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SFC issues restriction notices to nine brokers to freeze client accounts linked to suspected market manipulation of China Ding Yi Feng shares

20 Mar 2019

The Securities and Futures Commission (SFC) has issued restriction notices to nine brokers, prohibiting them from dealing with or processing certain assets held in their clients' accounts which are related to suspected market manipulation in the shares of China Ding Yi Feng Holdings Limited (China Ding Yi Feng) between 2018 and early 2019 (Notes 1 & 2).

The nine brokers are: Futu Securities International (Hong Kong) Limited, GF Securities (Hong Kong) Brokerage Limited, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Orient Securities (Hong Kong) Limited, SBI China Capital Financial Services Limited, Shenwan Hongyuan Securities (H.K.) Limited, Sun Hung Kai Investment Services Limited, and Yunfeng Securities Limited.

The SFC is not investigating these brokers, which have cooperated with the SFC's ongoing investigation. The restriction notices do not affect their operations or their other clients.

The restriction notices prohibit them, without the SFC's prior written consent, 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 client accounts, including: (i) entering into transactions for any securities; and/or (ii) processing any withdrawals or transferring of securities and/or cash arising from the disposal of securities; and/or (iii) disposing of or dealing with any securities or cash on the instructions of any authorized persons of the client accounts or by any persons acting on their behalf; and/or (iv) assisting another person to dispose of or deal with any relevant property in the client accounts in any manner. The brokers are also required to notify the SFC if they receive any of these instructions.

The SFC considers that the issue of the restriction notices is desirable in the interest of the investing public or in the public interest.

The SFC's investigation is continuing.

End

Notes:

1. The SFC issued the restriction notices pursuant to sections 204 and 205 of the Securities and Futures Ordinance (SFO).
2. China Ding Yi Feng, listed under Chapter 21 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited on 2 January 2002, was eligible for trading by both Mainland and Hong Kong investors via Shenzhen-Hong Kong Stock Connect. The SFC suspended trading of China Ding Yi Feng's shares under section 8(1) of the Securities and Futures (Stock Market Listing) Rules with effect from 9:00 am on 8 March 2019 as part of the SFC investigation which started in mid-2018 into the suspicious trading in China Ding Yi Feng's shares which appeared to create a false market in the company's shares leading to an irrationally high share price. The SFC's main concern related to whether an orderly and fair market for China Ding Yi Feng's shares existed.

Page last updated : 20 Mar 2019

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND
FUTURES ORDINANCE (Chapter 571) (the ‘SFO’)

It appears to the Securities and Futures Commission (the “**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, Futu Securities International (Hong Kong) Limited (the “**Specified Corporation**”) is, in respect of the following accounts (the “**Accounts**”):

Account no.
1001100120131252
1001100120096310

- (a) subject to paragraph 2, 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, 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 authorised 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 authorised 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
 - (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 20th day of March 2019

For and on behalf of the Commission

Keith Lui
Acting Chief Executive Officer

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND
FUTURES ORDINANCE (Chapter 571) (the ‘SFO’)

It appears to the Securities and Futures Commission (the “**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, GF Securities (Hong Kong) Brokerage Limited (the “**Specified Corporation**”) is, in respect of the following accounts (the “**Accounts**”):

Account no.
10198695
10199125
10199099
10190338
10638107
10186862
10186863
10195186

- (a) subject to paragraph 2, 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, 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 authorised 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 authorised 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

- (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 20th day of March 2019

For and on behalf of the Commission

Keith Lui
Acting Chief Executive Officer

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND
FUTURES ORDINANCE (Chapter 571) (the ‘SFO’)

It appears to the Securities and Futures Commission (the “**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, Guotai Junan Securities (Hong Kong) Limited (the “**Specified Corporation**”) is, in respect of the following accounts (the “**Accounts**”):

Account no.
139626
150117

- (a) subject to paragraph 2, 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, 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 authorised 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 authorised 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
 - (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 20th day of March 2019

For and on behalf of the Commission

Keith Lui
Acting Chief Executive Officer

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND FUTURES ORDINANCE (Chapter 571) (the ‘SFO’)

It appears to the Securities and Futures Commission (the “**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, Haitong International Securities Company Limited (the “**Specified Corporation**”) is, in respect of the following accounts (the “**Accounts**”):

Account no.
02-0329600-30
02-0277695-30

- (a) subject to paragraph 2, 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, 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 authorised 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 authorised 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
 - (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 20th day of March 2019

For and on behalf of the Commission

Keith Lui
Acting Chief Executive Officer

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND
FUTURES ORDINANCE (Chapter 571) (the ‘SFO’)

It appears to the Securities and Futures Commission (the “**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, Orient Securities (Hong Kong) Limited (the “**Specified Corporation**”) is, in respect of the following accounts (the “**Accounts**”):

Account no.
100201507-201507
100201508-201508
100201960-201960
100201502-201502

- (a) subject to paragraph 2, 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, 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 authorised 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 authorised 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
 - (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 20th day of March 2019

For and on behalf of the Commission

Keith Lui
Acting Chief Executive Officer

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND FUTURES ORDINANCE (Chapter 571) (the ‘SFO’)

It appears to the Securities and Futures Commission (the “**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, SBI China Capital Financial Services Limited (the “**Specified Corporation**”) is, in respect of the following account (the “**Account**”):

Account no.
C007029

- (a) subject to paragraph 2, 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 Account, 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 authorised person of the Account 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 authorised person of the Account, or by any person acting on their behalf, regarding:
 - (i) any requests to withdraw any securities or cash from the Account; 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 Account to cover the negative cash balance in the Account. The cash and securities remaining in the Account following the disposal of securities shall remain in the Account 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 20th day of March 2019

For and on behalf of the Commission

Keith Lui
Acting Chief Executive Officer

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND FUTURES ORDINANCE (Chapter 571) (the ‘SFO’)

It appears to the Securities and Futures Commission (the “**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, Shenwan Hongyuan Securities (H.K.) Limited (the “**Specified Corporation**”) is, in respect of the following account (the “**Account**”):

Account no.
0545367-00-1

- (a) subject to paragraph 2, 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 Account, 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 authorised person of the Account 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 authorised person of the Account, or by any person acting on their behalf, regarding:
 - (i) any requests to withdraw any securities or cash from the Account; 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 Account to cover the negative cash balance in the Account. The cash and securities remaining in the Account following the disposal of securities shall remain in the Account 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 20th day of March 2019

For and on behalf of the Commission

Keith Lui
Acting Chief Executive Officer

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND
FUTURES ORDINANCE (Chapter 571) (the ‘SFO’)

It appears to the Securities and Futures Commission (the “**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, Sun Hung Kai Investment Services Limited (the “**Specified Corporation**”) is, in respect of the following accounts (the “**Accounts**”):

Account no.
16165845 0001
16166124 0001

- (a) subject to paragraph 2, 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, 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 authorised 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 authorised 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
 - (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 20th day of March 2019

For and on behalf of the Commission

Keith Lui
Acting Chief Executive Officer

NOTICE UNDER SECTIONS 204 AND 205 OF THE SECURITIES AND
FUTURES ORDINANCE (Chapter 571) (the ‘SFO’)

It appears to the Securities and Futures Commission (the “**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, Yunfeng Securities Limited (the “**Specified Corporation**”) is, in respect of the following account (the “**Account**”):

Account no.
5006159-500615902

- (a) subject to paragraph 2, 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 Account, 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 authorised person of the Account 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 authorised person of the Account, or by any person acting on their behalf, regarding:
 - (i) any requests to withdraw any securities or cash from the Account; 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 Account to cover the negative cash balance in the Account. The cash and securities remaining in the Account following the disposal of securities shall remain in the Account 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 20th day of March 2019

For and on behalf of the Commission

Keith Lui
Acting Chief Executive Officer