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Gold and silver exchange society member jailed for bribery over sale of membership

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A member of the executive and supervisory committee of The Chinese Gold and Silver Exchange Society (CGSE), charged by the ICAC, was today (Friday) sentenced to three months' imprisonment at Eastern Magistracy after being convicted of offering a \$30,000 bribe to a director of a bullion refinery in relation to the sale of a membership.

Lee Sik-ming, 62, was found guilty after a trial of one count of offering an advantage to an agent, contrary to Section 9(2)(a) of the Prevention of Bribery Ordinance.

In sentencing, Acting Deputy Magistrate Yu Cheuk-man remarked that the defendant premeditated in committing the bribery offence, which was serious and constituted a breach of trust.

The court heard that at the material times, the defendant was a member of the executive and supervisory committee of CGSE, a registered society in Hong Kong promoting the trade of gold, silver and precious metals.

A holder of CGSE's bullion group (BG) membership was recognised as an accredited bullion refinery in Hong Kong.

Such a membership could only be acquired from a quitting BG member with two members of the executive and supervisory committee of CGSE acting as the referees for the transaction.

The court heard that in January 2007, Gold Mark International (HK) Limited (Gold Mark), a bullion refinery, acquired a BG membership at \$700,000 from Far East (HK) Company (Far East), a company owned by the defendant.

Gold Mark intended to sell its BG membership to a potential buyer in November 2008. A director of Gold Mark requested the defendant to be a referee for the transaction.

The defendant replied that in 2007, he sold the BG membership to Gold Mark, which was below the market price of \$800,000 to \$1 million; and asked the director of Gold Mark to assist him to get \$100,000 from Gold Mark as compensation.

In return, the defendant offered a bribe of \$30,000 to the director of Gold Mark for his assistance. But the offer was turned down by the director of Gold Mark.

Gold Mark prohibited its employees from soliciting or accepting advantages in relation to the company's business, the court was told.

The prosecution was today represented by Senior Public Prosecutor June Cheung, assisted by ICAC officer Jenny Chau.

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