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## Enforcement News

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18 November 2009

### Former director sentenced for disclosing false or misleading information

A former director, Mr Peter Ko Chung Ting of listed company Green Energy Group Ltd, previously known as China Nan Feng Group Ltd, was today ordered to serve 150 hours of community service for providing false or misleading information.

Ko was convicted on 5 November 2009 by Mr Thomas Chan, a Deputy Magistrate of the Eastern Magistracy. The Deputy Magistrate also ordered Ko to pay investigation costs of \$27,185 to the Securities and Futures Commission (SFC). Sentencing was adjourned until today pending reports on community service order and background reports on Ko.

On 29 November 2004, China Nan Feng issued an announcement relating to its placing and top-up subscription for 60 million shares, stating that none of the placees had an existing interest in China Nan Feng. However, three of the placees turned out to be existing shareholders of the company.

China Nan Feng issued another announcement on placing and top-up subscription, which involved 98.9 million shares, on 6 April 2005. Again, it stated that none of the placees had an existing interest in China Nan Feng. However, the SFC found that three of the placees were existing shareholders who had been holding shares before the November placing and top-up subscription.

Ko was the then executive director of China Nan Feng responsible for the approval of the two announcements, which had been given to the Stock Exchange of Hong Kong before they were published.

The SFC laid two summonses each against Ko and the company on 23 August 2007. The company pleaded guilty and was fined \$40,000 and ordered to pay investigation costs of \$27,185 to the SFC (Note 1).

Ko pleaded not guilty and a trial was fixed on 30 June 2008 when the defence sought an adjournment on the ground that there were common issues to be decided by the Court of Final Appeal in a separate case. The Court of Final Appeal delivered that judgement on 26 March 2009 and a trial was finally fixed on 5 October 2009 which lasted eight days (Note 2).

End

Notes:

1. On 8 November 2007, Green Energy Group Ltd pleaded guilty to two summonses of providing false or misleading information in the two announcements. For more details, please refer to SFC [press release](#) dated 8 November 2007.
2. The trial date for the SFC's first indictable prosecution of a listed company director for disclosing false and misleading information will be decided in the District Court tomorrow. For more details, please refer to SFC [press release](#) dated 14 July 2009.

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