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Former directors of GP NanoTechnology Group Ltd disqualified for misconduct (last updated on 13 October 2009)

6 Oct 2009

The Securities and Futures Commission (SFC) obtained orders in the High Court today against two former directors of GP NanoTechnology Group Ltd (GP Nano), disqualifying them from being directors or being involved in the management of any corporation.

The orders disqualify Mr Fung Chiu, former chairman and executive director, and Mr Lian En Sheng, former executive director, without leave of the court, for a period of seven and six years respectively. The disqualification orders against Fung and Lian will take effect on **27 October 2009**.

The shares of GP Nano were formerly listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Ltd (Note 1).

The court had earlier made disqualification orders against two other former executive directors of GP Nano as a result of their misconduct (Notes 2 and 3).

The SFC alleged that Fung and Lian had:

- provided misleading information to the market regarding five questionable transactions in two announcements;
- abdicated their responsibilities as directors of publicly listed GP Nano;
- failed to exercise reasonable skill, care and diligence and/or to act in the best interests of the company;
- made misrepresentations or misstatements of their own duties as executive directors in the company's prospectus and annual reports; and
- failed to ensure the company complied with the relevant rules and regulations, namely the Growth Enterprise Market Listing Rules and the Code on Takeovers and Mergers.

"Shareholders are entitled to expect competent and honest governance from listed company directors," said Mr Mark Steward, the SFC's Executive Director of Enforcement. "The SFC will continue to take action against listed company directors who provide misleading information to the market, breach their duties to the company and abuse the trust placed on them (Note 4)," he added.

End

Notes:

1. The company was listed on 17 July 2001. Trading in the shares of the company was suspended on 7 August 2003 and the company was delisted on 10 June 2005. The company was ordered to be wound up on 17 August 2005. The SFC commenced proceedings against Mr Fung Chiu and Mr Lian En Sheng in 2006 (see SFC Press Release dated [30 March 2007](#)).
2. On 27 November 2008 Mr Ong Hong Hoon was disqualified from being a director or being involved in the management of any corporation for a period of five years. On 30 January 2009 Mr Chow Chun Kwong was disqualified from being a director or being involved in the management of any corporation listed on the Stock Exchange of Hong Kong Ltd for a period of six years. (See SFC press releases dated [4 December 2008](#) and [30 January 2009](#)).
3. The SFC also took action against the fifth former executive director of the company, but the proceedings were discontinued in September 2009 following the death of that former director.
4. Since September 2008, the SFC has commenced three additional sets of civil proceedings against 13 current and former directors of other listed companies alleging misconduct and seeking disqualification orders and, in two of these three actions, compensation orders.

Enforcement News

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