

Enforcement News

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17 April 2008

SFC prohibits Lee Deng Charng from re-entering the industry

The SFC has prohibited Mr Lee Deng Charng from re-entering the industry for six months from 16 April to 15 October 2008 (Note 1).

The disciplinary action follows an SFC investigation which found that Lee, while acting as a principal supervisor to the listing application of Tungda Innovative Lighting Holdings Limited on the Growth Enterprise Market:

- failed to act with due skill, care and diligence in handling the listing application; and
- failed to adequately supervise his subordinates and the listing application.

Tungda was listed on the GEM on 26 July 2002 (Note 2). The listing was sponsored by Core Pacific-Yamaichi Capital Limited, and Lee was accredited to Core Pacific from 26 September 1996 to 26 July 2002.

The SFC found that the due diligence work conducted under the supervision of Lee was inadequate, and Lee was not sufficiently involved in the due diligence work.

On 20 November 2007, Lee applied to the Securities and Futures Appeals Tribunal (SFAT) to review the SFC's decision to suspend him for six months. On 2 April 2008, Lee withdrew his application for review (Note 3).

Ends

Notes:

1. Lee was licensed under the Securities and Futures Ordinance to carry on Type 1

(dealing in securities) and Type 6 (advising on corporate finance) regulated activities and was accredited to SBI E2-Capital Partners Limited until 28 August 2007. Lee applied to become a responsible officer of SBI E2-Capital (HK) Limited on 28 December 2006, but the application was withdrawn voluntarily on 30 August 2007. He is currently not accredited to any licensed corporation.

2. Investors have been unable to trade Tungda's shares since the stock was suspended on 29 July 2004. As at 28 July 2004, approximately \$98 million worth of Tungda's shares were held by the public.

3. Lee ceased to be licensed by the SFC since 24 February 2008. By order of the SFAT, the suspension is replaced with a prohibition order to prohibit Lee from re-entering the industry for the six months.

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