

Press Release

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Nine arrested in graft probe over share placement of listed company

The ICAC has arrested nine persons, including two senior executives of a publicly listed company, for alleged corruption in relation to the placement and purchase of the listed company's shares.

Also arrested in an operation codenamed "Poster Star", which commenced last Friday (July 9, 2004), were a senior director of a bank, a managing director of a division of a brokerage firm, two research analysts of two securities companies, a senior sales manager of a securities company, a secretary of the listed company, and one other individual.

ICAC enquiries revealed that the listed company's senior executives had allegedly offered bribes as rewards for the bank's senior director to purchase six million shares of the listed company during its share placement earlier this month.

The listed company's senior executives were also alleged to have bribed the brokerage firm's managing director for purchasing five million shares of the company last month.

It was alleged that the listed company's senior executives had also offered bribes to two research analysts of two securities companies for writing favourable reports on the listed company.

Suspected bribe money of over \$1.5 million was seized during the operation.

All the arrestees have been released on ICAC bail. Enquiries are continuing.