

Press Release

29/09/05

Twenty-two arrested for alleged corruption over misappropriation of funds from listed companies

The ICAC has arrested 22 persons, including the chairmen of two publicly listed companies, for alleged corruption offences under Section 9 of the Prevention of Bribery Ordinance and suspected misappropriation of substantial corporate funds from the listed companies.

Also arrested in an operation codenamed "Sounding Arrow", which commenced yesterday (Wednesday), were a financial controller of one of the listed companies; two executive directors of the other listed company; 14 employees and associates of the two chairmen; and three suspected underground remitters.

The ICAC investigation arose from corruption complaints.

The arrested chairmen, financial controller and executive directors of the two listed companies were suspected to have offered advantages to a director of a corporate finance company for assistance in creating false investment transactions.

The alleged false transactions were used to cover up the misappropriation of corporate funds and to mislead the board of directors of the two listed companies.

It was suspected that the funds were disbursed under the guise of investment projects purportedly taking place in the Mainland.

The arrested employees and associates of the two chairmen were suspected to have assisted in the scam.

Enquiries are continuing.