

Real Grant fined \$650,000 in High Court for not having complied with Notices issued by SFC's Investigators

27 Feb 1997

The Securities and Futures Commission ("SFC") announced today that Real Grant Limited ("Real Grant") was fined \$650,000 in the High Court for failing to comply with Notices issued by SFC's investigators requiring production of banking and trading records.

In addition, Real Grant was ordered by Mr Justice Rogers to pay the full costs of the SFC on an indemnity basis.

The Notices under Section 33(4) of the Securities and Futures Commission Ordinance ("the Ordinance") were issued in furtherance of investigations into alleged manipulation by Real Grant of the share prices of a number of companies listed on the Stock Exchange of Hong Kong Limited.

Real Grant's failure to comply was first brought before Mr Justice Rogers on 7 November 1996. On that occasion Mr Justice Rogers indicated that he was satisfied that Real Grant failed to comply and he adjourned the case for two reasons, namely to allow the defendant an opportunity to make full disclosure and an opportunity to mitigate its failure.

In issuing the fine of \$650,000 under Section 33(13) of the Ordinance, Mr Justice Rogers today indicated that he did not view this as a matter of the defendant being obstinate in refusing to comply but there had nonetheless been a culpable failure to comply.

Mark Dickens, SFC's Executive Director of Enforcement, commenting on the matter, said that Mr Justice Rogers, by the imposition of this penalty had sent a clear message to the business community that compliance with a Notice issued under Section 33(4) of the Ordinance is an important requirement and those persons on whom Notices are served must be in no doubt that they must be complied with. The level of penalty clearly demonstrates the importance of the duty to comply.

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