

## Enforcement Actions

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29 August 2002

### **SFC Prosecutes China United Holdings Limited for Contravening the Securities (Disclosure of Interests) Ordinance**

The Securities and Futures Commission announces today that it has successfully prosecuted China United Holdings Limited, a corporate substantial shareholder of GR Investment International Limited, under the Securities (Disclosure of Interests) Ordinance (SDIO).

China United was found guilty of failing to report to GR and the Hong Kong Exchanges and Clearing Limited (HKEx), its disposal of 90 million shares of GR on 9 March 2001. Under the SDIO, China United had a duty to disclose to both GR and HKEx within five business days following the date of the transaction. China United did not notify the HKEx and GR until 16 May 2001.

Mr Anthony Yuen, a Magistrate at Western Magistracy, fined China United a total of \$1,000 and ordered it to pay the SFC's investigation costs of \$15,354. In passing sentence, Mr Yuen stressed that a nominal fine was imposed after due consideration of the fact that the delay was not due to bad faith or an intent to evade the reporting obligation.

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