

Hong Kong Customs detected first-ever illicit cigarette factory case (with photos)

Hong Kong Customs launched an anti-illicit cigarette operation on July 3, shutting down a large illicit cigarette storage and distribution centre in Man Kam To and an underground cigarette factory in Lau Fau Shan. A total of about 20.5 million of suspected illicit cigarettes and about 3.5 tons of manufactured tobacco were seized. The total estimated market value of the seizure amounted to about \$120 million and a duty potential of about \$82 million for the seized tobacco. This is the first-ever underground illegal cigarette factory case effected by Hong Kong Customs.

That morning, Customs tracked a suspicious container that arrived from Thailand to Hong Kong, and was declared as carrying woods and transported to a container yard in Man Kam To. Later, four men were found transferring a batch of suspected illicit cigarettes from the container onto three lorries. Customs officers then swiftly took action and arrested the four men, aged between 29 and 46, and found three more containers with illicit cigarettes concealed inside at the container yard. After counting, Customs seized about 18 million of suspected illicit cigarettes and around 3.5 tons of manufactured tobacco at the scene, dismantling a large-scale illicit cigarette storage centre. The three lorries suspected of being used for distributing illicit cigarettes were also detained.

After a follow-up investigation, Customs officers on the same day raided a metal hut located in Lau Fau Shan and discovered an illegal production line for manufacturing cigarettes there. Production and packaging machineries and a large number of raw materials used to manufacture illicit cigarettes, as well as a total of about 2 million of suspected illicit cigarettes, were uncovered inside the metal hut.

Customs found that the illicit cigarette production line was hidden in a modular house inside the metal hut, and the house was surrounded by soundproofing materials meant to minimise suspicion from nearby residents and law enforcement officers.

The case is still under investigation. The four arrested men have been released on bail pending further investigation. Customs will continue to trace the source of the raw materials of the illicit cigarettes and the production line related machines. The likelihood of further arrests is not ruled out.

Customs reminds citizens that they must be vigilant when purchasing cigarettes. They should patronise reputable merchants or stores and do not purchase cigarettes from unknown sources to avoid threats to their health.

Under the Dutiable Commodities Ordinance, anyone, except under and in

accordance with a licence, manufacture tobacco commits an offence. Also, anyone involved in dealing with, possession of, selling or buying illicit cigarettes commits an offence. The maximum penalty upon conviction is a fine of \$1 million and imprisonment for two years.

Members of the public may report any suspected illicit cigarette activities to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002).

