

REGULATORY NEWSLETTER

2026 VOL.01



REGULATORY UPDATES



As January commences, the advent of a new year heralds an era of renewal, strategic foresight, and deliberate planning in the face of continuing market volatility. This juncture provides an ideal occasion to reassess objectives and reinforce our dedication to disciplined risk management, underpinned by our conviction in enduring global economic expansion. ComplianceDirect remains firmly committed to delivering authoritative guidance and robust compliance solutions, enabling clients to confidently address the complexities of an ever-evolving regulatory environment.

Circular to intermediaries SFC and HKMA joint product survey 2025

5 Dec 2025

As an annual exercise to collect information about the selling activities of intermediaries in Hong Kong, the Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) will launch the 2025 joint survey on the sale of non-exchange-traded investment products by licensed corporations (LCs) and registered institutions (RIs) that are licensed or registered for Type 1 (dealing in securities), Type 4 (advising on securities) or both regulated activities (collectively, Reporting Intermediaries). The survey will enable the SFC and the HKMA to better understand the industry landscape and market trends, supervise intermediaries' selling practices, and coordinate their responses to address areas of common concern.

Scope

The survey covers the sale of non-exchange-traded investment products (such as collective investment schemes, debt securities, structured products, swaps, swaptions and repos) to investors (In-scope Clients) who are not institutional professional investors or certain corporate professional investors for which intermediaries have been exempted from the suitability obligation for the period from 1 January to 31 December 2025.

Survey questionnaire

The questionnaire includes three parts:

- **Part A – General information**

All Reporting Intermediaries should complete Part A to provide their contact information and indicate whether they sold any reportable non-exchange-traded investment products to In-scope Clients during the reporting period.

- **Part B – Information on the sale of non-exchange-traded investment products**

Reporting Intermediaries which sold reportable non-exchange-traded investment products to In-scope Clients during the reporting period should also complete Part B to provide an overview of their selling activities, such as the transaction amounts by types of investment product, the top issuers of the investment products sold and the types of client.

- **Part C – Supplementary information**

Reporting Intermediaries that are LCs with total transaction amounts of HK\$1 billion or above during the reporting period or RIs with total transaction amounts of HK\$30 billion or above should also complete Part C, which collects information such as the transaction amounts of investment products by types of investor and details of the top five investment products sold.

Reporting timeline

All Reporting Intermediaries should submit the completed questionnaires to the SFC through WINGS on or before the following dates:

Reporting Intermediaries completing Part A only	16 January 2026 (Friday)
Reporting Intermediaries completing Part A and Part B only	27 February 2026 (Friday)
Reporting Intermediaries completing Part A, Part B & Part C	6 March 2026 (Friday)

The questionnaire in Excel format, guidance notes and completion instructions are now available on WINGS. Please read the notes and instructions before completing the questionnaire.

All information collected from the survey will be treated in strict confidence and will not be disclosed to any other third parties, except as anonymised, aggregated statistics. Results of the 2024 joint product survey are available on the SFC website.

Should you have any queries regarding the content of this circular, please contact Ms Denise Chan at the Intermediaries Division of the SFC at 2231 1188 or your case officer. For technical assistance with using WINGS, please dial the hotline at 2207 9333 or write to TechEnquiries@wings.sfc.hk.

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Circular in relation to the clearing and record keeping rules for the OTC derivatives regime – changes to the list of persons designated as financial services providers

12 Dec 2025



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The revised list of persons designated as financial services providers (FSPs) for the purposes of the Securities and Futures (OTC Derivative Transactions—Clearing and Record Keeping Obligations and Designation of Central Counterparties) Rules (Clearing Rules) is gazette today and will become effective on 1 January 2026.

Licensed Persons are reminded that if their average total position in OTC derivatives during a Calculation Period reaches the corresponding Clearing Threshold, relevant OTC derivative transactions they enter into on and after the corresponding Prescribed Day, including those with FSPs, must be centrally cleared in accordance with the Clearing Rules.

Please refer to the Clearing Rules and the Frequently Asked Questions on the Implementation and Operation of the Mandatory Clearing Regime for more information.

A quarter of connecting, innovating and diversifying Hong Kong markets: SFC Report

17 Dec 2025

Hong Kong's capital markets made significant progress in deepening market connectivity while driving financial innovation and diversification, according to the Securities and Futures Commission's (SFC) July–September 2025 [Quarterly Report](#) published today.

The city has continued to bolster its super-connector role through deeper connections with both overseas and Mainland markets. Globally, the SFC has signed a total of six memoranda of understanding so far this year, including three in the quarter, to reinforce asset management ties.

With product expansion in September, Swap Connect -- a Mainland-Hong Kong derivatives market connect scheme -- saw its trading volume grow 56% year-on-year (YoY) as of November; aggregate transactions exceeded RMB9.3 trillion since launch in 2023.

To drive market innovation, the SFC has been working closely with the HKSAR Government to issue conclusions on the two proposed regimes related to virtual assets (VAs) in the near future.

On the new product front, SFC-authorized VA spot exchange-traded funds (ETFs) saw total market capitalisation rise 33% YoY to \$5.47 billion as of end-November, with their total number increasing to 11. Tokenised retail money market funds (MMFs) authorised by the SFC recorded total assets under management (AUM) of \$5.48 billion as of end-November, soaring 557% since the launch of the first such MMF this year. Their total number rose to eight.

To support Hong Kong's further growth as a premier offshore renminbi hub, the SFC and Hong Kong Monetary Authority (HKMA) jointly issued a roadmap in September to position Hong Kong as a global fixed income and currency hub. A detailed workplan is being developed to set out the next steps and key milestones for implementing the roadmap's initiatives.

"Our capital markets delivered another quarter of steady and diversified growth despite global headwinds and volatility," said Ms Julia Leung, the SFC's Chief Executive Officer. "To solidify Hong Kong's status as an international financial centre, it is crucial that we continue to bolster the future readiness and resilience of our markets, underpinned by fit-for-purpose regulatory frameworks and robust investor protection."

Other quarterly highlights:

- a) The 24 initial public offerings (IPOs) in the past quarter raised over \$70 billion in total, which increased more than 70% from a year ago. Hong Kong continued its global lead in terms of IPO funds raised.
- b) Hong Kong-domiciled funds maintained net inflows of \$46.9 billion last quarter. Their AUM jumped 35.9% YoY to \$2.27 trillion as of September. Moreover, SFC-authorized ETFs grew strongly by 31.8% YoY to \$653.5 billion in total market capitalisation as of end-September, accounting for 13% of daily market turnover.
- c) Licence applications under the Securities and Futures Ordinance increased 12% YoY to 2,799. The numbers of SFC-licensed corporations and individuals grew 2.7% and 3.6% YoY to 3,379 and 46,457, respectively.
- d) To caution Hong Kong investors against market volatility linked to the stablecoin concept, the SFC issued a joint statement with the HKMA in August.
- e) The Stock Exchange of Hong Kong Limited (SEHK) took its first-ever disciplinary action against two former company directors for failing to cooperate in investigations jointly conducted by the SFC and SEHK.
- f) In a new phase of its "Don't be Sucker" anti-scam campaign, the SFC has extended its outreach to university students and the elderly to educate the public.

The Quarterly Report is available on the [SFC website](#).

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Circular to licensed corporations – Exemption for non-centrally cleared equity options from margin requirements

22 Dec 2025

The Securities and Futures Commission (SFC) issues this circular to inform licensed corporations that it will exempt non-centrally cleared single-stock options, equity basket options and equity index options (collectively, “non-centrally cleared equity options”) from its margin requirements from 4 January 2026 until further notice to align with the latest global developments.

The margin requirements for non-centrally cleared equity options were originally scheduled to take effect on that date. However, to prevent regulatory arbitrage and considering that licensed corporations’ exposures to non-centrally cleared equity options are currently insignificant, the SFC has decided to align the exemptions of its margin requirements with the approaches in the European Union (EU) and the UK:

- In the EU, a permanent exemption from the requirement to exchange margin for single-stock equity options and equity index options became effective on 24 December 2024, subject to monitoring and periodic reporting.
- On 27 November 2025, the UK’s Prudential Regulation Authority and Financial Conduct Authority published a joint policy statement containing amendments to the Binding Technical Standards 2016/2251. It implemented an indefinite exemption from the UK bilateral margining requirements for single-stock equity options and index options.

Paragraph 7(e) of Part III of Schedule 10 to the Code of Conduct will be amended accordingly and gazetted in due course.

Should you have any queries regarding the contents of this circular, please contact your case officer.

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FSTB and SFC conclude consultations on virtual asset dealer and custodian regimes, further consult on two new regimes

24 Dec 2025

The Financial Services and the Treasury Bureau (FSTB) and the Securities and Futures Commission (SFC) today published consultation conclusions on legislative proposals to regulate virtual asset (VA) dealing and custodian service providers in Hong Kong. At the same time, the FSTB and the SFC commenced a further consultation on new regimes for providers of VA advisory and management services.

With broad market support, the FSTB and the SFC will proceed with the legislative proposals for the VA dealer and custodian regimes. The new regimes mark a pivotal step in completing Hong Kong's regulatory framework to support a robust and secure VA ecosystem under the SFC's **ASPIRe** roadmap.

For VA dealers, the regime will be aligned closely with that for Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance and similar exemptions are under consideration. As for VA custodians, the new regime will focus on managing risks related to safekeeping private keys of client VAs in Hong Kong, to secure client assets and protect investors.

Interested parties are encouraged to reach out to the SFC in order to initiate pre-application discussions on the proposed regimes. This proactive engagement will allow entities to obtain more information about the proposed regimes and work collaboratively with the SFC. By preparing early, pre-application participants can ensure that they will be well-informed and well-positioned to meet their obligations under the proposed regimes. Moreover, in response to market feedback, the FSTB and the SFC launched a further consultation today to expand the licensing scope to cover VA advisory and management service providers. Adhering to the "same business, same risks, same rules" principle, these new regimes are modelled on those regulating similar services in the securities market and will empower the SFC to regulate VA advisors and managers and set standards for them.

The Chief Executive Officer of the SFC, Ms Julia Leung, said: "The significant progress in our VA regulatory framework ensures Hong Kong remains at the global forefront of digital asset market developments by fostering a trusted, competitive and sustainable ecosystem. With unwavering commitment to responsible innovation, we are laying the foundation for a vibrant yet resilient ecosystem that may bring vast benefits to Hong Kong's financial markets and the broader economy in the long run."

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said: "Our proposal for establishing licensing regimes for VA dealing and custodian service providers marks a significant step in enhancing our legal framework for digital assets. The proposed licensing regimes strike a prudent balance among fostering market development, managing risks and protecting investors. They will help realise our vision for building a trusted and sustainable digital asset ecosystem, with a view to establishing Hong Kong as a global hub for digital asset innovation."



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SFC welcomes Process Review Panel Report 2024-25

31 Dec 2025

The Securities and Futures Commission (SFC) welcomes the 2024-25 annual report published today by the Process Review Panel (PRP) for the SFC.

The PRP presents its observations and recommendations in the report based on its comprehensive review of 60 cases. These recommendations aim to help the SFC optimise regulatory effectiveness while upholding fairness and orderliness in the financial market.

Ms Julia Leung, the SFC's Chief Executive Officer, expressed the SFC's deep appreciation for the PRP's valuable and constructive guidance regarding its work processes. "Enhancing operational efficiency is a strategic priority for the SFC and crucial for strengthening our institutional resilience," she said. "We will thoroughly assess these recommendations to further promote cross-divisional collaboration and cross-agency communication and streamline our operational procedures."

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ENFORCEMENT NEWS

SFC obtains court order to freeze up to \$62.6 million of assets of suspected manipulator of Eggriculture shares

2 Dec 2025

The Court of First Instance has granted an interim injunction order against a suspected manipulator of the shares of Eggriculture Foods Limited (Eggriculture) in legal proceedings brought by the Securities and Futures Commission (SFC) under section 213 of the Securities and Futures Ordinance (SFO).

Pursuant to the Court order, the suspect, who allegedly manipulated Eggriculture shares between 7 September 2018 and 5 November 2018, is prohibited from disposing of, dealing with, diminishing the value of, or removing from Hong Kong, assets in certain securities and bank accounts owned by the suspect up to the value of around \$62.6 million. The interim injunction order ensures that there will be funds available to meet any potential order by the Court, if the Court finds that the suspected manipulator contravened provisions of the SFO.

The interim injunction order remains in effect up to the determination of the SFC's section 213 proceedings or further order of the Court.

In parallel, this interim injunction order and the SFC's section 213 proceedings are part of a broader enforcement action taken against the alleged sophisticated ramp-and-dump market manipulation. The suspected market manipulator is one of the five defendants in criminal proceedings, the trial of which will commence at the District Court on 13 July 2026. The defendants were charged with various offences, including the offence of conspiracy to defraud or alternatively, the offence of conspiracy to employ a scheme with intent to defraud or deceive in securities transactions under common law, the SFO and/or the Crimes Ordinance for the same alleged misconduct.

The SFC will not make further comments as legal proceedings are ongoing.

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SFC suspends dealings in Dashan Education Holdings Limited shares over significant overstatement of corporate bank balances

3 Dec 2025

The Securities and Futures Commission (SFC) has directed The Stock Exchange of Hong Kong Limited (Stock Exchange) to suspend dealings in the shares of Dashan Education Holdings Limited (Dashan) under the Securities and Futures (Stock Market Listing) Rules (SMLR), effective from 9:00 am on 3 December 2025.

The SFC took this action because it considers that suspending dealings in Dashan's shares at this stage is desirable to maintain a fair and orderly market and to protect the interest of the investing public while the SFC continues its investigation.

Dashan's shares were suspended for trading on 30 March 2023 after the company's former auditor identified certain audit matters in relation to, amongst others, its software development project between April 2022 and November 2023 (Software Development) and its acquisition of a UK-based company in September 2022 (UK Acquisition). Trading in Dashan shares resumed in September 2024, following an investigation by Dashan and its advisers into the audit matters, which concluded with no adverse findings and the company published its 2022 and 2023 financial statements.

However, when the SFC made its own inquiry into the payments relating to the Software Development and the UK Acquisition, it uncovered material discrepancies between the bank statements provided by Dashan and those it obtained independently. In particular, the bank statements provided to the SFC by Dashan omitted specific circular fund flows that returned to Dashan.

The SFC also discovered material overstatements of bank balances in Dashan's financial statements, totalling RMB36.4 million as of 30 June 2023 and RMB76.3 million as of 31 December 2023. These figures represented 19% and 55% of Dashan's net asset value as stated in its published financial results in 2023.

This led the SFC to suspect that (i) the Software Development and the UK Acquisition were neither genuine nor conducted at arm's length; (ii) Dashan had submitted fabricated bank statements to the SFC to conceal questionable fund flows related to these transactions; and (iii) Dashan's published accounts significantly overstated its corporate bank balances. These issues raised serious concerns about the integrity of Dashan's management, in particular the company's executive director, Mr Zhang Hongjun, the reliability of its internal controls and accounting systems, and its ability to keep the market properly informed.

The SFC further suspected that the resumption of trading in Dashan's shares on 2 September 2024 was based on false or misleading information provided by Dashan, and the mistaken belief that all the conditions in Stock Exchange's resumption guidance had been satisfied.

To date, Dashan has failed to provide a satisfactory explanation to address the SFC's concerns, even though these issues directly pertain to the affairs of Dashan and/or its current director. Therefore, the SFC issued a notice to the Stock Exchange directing it to suspend dealings in Dashan's shares.

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SFC suspends Loretta Lee Si Kar for three months and two weeks

3 Dec 2025

The Securities and Futures Commission (SFC) has suspended Ms Loretta Lee Si Kar, a responsible officer (RO), manager-in-charge (MIC) and director of Tung Tai Securities Company Limited (Tung Tai), for three months and two weeks from 1 December 2025 to 14 March 2026.

The disciplinary action follows the SFC's sanctions against Tung Tai for its failures relating to unauthorised sales of client securities and transfers of client funds between 6 September 2019 and 18 February 2020.

The SFC considers that Tung Tai's failures were attributable to Lee's neglect of her duties as an RO and a member of the senior management of Tung Tai during the material time.

The SFC's investigation found that Tung Tai, acting on instructions from a bogus email address similar to that of an overseas client, sold shares in the client's account and transferred the sale proceeds totalling US\$3,301,740 to three overseas bank accounts that were not designated by the client. Apart from the incorrect email address, there were other signs of potential irregularities, including telegraphic transfer rejections by multiple banks, but Tung Tai did not act on these red flags and continued to process the fund transfers.

The SFC found that Tung Tai failed to ensure that client assets were adequately safeguarded. Tung Tai also failed to establish effective internal control procedures to protect client assets from theft, fraud and other acts of misappropriation.

In deciding the disciplinary sanction against Lee, the SFC has taken into account that:

- TTung Tai's failures to put in place adequate internal controls to safeguard client assets are serious, as they could expose clients to risk of substantial loss arising from theft, fraud and other acts of misappropriation;
- Lee cooperated with the SFC in resolving the SFC's concerns; and
- Lee has an otherwise clean disciplinary record.

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Former vice president of Computershare remanded in custody after convicted of insider dealing

4 Dec 2025

The Eastern Magistrates' Courts today convicted Mr Choi Chun Wai, former Vice President of Computershare Hong Kong Investor Services Limited (Computershare), of insider dealing in the shares of ENM Holdings Limited (ENM) following a criminal prosecution by the Securities and Futures Commission (SFC).

Choi pleaded guilty to the offence of insider dealing. The Court remanded him in custody and adjourned the case to 18 December 2025 for sentencing.

On 2 June 2023, ENM and the Offeror jointly announced a proposed privatisation (Privatisation) of ENM subject to the approval of not less than 75% of the voting rights of disinterested shareholders at a court meeting. Computershare was engaged by ENM to despatch and collect proxy forms, and to act as the scrutineer for the voting process at the court meeting scheduled for 26 September 2023.

The Court heard that Choi, a vice president of Corporate Services of Computershare at the material time, was involved in coordinating and monitoring the voting process. In the evening on 22 September 2023, Choi learned from the proxy forms that the required voting threshold for the Privatisation could not be met. Although Choi knew that the information concerned was inside information, he sold all his 1,500,000 ENM shares on 25 September 2023 ahead of ENM's announcement of the lapse of the Privatisation. ENM's share price fell 10.26% to close at \$0.35 on 27 September 2023 after the announcement was made. Consequently, Choi was able to avoid a loss of around \$289,500.

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SFC secures conviction in false trading prosecution involving China All Access shares

4 Dec 2025

The Shatin Magistrates' Court has convicted Ms Wong Yuk Lan, Administration Controller of China All Access (Holdings) Limited (China All Access), for false trading in the company's shares, following a prosecution brought by the Securities and Futures Commission (SFC).

Wong was remanded to custody for sentencing on 17 December 2025, pending background report.

The Court was told that Wong was the “de facto wife” of Mr Chan Yuen Ming, Chairman of China All Access. At the material time, Chan held a beneficial interest in 381,400,000 shares of China All Access through a securities margin account under the name of Creative Sector Limited (Creative), a company wholly owned and controlled by him.

Between 29 and 31 December 2014, Wong placed a series of bid orders for China All Access shares through her personal securities account. The bid orders were made in the final minutes before the market close and at prices above the prevailing market levels.

The Court found that Wong had no genuine purpose for buying China All Access shares when she traded, but wanted to create a false or misleading appearance of demand in the market for China All Access shares. This was done in order to alleviate the pressure arising from margin calls on Creative.

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SFC reprimands and fines EFG Bank AG \$10.85 million for regulatory breaches and internal control failures

11 Dec 2025

The Securities and Futures Commission (SFC) has reprimanded and fined EFG Bank AG (EFG) \$10.85 million for failures relating to product due diligence, record-keeping and late reporting between January 2015 and December 2020 (Relevant Period).

The SFC’s investigation stemmed from a self-report from EFG and a referral of findings from the HKMA.

Regarding product due diligence, EFG failed to take into account special features of various products when conducting such assessment on 322 bonds and update its internal policies to reflect regulatory changes in a timely manner. It also failed to ensure that sufficient information and warning statements relating to the distribution of certain complex products were provided to customers before or at the point of each transaction.

As for record keeping and late reporting, EFG failed to keep product due diligence records for 141 bonds, and it did not immediately report to the SFC its product due diligence failures when it first suspected of them in July 2020.

In deciding the sanctions, the SFC took into account all relevant circumstances, including:

- EFG has taken remedial measures to enhance its product due diligence framework;
- EFG’s cooperation with the HKMA and the SFC in resolving the concerns identified in the investigations; and
- EFG will implement Enhanced Complaint Handling Procedures (ECHP) to review complaints from customers who have acquired the affected products during the Relevant Period.

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SFC obtains order to freeze \$101 million belonging to suspected shadow director in corporate misconduct case involving Teamway International Group Holdings Limited

16 Dec 2025

The Securities and Futures Commission (SFC) has obtained a court order, by consent between the SFC and Mr Ng Kwok Fai, from the Court of First Instance to freeze more than \$101 million in cash in the personal bank account of Ng, a suspected shadow director of Teamway International Group Holdings Limited (Teamway), in legal proceedings under section 214 of the Securities and Futures Ordinance (SFO) over alleged corporate misconduct.

This came after Ng and others agreed to pay \$192 million for redistribution as compensation to independent public shareholders of delisted Combest Holdings Limited (Combest) for their misconduct.

The current legal proceedings arose from the SFC's investigation into corporate misconduct involving Teamway. The SFC alleges that Ng and Mr Yang Zhihui gained control of Teamway after acquiring a 75 per cent-interest in the company from its founder through a nominee in 2015 and then became the shadow directors, enabling them to transform the company into a "listed shell" with plans to inject new businesses to replace its original packaging business. The SFC's case is that Ng and Yang, as shadow directors, engineered a series of transactions involving Teamway that prejudiced the interests of the company, thereby breaching their fiduciary duties.

The SFC claims that seven former executive directors (EDs) and three former independent non-executive directors (INEDs) of Teamway breached their fiduciary duties by approving the aforesaid transactions and/or allowing Ng and/or Yang to dominate the company's affairs. The SFC also claims that the former company secretary was negligent or reckless in performing her duties in relation to these transactions.

The SFC is seeking compensation orders against Ng, Yang, and the 10 former directors for \$532 million in losses incurred by Teamway and its subsidiaries. It is also pursuing disqualification orders against them and the former company secretary from being directors or taking part in the management of any listed or unlisted corporation in Hong Kong.

The asset freezing order against Ng remains in effect until the disposal of the legal proceedings relating to Teamway or further order of the Court.

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China All Access former executive jailed for false trading

17 Dec 2025

The Shatin Magistrates' Courts today sentenced Ms Wong Yuk Lan, a former Administration Controller of China All Access (Holdings) Limited (China All Access), to eight months of imprisonment, following her conviction for false trading in a market manipulation prosecution brought by the Securities and Futures Commission (SFC). She was also ordered to pay the SFC's investigation costs. Wong had been remanded in custody since her conviction by the Court on 3 December 2025, pending the sentencing today.

In sentencing, Magistrate Mr Jeffrey Sze Cho Yiu stated that Wong's offence created a false or misleading appearance of active trading in China All Access shares. The Court noted that Wong showed no remorse for her conduct. Given the serious nature of the offence and the need to protect the investing public, an immediate custodial sentence was imposed.

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Former vice president of Computershare jailed and fined for insider dealing

18 Dec 2025

The Eastern Magistrates' Courts today sentenced Mr Choi Chun Wai, a former Vice President of Computershare Hong Kong Investor Services Limited (Computershare) to two months of imprisonment after he was convicted of insider dealing in the shares of ENM Holdings Limited (ENM).

Choi was ordered to pay a fine of \$289,500, which is equivalent to the losses he had avoided when dealing in the ENM shares. The Court also ordered him to pay the Securities and Futures Commission (SFC) investigation costs of \$120,407.

The Court heard that whilst employed as a vice president of Corporate Services at Computershare, Choi received inside information about ENM's privatisation and sold all his 1,500,000 ENM shares on 25 September 2023 ahead of ENM's announcement of the lapse of the privatisation. Consequently, Choi was able to avoid a loss of around \$289,500.

In sentencing Choi, the Court noted that although he showed remorse for his misconduct, insider dealing is a serious offence, and immediate custodial sentence is appropriate in this case.

The SFC's Executive Director of Enforcement, Mr Michael Duignan, said: "The conviction underscores the SFC's commitment to tackle insider dealing and enhance the integrity of Hong Kong's financial markets. The immediate jail sentence by the Court serves as a strong deterrent. The misuse of non-public information for personal gain, particularly market professionals in a position of trust, is unacceptable and will have serious consequences. The SFC will continue to take robust enforcement action to protect investors and uphold a level playing field for all market participants."

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SFC withdraws restriction notices to brokers to facilitate return of misappropriated funds to affected parties

29 Dec 2025

The Securities and Futures Commission (SFC) has withdrawn the restriction notices prohibiting three brokers from disposing of or dealing with proceeds or assets in their client accounts linked to disclosure of false or misleading information in Hua Han Health Industry Holdings Limited's (Hua Han) financial statements.

The three brokers are: Changjiang Securities Brokerage (HK) Limited; Haitong International Securities Company Limited; and Kingston Securities Limited.

The restriction notices were issued to preserve assets held by two former top executives of Hua Han, Mr Zhang Yue and Mr Deng Jie, in accounts that their investment vehicle Bull's-Eye Limited (BEL) maintained with the three brokers.

The SFC took the step after its investigation uncovered misappropriation of proceeds from the fundraising activities of Hua Han and discovered part of the misappropriated proceeds were deposited into BEL's accounts with the brokers.

The withdrawal of the restriction notices was made after the successful prosecution by the Commercial Crime Bureau of the Police, following a referral by the SFC, against Hua Han's former financial controller and company secretary for money laundering of the misappropriated proceeds. The withdrawal would enable the liquidators of BEL, which is currently under liquidation, to return the restricted assets to affected parties.

The three brokers are not subjects of the SFC's investigation and the restriction notices did not affect their operations or their other clients.

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