



SECURITIES AND FUTURES COMMISSION 證券及期貨事務監察委員會

12th Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong

香港中環皇后大道中十五號置地廣場公爵大廈十二樓

TO THE BUSINESS EDITOR
FOR IMMEDIATE RELEASE

22 November 2001

Press Release

SFC Reprimands Mr Lee Tak Lun

The Securities and Futures Commission (SFC) announced today that it had reprimanded Mr Lee Tak Lun (Lee), a dealer registered under the Securities Ordinance and a commodity dealer registered under the Commodities Trading Ordinance.

The reprimand stems from an inquiry concerning the misappropriation of client assets by an employee of Grand Securities Company Limited (Grand) during the period September 1998 to July 2000, which revealed that the internal controls and supervision of staff at Grand were inadequate and ineffective to protect its operation and clients from the apparent dishonest acts of the employee. As the dealing director responsible for the overall operation of the business of Grand, Lee bore direct responsibility for the failures of Grand.

The SFC concluded that the fitness and properness of Lee had been impugned and decided to publicly reprimand him. In deciding on this course, the SFC has taken into account that Grand had taken an immediate and proper action after the event and dismissed the employee and in the meantime engaged a firm of accountants to review its operation and Lee had caused Grand to improve its internal controls and supervision of staff by implementing the accountants' recommendations.

For enquiries, please contact Yue Sin Yui at 2842-7605, Katherine Wang at 2283-6861 or Ernest Lau at 2840-9470.

CC\01PR144