

**Notice under section 208 of the
Securities and Futures Ordinance
Cap. 571 (SFO)**

On 4 March 2025, the Securities and Futures Commission (**Commission**) gave notice under sections 204 and 205 of the SFO to Phillip Securities (Hong Kong) Limited (**Specified Corporation**) in respect of the accounts (**Accounts**) of the following clients (**Clients**) (**4th March Notice**):

Identity number of the Client	Amount to be restricted for each Client (Restriction Amount) (HK\$)
██████████ (Client A)	2,028,149
██████████ (Client B)	1,771,354
██████████	3,082,114
██████████	10,142,304

It appears to the Commission that, in light of the latest account balances of the Clients, the Commission should exercise the powers conferred by section 208 of the SFO to vary the 4th March Notice.

THE COMMISSION GIVES NOTICE THAT:

The 4th March Notice is varied as follows:

- **The Restriction Amount for Client A is changed from HK\$2,028,149 to HK\$1,586,463.**
- **The Commission withdraws the prohibitions and/or requirements imposed by the 4th March Notice on the Specified Corporation in respect of the Accounts of Client B.**

All other prohibitions and requirements set out in the 4th March Notice remain unchanged and in force.

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

Dated this 31st day of March 2025

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. Bright Smart Securities International (H.K.) Limited (**Bright Smart**), Chief Securities Limited (**Chief**), Everbright Securities Investment Services (HK) Limited (**Everbright**), Futu Securities International (Hong Kong) Limited (**Futu**), Hafoo Securities Limited (**Hafoo**), Interactive Brokers Hong Kong Limited (**Interactive**), KGI Asia Limited (**KGI**), Phillip Securities (Hong Kong) Limited (**Phillip**), Telecom King Securities Limited (**Telecom King**), and Yuanta Securities (Hong Kong) Company Limited (**Yuanta**) (collectively, **Specified Corporations**) are corporations licensed under the SFO to carry on the following regulated activities:
 - Bright Smart – Type 1, 4 and 7 regulated activities
 - Chief – Type 1, 4, 7 and 9 regulated activities
 - Everbright – Type 1, 4 and 9 regulated activities
 - Futu – Type 1, 2, 3, 4, 5, 7 and 9 regulated activities
 - Hafoo – Type 1, 4, 7 and 9 regulated activities
 - Interactive – Type 1, 2 and 3 regulated activities
 - KGI – Type 1 and 4 regulated activities
 - Phillip – Type 1, 4, 7 and 9 regulated activities
 - Telecom King – Type 1 and 2 regulated activities
 - Yuanta – Type 1, 2, 4, 5, 6 and 9 regulated activities
2. On 4 March 2025, the Securities and Futures Commission (**Commission**) issued restriction notices (**Restriction Notices**) to the Specified Corporations to impose prohibitions and requirements on the accounts of their clients as set out in the Restriction Notices.
3. The Commission issued the Restriction Notices under sections 204 and 205 of the SFO, and the reasons for issuing the Restriction Notices were specified in the statement of reasons dated 4 March 2025 as follows:
 - (a) During the period from November 2018 to December 2024, 48 companies, whose shares and/or derivatives are/were listed on the Main Board or GEM of the Stock Exchange of Hong Kong Limited, had released announcements of transactions pursuant to The Hong Kong Code on Takeovers and Mergers (**Transactions**). The Transactions were perceived by the market as positive news.
 - (b) Whilst the investigation is still ongoing, evidence obtained by the Commission to date suggests that a group of traders (**Traders**) might have information which they knew was inside information in relation to the Transactions and which they received, directly or indirectly, from people whom they knew were regarded as connected with those Companies and whom, they knew or has reasonable cause to believe, held the information as a result of being connected with the Companies, dealt in the securities of the Companies.

- (c) The clients of the Specified Corporations (**Clients**) whose accounts are subject to the prohibitions and requirements imposed by the Restriction Notices issued by the Commission are amongst the Traders.
 - (d) The Commission has reasons to suspect that the Traders, in respect of the dealings in the securities of the Companies, might have engaged in insider dealing contrary to section 270 of the SFO and/or committed offences contrary to sections 291 and/or 300 of the SFO.
 - (e) 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.
 - (f) The Commission believes that it is necessary to prevent the Clients and/or person(s) connected with the Clients from operating and dealing with the accounts specified in the Restriction Notices and to preserve the cash and securities in the accounts pending further investigation.
 - (g) 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 Corporations the prohibitions and requirements as set out in the Restriction Notices.
4. The Commission believes that, in light of the latest account balances of the Clients, the Commission should exercise the powers conferred by section 208 of the SFO to vary the Restriction Notices to adequately preserve the cash and securities in the accounts of the Clients pending further investigation and any subsequent proceedings which may be issued by the Commission.

Dated this 31st day of March 2025

For and on behalf of the Commission

Julia Leung

Chief Executive Officer