

Former securities company senior executive guilty of accepting \$1.1m in bribes

07.01.10

A former senior executive of a securities company was today (Thursday) convicted at the District Court of accepting bribes totalling \$1.1 million from a financial adviser of a listed company executive to introduce 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 found guilty of two counts of agent accepting an advantage, contrary to Section 9(1)(b) of the Prevention of Bribery Ordinance.

He had earlier 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.

District Court Judge Anthony Kwok Kai-on adjourned sentencing to January 21, and ordered the defendant to be remanded in the custody of the Correctional Services Department.

The court heard that in December 2004, Man was acquainted with Joseph Ng King-ho, 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 share placement and would arrange a "buy-back" of its shares at the original cost if 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 a reward for Man to assist Ng 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 to the HSBC Broking about the misrepresentation made by the defendant. The complaint was subsequently referred to the Securities and Futures Commission (SFC).

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

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