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TO THE BUSINESS EDITOR
FOR IMMEDIATE RELEASE

**SFC Reprimands Tiffit Securities (Hong Kong) Limited
for Window Dressing its Financial Position and
Suspends Kwok Wood Yan and Fong Shik Yee**

The SFC has reprimanded Tiffit Securities (Hong Kong) Limited and suspended its responsible officer Ms Fong Shik Yee for three months and 15 days from 24 December 2004 to 7 April 2005 (both dates inclusive). The SFC will also suspend Mr Kwok Wood Yan, another responsible officer of Tiffit, for seven months from 8 April 2005 to 7 November 2005 (both dates inclusive) (Note 1).

Tiffit and Kwok were prosecuted for providing misleading information to the SFC, failing to maintain the required level of liquid capital and failing to notify the SFC of its liquid capital deficiencies. Fong was also prosecuted for breaches relating to the keeping of trust accounts (Note 2).

As a result of their criminal convictions, the SFC concludes that Tiffit, Kwok and Fong have been guilty of misconduct and their fitness and properness has been called into question.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Compliance with the Financial Resources Rules (FRR) is vital to ensuring that a licensed corporation is adequately capitalised and can therefore meet its obligations to clients, other market participants and creditors. This is essential to the integrity of the market as a whole. As a result, the SFC views breaches of the FRR by licensed corporations very seriously.

"A licensed corporation through its management is obliged to notify the SFC promptly on becoming aware of its inability to maintain the required liquid capital, and immediately cease carrying on all regulated activities except if the SFC otherwise permits. The licensed corporation is not entitled to transfer client money from client trust accounts for any reason unless with clients' authorisation and in accordance with the laws. Any attempt to window dress the financial position of a licensed corporation warrants heavy penalty. We will continue to investigate, prosecute and discipline licensed corporations and members of their management who fail to comply with these requirements," Mr Linning said.

Ends



Notes to Editor:

1. Tiffit Securities (Hong Kong) Limited is a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities. Kwok and Fong are responsible officers of Tiffit and they are licensed to carry on Type 1, 4, 6, 7 and 9 regulated activities.
2. For details, please refer to SFC press release dated 18 August 2003.
3. For enquiries, please contact Ernest Lau at 2840 9470.

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