

STATEMENT OF DISCIPLINARY ACTION

The Disciplinary Action

1. The Securities and Futures Commission (**SFC**) has prohibited Mr Poon Chun Hing (**Poon**)¹ from re-entering the industry for 30 months pursuant to section 194 of the Securities and Futures Ordinance (**SFO**).
2. The SFC found that Poon:
 - (a) provided false and/or misleading information to a friend (**Chan**) to delay payment of the original investment and the return to her;
 - (b) gave false and/or misleading information during his interviews with the SFC; and
 - (c) conducted securities and futures transactions for himself and Chan through an unlicensed corporation.

Summary of Facts

Providing false and/or misleading information to Chan to delay payment

3. In or around July 2015, Poon entered into an agreement with Chan (**Agreement**) whereby Chan agreed to deposit \$50,000 into Poon's account and Poon agreed to invest for Chan without charging her any performance fees for a one-year period.
4. According to the Agreement, the target annual return for the investment was 100%. Poon agreed to bear any financial losses that might result from the investment and distribute the investment return to Chan on a monthly basis.
5. Contrary to the Agreement, except for a sum of \$4,000, Poon did not distribute any investment return to Chan during the one-year investment period.
6. In late July/early August 2016, when Chan approached Poon to retrieve her original investment and the return, Poon lied that he had entered into some binding options contracts for Chan which had to remain open until their expiry date as early termination would lead to significant losses.
7. Poon later admitted to the SFC that the options contracts were fictitious. He made them up because he was suffering huge financial losses at the time and wanted to delay payment to Chan.
8. Poon eventually repaid Chan the original investment and the return after he received a notice from the SFC requiring him to attend an interview.

Providing false and/or misleading information to the SFC

9. Poon was interviewed twice by the SFC. At the first interview, Poon claimed that all his investment transactions were conducted through his account (**Account**) at

¹ Poon was licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities and was accredited to various licensed corporations between 2005 and 2017. He is currently not licensed by the SFC.

Phillip Securities (Hong Kong) Limited (**Phillip Securities**). Poon also said that the daily statements provided to Chan (**Daily Statements**) were compiled by him by extracting information from the statements in relation to the Account issued by Phillip Securities.

10. Contrary to Poon's evidence, the SFC's investigation revealed that Poon did not conduct any transactions through the Account during the relevant period.
11. At his second interview with the SFC, Poon admitted that most of his transactions were in fact conducted through his account at a Tai Hing Company (transliteration of 泰興公司, **Tai Hing**). Poon also admitted that he did not prepare the Daily Statements himself but downloaded them from the website of Tai Hing.

Conducting transactions through an unlicensed corporation

12. According to the SFC's records, there is not and has never been any licensed corporation or registered institution named "Tai Hing".
13. Poon was or ought to have been aware that Tai Hing was an unlicensed corporation and its trading operation might be illegal, but he turned a blind eye to the many red flags associated with the operation of Tai Hing, such as:
 - (a) the daily statements provided by Tai Hing did not bear any company name or logo;
 - (b) Poon did not need to complete any account opening form to open an account with Tai Hing; and
 - (c) Poon could access the Daily Statements on the website of Tai Hing without entering any password.

Conclusion

14. The SFC is of the view that Poon is not a fit and proper person to be licensed. Poon's conduct also calls into question his character, reliability and his ability to carry out regulated activities competently and honestly.
15. In reaching the decision to prohibit Poon from re-entering the industry for 30 months, the SFC has taken into account:
 - (a) Poon deliberately provided false and/or misleading information to Chan and the SFC;
 - (b) his conduct was intentional and seriously dishonest; and
 - (c) Poon's otherwise clean disciplinary record with the SFC.