

**Notice under Sections 204 and 205 of the Securities and Futures Ordinance
Cap. 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, SBI China Capital Financial Services Limited (**Specified Corporation**) is, in respect of the following client accounts (**Accounts**):

	Account no.	Securities balance as at 24 October 2024 (HKD)	Cash balance as at 24 October 2024 (HKD)	Amount to be restricted (Restriction Amount) (HKD)
1.	C008444	442.00	9,218,140.78	9,237,800.00
2.	C008445	2,182.82	2,871,398.25	2,877,600.00

- (a) prohibited from disposing of or dealing with, or assisting, counselling or procuring another person to dispose of or deal with, any assets in any way in the Accounts, up to the Restriction Amount listed in the table above, including:
 - (i) entering into transactions in respect of any securities;
 - (ii) processing any withdrawals or transfers of securities and/or cash on the instructions of any authorized person of the Accounts or by any person acting on their behalf;
 - (iii) disposing of or dealing with any securities and/or cash on the instructions of any authorized person of the Accounts or by any person acting on their behalf; and/or
 - (iv) assisting another person to dispose of any relevant property or deal with any relevant property in a specified manner; and
- (b) required to notify the Commission immediately upon receipt of any instruction from any authorized person of the Accounts, and/or by any person acting on their behalf, regarding:
 - (i) any request to withdraw or transfer any securities and/or cash from the Accounts; and/or
 - (ii) any requests to dispose of or deal with any securities and/or cash which concern those assets subject to the prohibitions in (a) above.

2. Notwithstanding paragraph 1, the Specified Corporation may deal with or dispose of

securities in the Accounts to cover any 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 Appeals Tribunal for a review of the Commission's decision to impose the prohibitions and/or requirements set out in this Notice. Such application must be made within twenty-one days after the day on which this Notice is served on the Specified Corporation.
4. Under section 208 of the SFO, the Specified Corporation may apply to the Commission for the prohibitions and/or requirements imposed by this Notice to be withdrawn, substituted or varied.

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

Dated this 20th day of November 2024

For and on behalf of the Commission

Julia Leung
Chief Executive Officer

Statement of Reasons

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

1. Interactive Brokers Hong Kong Limited (**IBHK**), SBI China Capital Financial Services Limited (**SBI**), Monmonkey Group Securities Limited (**Monmonkey**) and Soochow Securities International Brokerage Limited (**Soochow**) (collectively referred to as the **Specified Corporations**) are corporations licensed under the SFO to carry on various regulated activities as follows:
 - IBHK – Type 1, 2 and 3 regulated activities
 - SBI – Type 1, 4 and 9 regulated activities
 - Monmonkey – Type 1 and 4 regulated activities
 - Soochow – Type 1 and 4 regulated activities
2. It appears to the Securities and Futures Commission (**Commission**) that the imposition of the prohibitions and requirements set out in the Notices of this date issued by the Commission under sections 204 and 205 of the SFO is desirable in the interest of the investing public or in the public interest.
3. The Commission has reached this view on the basis of the following matters:
 - (a) On 25 October 2024, the Commission received a report from a brokerage firm in relation to unauthorized access into 6 different client accounts via the internet which resulted in a number of unauthorized stock purchases for a stock listed on The Stock Exchange of Hong Long Limited (**SEHK**) (**Company A**) on 24 October 2024.
 - (b) On 6 November 2024, the Commission received another report from the brokerage firm in relation to further unauthorized access into and purchases from 5 other client accounts for another stock listed on SEHK (**Company B**) on 6 November 2024.
 - (c) The Commission suspects that these client accounts might have been hacked by market manipulators and the share prices of Company A and Company B experienced substantial movements due to the aggressive purchases from the hacked accounts.
 - (d) Whilst the investigation is still ongoing, evidence obtained by the Commission to date suggests that certain traders (**Traders**) might have been involved with the suspected hackers in manipulative trading and/or participated in a deceptive scheme in respect of the dealings in shares of Company A and Company B on and around 24 October 2024 and 6 November 2024 respectively, by inflating the share prices to an artificially high level to enable the subsequent disposals of these shares by the Traders at significant profit.
 - (e) The accounts which are the subject of the Notices of this date issued by the Commission under sections 204 and 205 of the SFO are securities accounts belonging to the Traders which contain the sale proceeds of the suspected manipulative activities.
 - (f) The Commission has reasons to suspect that false trading, price rigging and/or stock market manipulation within the meaning of sections 274, 275 and 278 of the SFO might have taken place and/or persons might have committed offences under sections 295, 296, 299 and/or 300 of the SFO and/or breached Part XV of the SFO.
 - (g) Where it appears to the Commission that a person has contravened any of the provisions of the SFO specified above, the Court of First Instance (**CFI**), on the

application of the Commission, may make an order requiring the person to take such steps as the CFI may direct, including steps to restore the parties to the transaction to the position in which they were before the transaction was entered into, or to pay damages under section 213 of SFO. Further action taken by the Commission may result in the person be ordered to disgorge the profits he/she has made.

- (h) The Commission believes that it is necessary to prevent the Traders and/or person(s) connected with the Traders from operating and dealing with the accounts specified in the Notices and to preserve the cash and securities in the accounts pending further investigation.
- (i) As there is a potential risk of dissipation, the Commission considers that it is desirable in the interest of the investing public or in the public interest to impose on the Specified Corporation the prohibitions and requirements as set out in the Notices issued by the Commission on this date.

Dated this 20th day of November 2024

For and on behalf of the Commission

Julia Leung

Chief Executive Officer