

香港特別行政區政府  
財經事務及庫務局  
財經事務科  
香港夏慤道十八號  
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FINANCIAL SERVICES AND  
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本函檔號 OUR REF.: LM (1) in G9/8/6 (2006) Pt. 4  
來函檔號 YOUR REF.:

31 October 2006

**BY FAX (Total : 5 pages)**

Clerk to Panel on Financial Affairs  
Legislative Council  
Legislative Council Building  
8 Jackson Road  
Central  
Hong Kong  
(Attn: Ms Rosalind Ma)

Dear Ms Ma,

**Panel on Financial Affairs**  
**Follow-up to special meeting on 29 September 2006**

Thank you for your letter dated 3 October 2006. Attached please find a bilingual note prepared by the Securities and Futures Commission in response to the follow-up questions raised by the Panel.

Concerning the number of meetings between the Financial Services and the Treasury Bureau (FSTB) and clients of the affected securities firms, the FSTB held two meetings with affected clients of Tiffit Securities (Hong Kong) Limited, on 28 July 2006 and 25 September 2006 respectively.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Aubrey Fung'.

( Miss Aubrey Fung )  
for Secretary for Financial Services and the Treasury

Encl.

c.c. SFC (Attn: Ms Doris Pak)  
AA/SFST

**SFC's response to the follow-up questions raised by the  
LegCo Panel on Financial Affairs**

- (a) Number of meetings between the staff of the Securities and Futures Commission (SFC) with the clients of the following three securities firms since the issuance of restrictions notices to the firms:
- (i) Whole Win Securities Limited
  - (ii) Tiffit Securities (Hong Kong) Limited; and
  - (iii) Wing Yip Company Limited.

**Reply:**

Since the issuance of restriction notices on the respective brokers, the SFC and the administrators of the respective brokers have met with a number of clients of the brokers or representatives of client organisations to handle their questions. In addition, the SFC and the administrators have answered numerous enquiries received by their hotlines. The SFC also issued press releases on regulatory actions taken on the brokers. The administrators of the respective brokers have also been keeping clients informed whenever there is any major development in their administration work by issuing press releases or circulars.

Up to 18 October 2006, the SFC had held the following meetings with clients of the respective brokers:

- (i) *Meetings between SFC staff and individual clients*

The SFC had in total 21 meetings with individual clients:

Name of broker	Number of meetings with individual clients
Whole Win	1
Tiffit	16
Wing Yip	4
Total	21

*(ii) Tripartite meetings between SFC staff, administrators and representatives of client organisations*

A tripartite meeting was held between SFC staff, the administrators and representatives of the client organisation of Tiffit on 9 August 2006.

A similar tripartite meeting was held between SFC staff, the administrators and representatives of the client organisation of Wing Yip on 6 October 2006.

(b) Information on investor compensation in respect of cases of securities firms failure in the past two years (including the three recent cases mentioned in item (a) above, including a breakdown of the cases by the following items:

- (i) number of clients affected; and
- (ii) amount of compensation paid to the affected clients through the Investor Compensation Fund.

Reply:

There have been no securities firm failures except for the following three cases in the past two years. Details of the claim position of these three cases as of end of September 2006 are summarised below.

Name of firm	Number of claims received
Whole Win Securities Company Limited	107
Tiffit Securities (Hong Kong) Limited	425
Wing Yip Company Limited	215

So far compensation payments have not been made from the Investor Compensation Fund as the Investor Compensation Company Limited (ICC) has to verify the claims with the administrators' records. The ICC is working closely with the relevant administrators in the verification process.