

Press Release

07/06/03

Response Statement

In response to press enquiries, an ICAC spokesman today (Saturday) confirmed that 10 persons, including the chairman, the financial controller and an executive director of a publicly listed company in Hong Kong, have been arrested for suspected corruption in relation to the listing of the company on the Stock Exchange of Hong Kong (SEHK).

Also arrested in an operation codenamed "Omei", which commenced yesterday, were an executive secretary of a manufacturing company, two directors and a clerk of an investment company, a senior staff member of an accounting firm, the proprietor of a consultancy firm, and a merchant.

The ICAC investigation arose from a corruption complaint, alleging that the chairman of a publicly listed company had offered bribes to facilitate its listing on SEHK.

The bribes were said to be rewards for inflating the listed company's turnover between 1999 and 2001 for the purpose of seeking listing on SEHK.

It was further alleged that after its listing on SEHK, the chairman of the listed company had corruptly conspired with his executive director and others to manipulate the price of its shares.

The chairman of the listed company was also suspected to have misappropriated a substantial sum of money from the company.

Enquiries are continuing.