

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND
FUTURES ORDINANCE CHAPTER 571 (SFO)

It appears to the Securities and Futures Commission (**Commission**), for the reasons set out in the Statement of Reasons of this date, that the Commission should exercise the powers conferred by sections 204 and 205 of the SFO.

THE COMMISSION GIVES NOTICE THAT:

Except with the Commission's prior written consent, such consent to be granted by any two Executive Directors of the Commission:

1. Under sections 204(1)(a) and 205(1) of the SFO, **Kingston Securities Limited** (the "**Specified Corporation**") is, in respect of all accounts of which a particular person is a beneficiary including but not limited to the following accounts (**the Accounts**):

Account no.
55358
54026
53075

- (a) prohibited from disposing of or dealing with, assisting, counselling or procuring another person to dispose of or deal with, any assets in any way in the Accounts up to the total value of **HK\$10,168,752,898**, including:
 - (i) entering into transactions for any securities;
 - (ii) processing any withdrawals or transfers of securities and/or cash or any transfers of money arising from the disposal of securities;
 - (iii) disposing of or dealing with any securities or cash on the instructions of any authorized person of the Accounts or by any person acting on their behalf;
 - (iv) assisting another person to dispose of any relevant property or deal with any relevant property in a specified manner;
- (b) required to notify the Commission immediately upon receipt of any instruction from the authorized person of the Accounts, or by any person acting on their behalf, regarding:
 - (i) any requests to withdraw any securities or cash from the Accounts, and/or transfer money arising from the disposal of any securities, which would result in the value of assets remaining in the Accounts to fall below the value of **HK\$10,168,752,898**; and/or
 - (ii) any requests to dispose of or deal with any securities or cash which concern those assets subject to the prohibitions in (a) above.

2. Notwithstanding paragraph 1, the Specific Corporation may deal with or dispose of securities in the Accounts to cover the negative cash balance in the Accounts. The cash and securities remaining in the Accounts following the disposal of securities shall remain in the Accounts and be subject to the prohibitions in paragraph 1 above.
3. Under section 217 of the SFO, an application may be made to the Securities and Futures Appeal Tribunal for a review of the Commission's decision to impose the prohibition and/or requirement imposed by this Notice. Such application must be made within twenty-one days after the day on which this Notice is served on the Specified Corporation. Further, under section 208 of the SFO, the Specified Corporation may apply to the Commission for the prohibition and/or requirement imposed by this Notice to be withdrawn, substituted or varied.

This Notice takes effect at the time of service upon the Specified Corporation.

Date this 17th day of September 2018

For and on behalf of the Commission

Ashley Alder
Chief Executive Officer

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND
FUTURES ORDINANCE CHAPTER 571 (SFO)

It appears to the Securities and Futures Commission (**Commission**), for the reasons set out in the Statement of Reasons of this date, that the Commission should exercise the powers conferred by sections 204 and 205 of the SFO.

THE COMMISSION GIVES NOTICE THAT:

Except with the Commission's prior written consent, such consent to be granted by any two Executive Directors of the Commission:

1. Under sections 204(1)(a) and 205(1) of the SFO, **Satinu Markets Limited (the "Specified Corporation")** is, in respect of all accounts of which a particular person is a beneficiary (**the Accounts**):
 - (a) prohibited from disposing of or dealing with, assisting, counselling or procuring another person to dispose of or deal with, any assets in any way in the Accounts up to the total value of **HK\$10,168,752,898**, including:
 - (i) entering into transactions for any securities;
 - (ii) processing any withdrawals or transfers of securities and/or cash or any transfers of money arising from the disposal of securities;
 - (iii) disposing of or dealing with any securities or cash on the instructions of any authorized person of the Accounts or by any person acting on their behalf;
 - (iv) assisting another person to dispose of any relevant property or deal with any relevant property in a specified manner;
 - (b) required to notify the Commission immediately upon receipt of any instruction from the authorized person of the Accounts, or by any person acting on their behalf, regarding:
 - (i) any requests to withdraw any securities or cash from the Accounts, and/or transfer money arising from the disposal of any securities, which would result in the value of assets remaining in the Accounts to fall below the value of **HK\$10,168,752,898**; and/or
 - (ii) any requests to dispose of or deal with any securities or cash which concern those assets subject to the prohibitions in (a) above.
2. Notwithstanding paragraph 1, the Specific Corporation may deal with or dispose of securities in the Accounts to cover the negative cash balance in the Accounts. The cash and securities remaining in the Accounts following the disposal of securities shall remain in the Accounts and be subject to the prohibitions in paragraph 1 above.
3. Under section 217 of the SFO, an application may be made to the Securities and Futures Appeal Tribunal for a review of the Commission's decision to impose the

prohibition and/or requirement imposed by this Notice. Such application must be made within twenty-one days after the day on which this Notice is served on the Specified Corporation. Further, under section 208 of the SFO, the Specified Corporation may apply to the Commission for the prohibition and/or requirement imposed by this Notice to be withdrawn, substituted or varied.

This Notice takes effect at the time of service upon the Specified Corporation.

Date this 17th day of September 2018

For and on behalf of the Commission

Ashley Alder
Chief Executive Officer

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND
FUTURES ORDINANCE CHAPTER 571 (SFO)

It appears to the Securities and Futures Commission (**Commission**), for the reasons set out in the Statement of Reasons of this date, that the Commission should exercise the powers conferred by sections 204 and 205 of the SFO.

THE COMMISSION GIVES NOTICE THAT:

Except with the Commission's prior written consent, such consent to be granted by any two Executive Directors of the Commission:

1. Under sections 204(1)(a) and 205(1) of the SFO, **HSBC Broking Securities (Asia) Limited** (the "**Specified Corporation**") is, in respect of all accounts of which a particular person is a beneficiary including but not limited to the following accounts (**the Accounts**):

Account no.	Account type
841717	Cash
841726	Margin

- (a) prohibited from disposing of or dealing with, assisting, counselling or procuring another person to dispose of or deal with, any assets in any way in the Accounts up to the total value of **HK\$10,168,752,898**, including:
 - (i) entering into transactions for any securities;
 - (ii) processing any withdrawals or transfers of securities and/or cash or any transfers of money arising from the disposal of securities;
 - (iii) disposing of or dealing with any securities or cash on the instructions of any authorized person of the Accounts or by any person acting on their behalf;
 - (iv) assisting another person to dispose of any relevant property or deal with any relevant property in a specified manner;
- (b) required to notify the Commission immediately upon receipt of any instruction from the authorized person of the Accounts, or by any person acting on their behalf, regarding:
 - (i) any requests to withdraw any securities or cash from the Accounts, and/or transfer money arising from the disposal of any securities, which would result in the value of assets remaining in the Accounts to fall below the value of **HK\$10,168,752,898**; and/or
 - (ii) any requests to dispose of or deal with any securities or cash which concern those assets subject to the prohibitions in (a) above.
2. Notwithstanding paragraph 1, the Specific Corporation may deal with or dispose of securities in the Accounts to cover the negative cash balance in the Accounts. The

cash and securities remaining in the Accounts following the disposal of securities shall remain in the Accounts and be subject to the prohibitions in paragraph 1 above.

3. Under section 217 of the SFO, an application may be made to the Securities and Futures Appeal Tribunal for a review of the Commission's decision to impose the prohibition and/or requirement imposed by this Notice. Such application must be made within twenty-one days after the day on which this Notice is served on the Specified Corporation. Further, under section 208 of the SFO, the Specified Corporation may apply to the Commission for the prohibition and/or requirement imposed by this Notice to be withdrawn, substituted or varied.

This Notice takes effect at the time of service upon the Specified Corporation.

Date this 17th day of September 2018

For and on behalf of the Commission

Ashley Alder
Chief Executive Officer

Statement of Reasons
Under section 209(2) of the Securities and Futures Ordinance (Cap. 571)
(SFO)

- Kingston Securities Limited (**KSL**), Satinu Markets Limited (**Satinu**) and HSBC Broking Securities (Asia) Limited (**HSBC Broking Sec. Asia**) (collectively referred to as the “**Specified Corporations**”) are corporations licensed under the SFO to carry out various regulated activities as follows:
 - KSL – Type 1 regulated activity
 - Satinu – Type 1 and 6 regulated activities
 - HSBC Broking Sec. Asia – Type 1 and 4 regulated activities
- It appears to the Securities and Futures Commission (**Commission**) that the imposition of the prohibitions and the requirements set out in the Notices of this date issued by the Commission under sections 204 and 205 of the Securities and Futures Ordinance (**SFO**) is desirable in the interest of the investing public and in the public interest.
- The Commission has reached this view on the basis of the following matters:
 - (a) According to the current findings from our investigation, it is suspected that a particular person (who is a beneficiary of various accounts with the Specified Corporations) (the “**Person**”) orchestrated fraudulent schemes by colluding with certain personnel of the management of a listed company and/or its subsidiaries (**the Group**) in 2 suspicious transactions stemming from a loan facility indirectly granted to the Person by the listed company.
 - (b) In relation to the first transaction, it is reasonably suspected that the Person might have colluded with persons within the management of the Group to engage in a scheme to defraud the Group by procuring the listed company’s subsidiary to purchase from the Person’s wholly owned company, shares of another listed company on terms which were unfavourable to the purchaser and inconsistent with the purported underlying purpose of the transaction. It is reasonably suspected that the true purpose was to enable the Person to profit from the transaction at the expense of the Group.
 - (c) In relation to the second transaction, it is reasonably suspected that the Person colluded with persons within the management of the Group to enable him to sell, via his wholly owned company, a substantial interest in another non-listed company to certain funds subscribed by the Group at a significant overvalue, defrauding the Group to make significant profits for himself to the detriment of the Group.
 - (d) In view of the foregoing, the Person and/or persons connected with him might have committed the offence of fraud or deception involving securities under section 300 of the SFO.
 - (e) The Commission is of the view that the Group through these suspicious acquisitions might have suffered aggregate losses of approximately HK\$10.17 billion. If the Person and/or any person connected with him is found liable under any of the provisions of the SFO specified above, he/she may be ordered to take such steps as the Court of First Instance may direct,

including steps to restore the parties to any transaction to the position in which they were before the transaction was entered into or to compensate these victims under section 213 of the SFO.

- (f) The Person has securities and cash at the Specified Corporations with an estimated value totalling HK\$4.64 billion. The Commission believes that it is necessary to prevent the Person and/or persons connected with them from operating and dealing with the accounts and to preserve the assets in the accounts pending further investigation, including fund tracing.
- (g) The Person is the Chairman of a listed company. The company purportedly lost contact with the Person and recent news reports appear to indicate that the Person might be abroad or under investigation in the PRC as a suspect in a corruption case. In those circumstances, a risk of dissipation of assets by the Person has arisen.
- (h) The Commission considers it desirable in the interest of the investing public and in the public interest to impose on the Specified Corporations the prohibitions and the requirements set out in the Notices issued by the Commission on this date.

Date this 17th day of September 2018

For and on behalf of the Commission

Ashley Alder
Chief Executive Officer