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Market Misconduct Tribunal fines Health and Happiness and its chairman \$3.2 million in total for late disclosure of inside information

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The Market Misconduct Tribunal (MMT) has found that Health and Happiness (H&H) International Holdings Ltd (Health and Happiness) and its chairman and executive director Mr Luo Fei **failed to disclose inside information as soon as reasonably practicable** and **fined them \$1.6 million each** following proceedings brought by the Securities and Futures Commission (SFC) (Notes 1 & 2).

Health and Happiness and Luo admitted to a four-week delay in the company's disclosure of its financial deterioration for the five months ended 31 May 2015, compared with the same period in the previous year. Luo also admitted he had been negligent in failing to ensure that the company had made timely disclosure of the inside information (Note 3).

In addition to the fines, the MMT ordered that:

- Health and Happiness and Luo jointly and severally pay the SFC's investigation and legal costs, as well as the Government's costs of the MMT proceedings;
- Luo attends 10 hours of SFC-approved training on corporate disclosure regime, directors' duties and corporate governance.

End

Notes:

1. Health and Happiness was listed on the Main Board of the Hong Kong Stock Exchange on 17 December 2010 and was known as Biostime International Holdings Ltd (Biostime) when the alleged breach of the statutory corporate disclosure requirements occurred. The company was renamed as Health and Happiness on 8 June 2017.
2. Luo resigned as the chief executive officer of Health and Happiness with effect from 19 March 2019.
3. The MMT found that Health and Happiness had breached the disclosure requirement pursuant to section 307B(1) of the Securities and Futures Ordinance (SFO). The MMT also found that Luo had been negligent in respect of Biostime's failure to make timely disclosure, and therefore he was in breach of the disclosure requirements under section 307G(2)(a) of the SFO.
4. For more details, please see the SFC's press release dated [29 November 2018](#).

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