

Ex-chairman of listed company charged with \$1m bribery and fraud over acquisition

31 March 2015

A former chairman of a listed company has been charged by the ICAC today (Tuesday) with accepting a bribe of \$1 million for fraudulently inducing the listed company to acquire the shares of an investment company at a consideration of \$380 million.

Chen Jiasong, 60, former chairman of ABC Communications (Holdings) Limited (ABC), faces two charges – one of agent accepting an advantage, contrary to Section 9(1)(a) of the Prevention of Bribery Ordinance, and one of fraud, contrary to Section 16A of the Theft Ordinance.

The defendant will appear at the Eastern Magistracy on Thursday (April 2) for mention.

At the material time, the defendant was the deputy chairman of ABC, a listed company providing financial services, wireless application development and mining operations.

One of the charges alleges that between October 2009 and June 2010, the defendant falsely represented to the board of directors of ABC that an investment company owned 100% shares of another company which was in the process of acquiring various mining rights on the Mainland, and with intent to defraud, induced ABC to acquire the shares of that investment company at a consideration of \$380 million.

The other charge alleges that on October 28, 2009, the defendant accepted \$1 million in cash from the owner of the investment company as a reward for procuring ABC to enter into an acquisition agreement with the owner, pursuant to which a wholly owned subsidiary of ABC would acquire the investment company at a consideration of \$380 million.

The defendant has been released on ICAC bail, pending his court appearance on Thursday.

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