



SFC PRESS RELEASE

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TO THE BUSINESS EDITOR
FOR IMMEDIATE RELEASE

SFC Successfully Prosecutes Upbest Investment Company Limited and its Financial Controller Choy Ye King Andy for Providing Misleading Information and Failing to Notify the SFC of its Liquid Capital Deficiencies

The SFC has successfully prosecuted Upbest Investment Company Limited and its financial controller Mr Choy Ye King Andy for providing false and misleading information to the SFC and failing to notify the SFC of its liquid capital deficiencies.

An SFC investigation revealed that during the period from November 2002 to January 2003, Choy had included cheques, which were received from the related entities of Upbest Investment but yet to be deposited into the bank account of Upbest Investment, in the calculation of the liquid capital during their reporting to the SFC pursuant to the Financial Resources Rules. However, when the cheques were deposited a few days afterwards, a similar amount of money was withdrawn again in favour of its related entities. As a result, the liquid capital position of Upbest Investment was inflated by an amount in the range of \$10 million to \$14 million. Upbest Investment was also found to have failed to comply with the minimum liquid capital requirement under the Financial Resources Rules on both 31 December 2002 and 2 January 2003.

Upbest Investment and Choy pleaded guilty to eight summonses today before Mr Johnny Chan, a Magistrate at Eastern Magistracy for breaches of section 56A(1)(a) of the Securities and Futures Commission Ordinance and section 121AC(1) of the Securities Ordinance and were fined a total of \$31,000. Upbest Investment was ordered to pay investigation costs of \$59,213 to the SFC.

Ends