

## The Unified Exchange Compensation Fund

30 Jun 2000

The Securities and Futures Commission (SFC) announces that payments were made on 23 June 2000 from the Unified Exchange Compensation Fund to 88 claimants of C.A. Pacific Securities Ltd. (CAPS) and 97 claimants of Chark Fung Securities Company Ltd. (Chark Fung). These claimants suffered pecuniary losses as a result of the defaults of these two companies in 1998. Their claims were allowed or partially allowed by the Stock Exchange of Hong Kong Ltd. (SEHK). Claimants receive the amounts allowed by the SEHK up to the limit of \$150,000, in accordance with the compensation arrangement announced in June 1998. This tranche of payments out of the Compensation Fund will be \$4,991,027.20 in respect of CAPS and \$4,231,234.75 in respect of Chark Fung.

With these payments, the amount that has been paid out to-date from the Compensation Fund in respect of the default of CAPS is \$287,910,443.93 and \$112,811,272.25 in respect of Chark Fung. The number of claimants in respect of CAPS, who have received payment is 3,764 out of a total of 5,171 claimants. The number of claimants in respect of Chark Fung, who have received payment is 1,780 out of a total of 2,267 claimants.

The SEHK has determined all the claims relating to Forlux Securities Ltd. (Forlux) and SFC has also made payments amounting to \$30,518,931.42 to 430 claimants of Forlux. 8 claims were disallowed. After all claims have been determined, SEHK has prorated the \$8 million per broker compensation limit under section 109 of the Securities Ordinance based on the total amount of all allowed claims. There are eight claimants whose apportioned amounts of compensation are greater than the payments already made to them. Arrangements are being made to make additional payments amounting to \$544,170.49 to these eight claimants to bring their compensation payments up to their respective pro rata entitlements.

On 24 January 2000, a restriction notice was issued by the SFC following revelation of Win Successful Securities Limited's (Win Successful) financial difficulties. A notice calling for claims against the UECF in respect of Win Successful Securities Limited was published by the SEHK on 27 January 2000 and the claim period closed on 2 May 2000. The SEHK considers Win Successful to be an exceptional case and has decided in consultation with the SFC that the per claimant of \$150,000 will apply and the approval has been granted by the Commission.

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