
Enforcement News

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30 March 2007

SFC Seeks Disqualification Orders against Former Directors of a Failed Listed Company

The SFC has commenced proceedings in the High Court against five former directors of GP NanoTechnology Group Limited seeking orders disqualifying them from being directors of or involved in the management of companies.

The SFC alleges Mr Ong Hong Hoon, Mr Lian En Sheng, Mr Kwong Chun Kau and Mr Chow Chun Kwong failed to exercise reasonable skill, care and diligence, and act in the best interests of GP Nano. The SFC has made the same allegations against an additional director who is named in the proceedings as a respondent but who has not been located yet by the SFC.

The SFC's action centres on events in 2001 when GP Nano entered into five transactions totalling approximately \$35 million which ultimately caused losses to the company. The SFC alleges these transactions were entered into recklessly, without proper inquiry by the five directors and were not in GP Nano's interests.

The SFC also alleges the company issued two misleading announcements to the market and included misleading information in its prospectus and annual reports.

The Court gave directions to the parties today for the filing of further material.

Ends

Notes:

The company was listed on 17 July 2001. Trading in the shares of the company was suspended on 7 August 2003 and the listing of the company's shares was cancelled on 10 June 2005. The company was ordered to be wound up on 17 August 2005 on the grounds of insolvency.

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