

Press Release

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20 arrested in ICAC probe over market manipulation and share placement of listed companies

Twenty persons, including two executive directors of different publicly listed companies, have been arrested by the ICAC for alleged corruption in relation to suspected share price manipulation and share placement.

Also arrested in an operation codenamed "Mobidick", which commenced on Wednesday (February 25), were a financial controller and three other employees of one of the listed companies, and an executive director of the listed company's subsidiary.

The remaining arrestees included an investment adviser, a fund manager, a research executive, a director, and a securities broker of four financial institutions, as well as eight other individuals.

The ICAC has earlier received information, alleging that an executive director of a listed company had conspired with other persons to bribe fund managers for arranging the funds managed by them to buy in large tranche of the listed company's shares, and publishing a favourable research report on the company.

ICAC inquiries revealed that in July last year, the executive director of one of the listed companies, through the arrangement of a director and an investment adviser of a financial institution, had allegedly struck a corrupt deal with a fund manager to buy in over 10 million shares of the listed company.

It was suspected that over \$2 million had been shared between the fund manager and the two middlemen as rewards.

It was also alleged that the arrested executive director of the listed company had offered a cash payment to a research executive of another financial institution for the latter to publish a favourable research report on the listed company.

The executive director was further alleged to have engaged his employees and associates to fraudulently manipulate the listed company's share prices.

Suspected bribe money of over \$6 million in cash, and a luxury saloon allegedly bought with the suspected corrupt proceeds, were seized during the operation.

Meanwhile, the other listed company's executive director and a securities broker were arrested for suspected corruption in relation to share placement.

Eight of the arrestees are being detained by the ICAC, while the remaining have been released on bail. Inquiries are continuing.