

Ex-securities company senior executive jailed for accepting \$1.1m bribes

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A former senior executive of a securities company, charged by the ICAC, was today (Thursday) sentenced to one year's imprisonment at the District Court for accepting bribes totalling \$1.1 million from a financial adviser of a listed company for introducing a client to purchase the company's shares.

Leo Man Yui-fai, 54, former senior vice president of HSBC Broking Services (Asia) Limited (HSBC Broking), was also fined \$20,000 and ordered to pay investigation costs of \$22,222 to the Securities and Futures Commission (SFC) for giving false or misleading information to the SFC.

In sentencing, Deputy Judge Anthony Kwok Kai-on said the offences committed by the defendant were entirely his faults rather than technical breaches.

The judge added that the court had to mete out a custodial sentence to the defendant to serve as a deterrent.

The defendant was earlier found guilty of two counts of agent accepting an advantage, contrary to Section 9(1)(b) of the Prevention of Bribery Ordinance.

He had also admitted to one count of stating things which were false or misleading in a material particular, contrary to Section 184(2)(a)(iv) of the Securities and Futures Ordinance.

The case arose from a corruption complaint referred by the SFC, which had rendered full assistance to the ICAC during its investigation.

The court heard that in December 2004, Man was acquainted with Joseph Ng King-ho, the then financial adviser of the listed Mitsumaru East Kit (Holdings) Limited (Mitsumaru), who asked the defendant to introduce clients to buy shares of Mitsumaru.

The defendant subsequently recommended a client to acquire 10 million shares of Mitsumaru, and told the latter that Mitsumaru planned to make a share placement and would arrange a "buy-back" of its shares at the original cost if the share placement did not take place within two weeks after the announcement of annual results in 2005.

After the client had acquired the 10 million shares of Mitsumaru at the price of \$1.25 per share, the defendant received from Ng a total of \$1.1 million which was deposited into the bank account of his wife.

The court heard that the above sum was also an inducement to the defendant to assist Ng who intended to open an account with HSBC Broking.

The court also heard that when Mitsumaru made no placement of shares after the announcement of the annual result in April 2005, the client filed a complaint with HSBC Broking in relation to the misrepresentation made by the defendant. The complaint was subsequently referred to the SFC.

The defendant had earlier admitted that when he was interviewed by the SFC on December 8, 2005, he falsely claimed that he had been told by his wife the \$1.1 million was a loan from a person unknown to him.

The prosecution was today represented by prosecution counsel Sabrina See, assisted by ICAC officer Jalen Cheung.