
Enforcement News

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Third listed company director disqualified for misconduct

The Securities and Futures Commission (SFC) today obtained an order in the High Court against Mr Chow Chun Kwong, a former director of GP NanoTechnology Group Ltd (GP Nano), disqualifying him from being a director or being involved in the management of any listed company, without leave of the court, for a period of six years (Note 1). The disqualification order will take effect on 20 February 2009.

This is the second former director of GP Nano to be disqualified from being a company director on the basis of his misconduct. On 27 November 2008 Mr Ong Hong Hoon, a former director of GP Nano, was disqualified from being a director or being involved in the management of any company for a period of five years (Note 2). The SFC is also taking similar action against three other former directors of the company (Note 3).

The SFC alleged that Chow had:

- provided misleading information to the market regarding five questionable transactions in two announcements;
- abdicated responsibility as director 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 his own duties as executive director 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.

“This is the third disqualification order made by the court against a listed company director for misconduct,” said Mr Mark Steward, the SFC’s Executive Director of Enforcement. “The SFC will continue its program of action against listed company directors who provide misleading information to the market and breach their duties to the company at the expense of shareholders. Shareholders are entitled to expect competent and honest governance from listed company directors (Note 4).”

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 Chow in 2006 (Please see [SFC press release](#) dated 30 March 2007).
2. The SFC obtained the first disqualification order against a company director for misconduct in May 2007 (Please see [SFC press release](#) dated 30 May 2007) and the second disqualification order in November 2008 (please see [SFC press release](#) dated 4 December 2008).
3. Hearing dates of the applications in relation to the other three former directors of GP Nano have not

yet been fixed.

4. The SFC has commenced three additional civil proceedings against nine current and former directors of other listed companies alleging misconduct and seeking disqualification orders and, in two of the proceedings, compensation orders. Please see SFC publication [Enforcement Reporter](#), Issue No. 61, January 2009, for more information.

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