

**Press Release**

30/11/04

**Listed company chairman arrested for alleged corruption over company fraud and misappropriation of funds**

Ten persons, including the chairman, three executive directors and a financial controller of a publicly listed company, were today (Tuesday) arrested by the ICAC for suspected corruption in relation to company fraud and misappropriation of company funds.

Also arrested were a former director, a non-executive director and an employee of the listed company; as well as two associates of the chairman.

The ICAC operation, code-named "Determination", involves allegations that the company chairman might have secured the corrupt assistance of a former accountant of a certified public accountant firm in falsifying accounting records to assist the listing of the company with the Stock Exchange of Hong Kong.

The former accountant was allegedly given advantages, in the form of executive appointment and share options of the listed company, for his assistance in facilitating the listing of the company.

It was also alleged that the chairman and an executive director, with the suspected corrupt connivance of the company's financial controller, had misappropriated substantial amount of company funds in the disguise of consultant fee or service commission.

The arrestees are being detained by the ICAC for inquiries.