

G.N. 7174

NOTICE UNDER SECTION 204 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 section 204 of the SFO.

THE COMMISSION HEREBY 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 section 204(1) of the SFO, **Get Nice Securities Limited ("Specified Corporation")** is, in respect of the **account numbered M051521 ("Account")**, prohibited from accepting instructions to place or placing, through the Account, any buy order in respect of the shares of a listed company on the stock market operated by the Stock Exchange of Hong Kong Limited between 15:59 and 16:00.
2. 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 prohibitions and/or requirements specified 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. Further, under section 208 of the SFO, the Specified Corporation may apply to the Commission for the prohibitions and/or requirements specified in this Notice to be withdrawn, substituted or varied.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  
Securities and Futures Commission  
Ashley Alder  
Chief Executive Officer

**G.N. 7175**

**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 HEREBY 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, Zhongtai International Securities Limited ("**Specified Corporation**") is, in respect of the following account ("**Account**");

<b>Account number</b>	<b>Cash balance as at 31 August 2018 HK\$</b>	<b>Securities balance as at 31 August 2018 HK\$</b>
880571000662-10010751	1,974,158.55	10,155,403.00

- (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 Account up to the total value of HK\$2,900,000, including the:
  - (i) entering into transactions in respect of any securities;
  - (ii) processing any withdrawals or transfers of securities and/or money; and/or
  - (iii) disposing of or dealing with any securities or money on the instructions of any authorized person of the Account or any person acting on his/her behalf;
- (b) required to notify the Commission immediately upon receipt of any instruction from the authorized person of the Account, or by any person acting on his/her behalf, regarding:

- (i) any requests to withdraw or transfer any securities or money from the Account which may result in the value of assets remaining in the Account to fall below the value of HK\$2,900,000; and/or
  - (ii) any requests to dispose of or deal with any securities or money which is/are subject to the prohibitions in (a) above.
- 2. Under section 204(1) of the SFO, the Specified Corporation is prohibited from accepting instructions to place or placing, through the Account, any buy order in respect of the shares of a listed company on the stock market operated by the Stock Exchange of Hong Kong Limited between 15:59 and 16:00.
- 3. Notwithstanding paragraph 1(a) above, 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(a) above.
- 4. 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 prohibitions and/or requirements specified 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. Further, under section 208 of the SFO, the Specified Corporation may apply to the Commission for the prohibitions and/or requirements specified in 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  
Securities and Futures Commission  
Ashley Alder  
Chief Executive Officer

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

1. Get Nice Securities Limited (**Get Nice**) and Zhongtai International Securities Limited (**Zhongtai**) (collectively referred to as the "**Specified Corporations**") are corporations licensed under the SFO to carry out various regulated activities as follows:
  - Get Nice – Type 1, 4, 6 and 9 regulated activities
  - Zhongtai – Type 1 and 4 regulated activities
2. 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 SFO is desirable in the interest of the investing public and in the public interest.
3. The Commission has reached this view on the basis of the following matters:
  - (a) The price of the shares of a certain listed corporation ("**Listco**") increased 64.2% from \$1.34 on 25 May 2018 to \$2.20 on 1 June 2018 in contrast to a narrow range of closing prices between \$1.28 and \$1.31 recorded from 2 May 2018 to 23 May 2018, in the absence of any major corporate transactions, activities or announcements.
  - (b) Whilst the investigation is still ongoing, according to information obtained by the Commission, a client of the Specified Corporations ("**Client**") was the dominant buyer between 28 May 2018 (the market was not open on 26 and 27 May 2018 as this was the weekend) and 1 June 2018, his trading activities accounted for 84.2% of the total market buy and his trading activities had the effect of substantially raising the price of Listco shares.
  - (c) The Client, who had acquired over 30 million Listco shares on 23 and 24 May 2018 at an average price of \$0.52, placed buy orders for small board lots at \$1.65 to \$2.20 shortly before market close during the period from 28 May 2018 to 1 June 2018. The Client's orders increased the prevailing nominal prices of Listco shares by 2.7% to 22.2%. In some instances, the Client's orders also set the day's closing prices.
  - (d) From 4 June 2018 to 6 June 2018, the Client sold over 4 million shares through the accounts maintained at the Specified Corporations at an average price of \$2.11, and realized profits of approximately \$2.9 million.
  - (e) The Commission takes the view that the Client's trading pattern was irregular as there was no apparent urgency or need for the Client to buy such minimal numbers of Listco shares near market close at high prices. The Commission suspects that the Client traded with an intention to create a false or misleading appearance with respect to the demand for Listco shares at high prices. Public investors might have been misled by such appearance into purchasing Listco shares at high prices, thereby enabling the Client to offload his holding of Listco shares for a profit.

- (f) Similar to the buy orders referred to in paragraph (c) above, on 6 June, 7 June, 11 June, 20 June, 22 June, 25 June, 16 July, 24 July 2018 and 6 August 2018, the Client placed on the stock market one or more single-board-lot, i.e., a minimum size, buy orders for Listco shares, at higher prices than the prevailing nominal prices, during the last minute of the trading hours, i.e., 15:59. As the price of each of these orders was taken into account in the calculation of the closing price of each trading day in question, each of these orders contributed to a higher closing price on each trading day in question.
- (g) The Commission has reasons to suspect that false trading, price rigging and/or market manipulation within the meaning of sections 274, 275 and/or 278 of the SFO might have taken place and/or persons might have committed market misconduct offences under sections 295, 296 and/or 299 of the SFO.
- (h) The Commission is of the view that certain public investors, including the counterparties of the Client, may have been induced to purchase Listco shares at high prices which enabled the Client to sell his shares for a realized profit of approximately \$2.9 million. If the Client is found to have engaged in market misconduct or to have committed market misconduct offences under any of the provisions of the SFO referred to in paragraph (g) above, and some public investors including the counterparties of the Client have suffered losses as a result, he may be ordered, in an application made by the Commission under section 213 of the SFO, by the High Court to restore or compensate those public investors.
- (i) As at 31 August 2018, the Client has cash and securities to the value of \$36 million in accounts at the Specified Corporations. The Commission believes that it is necessary to prevent the Client and/or persons connected with him from operating and/or dealing with the accounts in the manner as prescribed by the Commission and to preserve the assets in the accounts, to the extent of approximately \$2.9 million, pending further investigation, including fund tracing.
- (j) As there is a potential risk of dissipation, and a potential risk of false trading of Listco shares, 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