

Enforcement Actions

3 March 2004

SFC Prosecutes Hotung Enterprises Limited, Eric Edward Hotung and Ho Shu Wah for Contravening the Securities (Disclosure of Interests) Ordinance

The SFC has successfully prosecuted Hotung Enterprises Limited and its directors, Mr Eric Edward Hotung (Eric Hotung) and Mr Ho Shu Wah (Ho) under the Securities (Disclosure of Interests) Ordinance (SDIO).

Hotung Enterprises Limited pleaded guilty to four summonses in relation to its failure to make (i) initial disclosure of its deemed interests in Cosmopolitan International Holdings Limited and (ii) disclosure of the decrease of its deemed interest in Cosmopolitan as a result of the increase in the issued share capital of Cosmopolitan on 5 March 2003. Under the SDIO, Hotung Enterprises Limited was under a duty to disclose to both the Hong Kong Exchange and Clearing Limited (HKEx) and Cosmopolitan within five days after becoming aware of the above events. Hotung Enterprises Limited only made notification to HKEx and Cosmopolitan on 9 September 2003, a delay of about six months.

In addition, Eric Hotung and Ho each pleaded guilty to two summonses in relation to their failures to make disclosure of the change in Hotung Enterprises Limited's deemed interest in Cosmopolitan within the prescribed period.

Mr Ian Candy, the Principal Magistrate at Eastern Magistracy, fined Hotung Enterprises Limited, Eric Hotung, and Ho a total of \$20,000 and ordered them to pay total costs of HK\$12,213 to the SFC.

An SFC spokesman reminds substantial shareholders that with the commencement of the Securities and Futures Ordinance on 1 April 2003, the notifiable threshold of securities interests and reporting timeframe have been reduced to 5% and three business days respectively.

Ends

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