

Enforcement Actions

30 January 2002

SFC Prosecutes New Excellence Holdings Ltd for Contravening the Securities (Disclosure of Interests) Ordinance

The Securities and Futures Commission (SFC) announced today that New Excellence Holdings Ltd (New Excellence) had pleaded guilty to six breaches of the Securities (Disclosure of Interests) Ordinance for failing to report in a timely manner the sale of 33,802,000 shares in China Sci-Tech Holdings Ltd (China Sci-Tech) between 15 April 1999 to 15 December 1999. New Excellence failed to make such disclosure to China Sci-Tech and Hong Kong Exchanges and Clearing Limited (HKEx) until 19 August 2000.

The SFC accepts that the sales of the China Sci-Tech shares were made by a financier pursuant to a Deed of Charge and as such New Excellence may not have had precise details of the disposals. Nevertheless New Excellence was aware that disposals had been made. Mr Colin MacKintosh, a Magistrate at Western Magistracy, fined New Excellence a total of HK\$24,000 and ordered it to pay costs of HK\$16,430 to the SFC.

A spokesperson for the SFC reminded company directors and substantial corporate shareholders that failures to report are strict liability offences. Even if the exact and precise details of share disposals are not known, immediate notification to the relevant company and the HKEx that shares have been disposed are still required. Currently the requirement is to disclose within 5 business days.

Page last updated: 30 January 2002