was today (Wednesday) charged by the ICAC in connection with a fraudulent scam to deceive shareholders and investors of publicly listed Uni-Bio Science Group Limited (Uni-Bio) over the sale of three Mainland companies to Uni-Bio at a total inflated consideration of $1.29 billion.

Michael Liang Hui-min, 66, was brought to the Eastern Magistracy this morning on one count of conspiracy to defraud.

No plea was taken. Magistrate Ms Bina Chainrai adjourned the case to May 12, pending further inquiries and legal advice.

The case arose from a corruption complaint. Subsequent ICAC enquiries revealed the suspected offence of conspiracy to defraud allegedly committed by the defendant, who was said to be a de facto controlling shareholder of Uni-Bio.

The charge alleged that between August 2005 and July 2007, the defendant had conspired with other persons to defraud existing and potential shareholders and investors of Uni-Bio.

The defendant was alleged to have conspired with others to conceal that he was the true owner of three Mainland companies - Dongguan Shi Bo Kang Jian Pharmaceutical Technology Company Limited, Beijing Genetech Pharmaceutical Company Limited, and Shenzhen Watsin Genetech Limited.

He was also alleged to have conspired with others to falsify the accounting documents of the three Mainland companies to make them look financially sound and worth more than they actually were; and arranged for Uni-Bio to acquire those companies at the inflated prices.

As a result, the defendant, being the true owner of the three Mainland companies, had allegedly benefited from the sale of those companies to Uni-Bio.

ICAC enquiries revealed that the three Mainland companies were sold to Uni-Bio at a total inflated consideration of $1.29 billion, which was settled by cash and newly issued Uni-Bio shares.

It was suspected that part of the cash and newly issued shares were reverted to the defendant.

The defendant was granted bail of $1 million in cash and $500,000 in surety. He was also ordered to reside at the reported address, to inform the ICAC of his itinerary 24 hours before leaving Hong Kong, to report to the ICAC within 24 hours after his return, to report to the Police once a week, and not to interfere with prosecution witnesses.

The prosecution was today represented by Senior Assistant Director of Public Prosecutions Eddie Sean, assisted by ICAC officer Gary Wong.