

**IN THE MATTER OF THE LISTED SECURITIES OF  
ASIASEC PROPERTIES LIMITED  
(FORMERLY KNOWN AS DAN FORM HOLDINGS COMPANY LIMITED)  
(STOCK CODE: 0271)**

**NOTICE TO THE MARKET MISCONDUCT TRIBUNAL  
PURSUANT TO SECTION 252(2) OF AND SCHEDULE 9 TO THE  
SECURITIES AND FUTURES ORDINANCE, CAP. 571 (ORDINANCE)**

Whereas it appears to the Securities and Futures Commission that market misconduct within the meaning of section 270 in Part XIII of the Ordinance (**Insider Dealing**) has or may have taken place in relation to the dealings in the securities of Asiasec Properties Limited (formerly known as Dan Form Holdings Company Limited) (stock code: 0271) (**Dan Form**), the Market Misconduct Tribunal is hereby required to conduct proceedings and determine:-

- (a) whether any market misconduct in the nature of Insider Dealing has taken place;
- (b) the identity of any person who has engaged in the market misconduct found to have been perpetrated; and
- (c) the amount of any profit gained as a result of the market misconduct found to have been perpetrated.

**Persons suspected to have engaged in the market misconduct**

- (i) **Chen Si Ying Cynthia (Cynthia Chen)**
- (ii) **Wen Lide (Wen)**
- (iii) **Sit Yuk Yin (Ivan Sit)**
- (iv) **Choi Ban Yee (Choi)**

## Statement for institution of proceedings

### A. PARTIES

1. Dan Form was incorporated in Hong Kong in 1973. At all material times, Dan Form shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (**SEHK**) with stock code 0271.
  
2. At all material times:-
  - (1) Cynthia Chen was the company secretary, and the secretary to the board of directors, of Dan Form.
  
  - (2) Wen was a relative of Cynthia Chen. Li Qian was his wife.
  
  - (3) Dai Xiaoming (**Dai**) was the controlling shareholder of Dan Form, holding a beneficial interest in 36.45% of its issued share capital (**Sale Shares**). Dai was also the chairman of the board, the chief executive and an executive director of Dan Form.
  
  - (4) Lee Seng Hui (**Lee**) was the chairman and a non-executive director of Tian An China Investment Co Ltd (**Tian An**). Lee was also the chief executive and executive director of Allied Group Limited (**AGL**). Tian An was one of the subsidiaries of AGL, with up to 62.95% of its issued shares held by AGL.
  
  - (5) Ivan Sit was a driver employed by AGL, mainly responsible for providing his service to Lee's family members.
  
  - (6) Choi was Ivan Sit's wife.

**B. UNSUCCESSFUL ACQUISITION BY G-RESOURCES GROUP LTD**

3. In mid-June 2016, Chiu Tao, a director of G-Resources Group Ltd, approached Dai to inform him that a potential investor was interested in acquiring the business of Dan Form (**GR Potential Acquisition**).
4. On 24 June 2016, trading in Dan Form shares was suspended at the request of Dan Form pending the release of an announcement to be made under the Codes on Takeovers and Mergers and Share Buy-backs (**Takeovers Code**).
5. On 28 June 2016, Dan Form announced the GR Potential Acquisition. Trading in Dan Form shares resumed in the afternoon of 28 June 2016. Dan Form shares closed at HK\$1.93 per share, which was 30.41% higher than the closing price of HK\$1.48 on 23 June 2016. The trading volume of Dan Form shares increased from 2,346,000 shares to 32,208,000 shares.
6. On 18 August 2016, having failed to reach any formal or legally binding agreement with the potential investor, Dai decided to terminate the negotiations concerning the GR Potential Acquisition (**Termination**).

**C. THE TIAN AN ACQUISITION**

7. On 4 August 2016, (15 days before the Termination was announced), in an email to Dai and Cynthia Chen, Kin Chan and Liu Wui Hang (**Brian Liu**) of Argyle Street Management Limited (**Argyle Street**) first indicated to Dai about Argyle Street's interest to acquire the Sale Shares.
8. On 7 August 2016, Kin Chan, Brian Liu and Dai had a meeting to discuss the potential acquisition of the Sale Shares by Argyle Street in the presence of Cynthia Chen. After the meeting, Kin Chan started sourcing other potential co-investors including Lee.
9. On 23 August 2016, Kin Chan informed Cynthia Chen that Argyle Street, representing a private equity fund, was keen to discuss the possibility of acquiring the Sale Shares and he sought Cynthia Chen's help to line up a meeting with Dai on 10 September or

11 September 2016 for further negotiation of the potential acquisition. It was later revealed that the private equity fund was Tian An (TA Acquisition).

10. During the period from 23 August 2016 to 8 September 2016, there were further negotiations of the TA Acquisition involving Kin Chan, Brian Liu and Dai. Cynthia Chen was copied in some of the emails in which further negotiations were conducted and she helped Brian Liu pass on his messages to Dai.
11. On Sunday 11 September 2016, Dai, Lee and Kin Chan went to Beijing to discuss the terms of the TA Acquisition. Dai and Lee tentatively agreed on the offer price of HK\$2.75 per share. It was also agreed that Tian An would prepare a sale and purchase agreement and carry out due diligence in 3 weeks' time.
12. On 19 September 2016, there was an all-party meeting to finalise the terms of a sale and purchase agreement for the TA Acquisition. After the market had closed, the shareholders of the Sale shares, namely Dai (who held approximately 2.04% of the entire issued share capital of Dan Form directly), Dan Form International Limited (approximately 0.24%) and Fabulous Investment Limited (approximately 34.18%), a wholly owned subsidiary of Tian An, namely Autobest Holdings Limited (Autobest), and Tian An executed the finalized sale and purchase agreement.
13. On 20 September 2016, trading in Dan Form shares was suspended pending the release of an announcement to be made under the Takeovers Code.
14. On 22 September 2016, Dan Form, Tian An and Autobest jointly announced the following matters (TA Announcement):-
  - (1) Autobest had conditionally agreed to acquire the Sale Shares at HK\$2.75 per share.
  - (2) Yu Ming Investment Management Limited would, on behalf of Autobest, make a conditional mandatory cash offer for all the remaining issued shares of Dan Form at HK\$2.75 per share (Offer Price).
  - (3) The Offer Price represented, *inter alia*, (i) a premium of approximately 15.06% over the closing price of HK\$2.39 per share on 19 September 2016 and (ii) a

discount of approximately 31.93% to the unaudited net asset value of the Dan Form group of companies attributable to Dan Form shareholders.

15. On 23 September 2016, trading in Dan Form shares resumed. Dan Form shares closed at HK\$2.66 per share, which was 11.3% higher than the closing price of HK\$2.39 on the previous trading day on 19 September 2016. The trading volume increased from 10,101,000 shares on 19 September 2016 to 50,653,314 shares on 23 September 2016.

**D. INFORMATION HELD BY CYNTHIA CHEN**

16. At the material time, Cynthia Chen acquired the following pieces of information in relation to Dan Form under the circumstances set out below:-
  - (1) In an email Brian Liu sent to Dai and Cynthia Chen on 2 September 2016, Brian Liu on behalf of an unidentified potential purchaser offered to acquire the Sale Shares and make a general offer for all outstanding Dan Form shares at HK\$2.75 per share.
  - (2) In a mobile instant message Brian Liu sent to Cynthia Chen on 6 September 2016, Brian Liu asked Cynthia Chen to pass on to Dai a new proposal that the price of the offer be reduced to HK\$2.7 per share but due diligence would only begin after a binding sale and purchase agreement had been executed.
  - (3) In a mobile instant message Brian Liu sent to Cynthia Chen on 8 September 2016, Brian Liu informed Cynthia Chen that Kin Chan had spoken to Dai and Kin Chan would bring the potential purchaser to meet Dai on 11 September 2016.
  - (4) In a mobile instant message Brian Liu sent to Cynthia Chen on 11 September 2016, Brian Liu informed Cynthia Chen that Dai wanted to start due diligence on the following day, i.e., 12 September 2016.
  - (5) On 12 September 2016, Dai informed Cynthia Chen that Tian An and Dai would proceed with the TA Acquisition.

- (6) On 19 September 2016, Cynthia Chen attended an all-party meeting during which the terms of a sale and purchase agreement for the TA Acquisition were finalized.
17. The information set out in paragraph 16(3) to 16(6) above is within the definition of “inside information” in section 245(2) of the Ordinance, in that it was specific information about Dan Form, a shareholder of Dan Form and/or the listed securities of Dan Form, which was not generally known to the persons who were accustomed or would be likely to deal in the listed securities of Dan Form before the release of the TA Announcement on 22 September 2016, but would if generally known to them (before the release of the TA Announcement) be likely to materially affect the price of the listed securities of Dan Form.

**E. DEALINGS IN DAN FORM SHARES BY WEN**

18. Between 24 August 2016 and 5 September 2016, Wen acquired 2,770,000 Dan Form shares through his securities account (**Shenwen Account**) at Shenwen Hongyuan Securities (H.K.) Limited (**Shenwen**), 250,000 Dan Form shares through his securities account (**Grand Account**) at Grand Investment (Securities) Limited (**Grand**) and 50,000 Dan Form shares through Li Qian’s securities account at Grand (**Li’s Account**).
19. During the period from 8 September 2016 to 19 September 2016, Wen acquired through the Shenwen Account a total of 350,000 Dan Form shares at an average price of HK\$2.16 per share.
20. On 12 September 2016, Wen acquired through Li’s Account 50,000 Dan Form shares at an average price of HK\$1.97 per share.
21. During the period from 29 September 2016 to 26 October 2016, Wen disposed of a total of 3,370,000 Dan Form shares, (comprising 3,120,000 shares in the Shenwen Account and 250,000 shares in the Grand Account that were accumulated between 24 August and 19 September 2016), through the Shenwen Account and Grand Account at an average price of HK\$2.7 per share.

22. On 29 September 2016, Wen disposed of all 100,000 Dan Form shares kept in Li's Account at an average price of HK\$2.69 per share.
23. Out of the total of HK\$4,146,000 deposited into the Shenwen Account between 4 July and 12 September 2016 (to settle various purchases of Dan Form shares), HK\$3,652,242 was paid into the Shenwen Account by cheques that were drawn on Wen's account at HSBC during the period from 28 July 2016 to 12 September 2016. Cynthia Chen and/or her husband Chim Chor Yue (Winson Chim) wrote the payees' names and the amounts on these cheques and deposited them into the Shenwen Account. In addition, on 24 August 2016, Cynthia Chen paid a sum of HK\$49,541 into the Shenwen Account.
24. About 47.49% of the net proceeds from Wen's disposal of his holdings in Dan Form shares, that had been accumulated through the Shenwen Account between 24 August and 19 September 2016, were eventually given to Cynthia Chen through the following steps:-
- (1) During the period from 7 October 2016 to 31 October 2016, a total of HK\$6,787,961.40 was transferred from the Shenwen Account to Wen's account at HSBC.
  - (2) During the period from 31 October 2016 to 2 November 2016, a total of HK\$4,346,000 in Wen's account at HSBC was transferred to a bank account held under the name of Lam Wai Ho at Hang Seng Bank (HSB).
  - (3) During the period from 14 November 2016 to 25 January 2017, a total of HK\$4,096,000 in Lam Wai Ho's account at HSB was transferred to Winson Chim's account at HSB.
  - (4) During the period from 19 November 2016 to 27 January 2017, a total of HK\$3,696,000 in Winson Chim's HSB account was transferred to a joint account of Cynthia Chen and Winson Chim at HSB (Joint Account).
  - (5) During the period from 21 November 2016 to 28 February 2017, a total of HK\$3,223,786.46 in the Joint Account was transferred to a HSB account held in Cynthia Chen's sole name.

25. Cynthia Chen was, by virtue of her position in Dan Form set out in paragraph 2(1) above, connected with Dan Form within the definition of section 247(1)(a) of the Ordinance.
26. In view of the foregoing matters, Cynthia Chen and Wen were in possession of the information set out in paragraph 16(3) to 16(6) above and they knew that it was inside information in relation to Dan Form.
27. By reason of the aforesaid:-
- (1) Cynthia Chen, being connected with Dan Form, having information which she knew was inside information in relation to Dan Form, counselled or procured Wen to acquire Dan Form shares, knowing or having reasonable cause to believe that he would deal in Dan Form shares, and/or disclosed the inside information to Wen, knowing or having reasonable cause to believe that he would make use of the inside information for the purpose of dealing in Dan Form shares.
  - (2) Wen, having information which he knew was inside information in relation to Dan Form, and which he received, directly or indirectly, from Cynthia Chen whom he knew was connected with Dan Form and whom he knew or had reasonable cause to believe held the inside information in relation to Dan Form as a result of being connected with Dan Form, dealt in Dan Form shares by acquiring them.

**F. INFORMATION HELD BY IVAN SIT AND CHOI**

28. At the material time, Ivan Sit disclosed to Choi the following pieces of information in relation to Dan Form through WhatsApp messages:-
- (1) On 22 August 2016, Ivan Sit informed Choi that: “the 271 material will not be sold to the opposite party, **the eldest young master buys**”.
  - (2) On 6 September 2016, Ivan Sit informed Choi that: “the indicative price of 271 is 2.70”.



- (3) On 9 September 2016, Ivan Sit informed Choi that: “Mr. Lee will fly on Sunday and return on Tuesday” and “those who are going to accompany the eldest young master to Beijing will have returned by Monday morning”.
- (4) On 13 September 2016, Ivan Sit informed Choi that: “trading in 27x will be suspended”.
- (5) On 14 September 2016, Ivan Sit responded to Choi’s message sent on 13 September 2016 that: “nobody can 100% guarantee, but today the news was close and positive, last night the relevant personnel and the boss worked in the office until it was very late. In addition, I only suggest to give up on those stocks not doing well recently. This is an opportunity.” and he informed Choi that: “Ah Cheuk just called. Last night shortly after 1am when he gave the eldest young master a lift home, also indicated it to him. The secretary also confirmed it, there will be suspension shortly, the news is not in the public domain. Let’s tell our friends who won’t talk. Have faith on it and take our chances” and “27x will be signed on the morning of Monday”.
- (6) On 15 September 2016, Ivan Sit informed Choi that: “the secretary says 27x has been cfm. Will sign on Monday at 10 o’clock. The indicative price is 2.80 but prepare 2.50 may calculate part of the amount”.

29. The information set out in paragraph 28(4) to 28(6) above is within the definition of “inside information” in section 245(2) of the Ordinance, in that it was specific information about Dan Form, a shareholder of Dan Form and/or the listed securities of Dan Form, which was not generally known to the persons who were accustomed or would be likely to deal in the listed securities of Dan Form before the release of the TA Announcement on 22 September 2016, but would if generally known to them (before the release of the TA Announcement) be likely to materially affect the price of the listed securities of Dan Form.

#### **G. DEALINGS IN DAN FORM SHARES BY CHOI**

30. On 14 September 2016, Choi acquired a total of 166,000 Dan Form shares at an average price of HK\$2.02 per share.

31. During the period from 30 September 2016 to 7 October 2016, Choi disposed of her holding in 511,000 Dan Form shares (comprising all Dan Form shares Choi accumulated during the period from 22 August 2016 to 14 September 2016) at an average price of HK\$2.68 per share.

**H. CONNECTED WITH DAN FORM**

32. Autobest was a wholly owned subsidiary, and therefore a related corporation, of Tian An. Owing to Lee's position in Tian An as set out in paragraph 2(4) above, Lee was a person connected with Autobest. Pursuant to the TA Acquisition, Autobest would acquire the Sale Shares and offer to acquire all outstanding Dan Form shares. By virtue of section 247(1)(d) of the Ordinance, Lee was connected with Dan Form.
33. In view of the foregoing, Ivan Sit and Choi were in possession of the information set out in paragraph 28(4) to 28(6) above and knew that it was inside information in relation to Dan Form.
34. By reason of the aforesaid:-
- (1) Ivan Sit, having information which he knew was inside information in relation to Dan Form, and which he received, directly or indirectly, from Lee whom he knew was connected with Dan Form and whom he knew or had reasonable cause to believe held the inside information as a result of being connected with Dan Form, counselled or procured Choi to acquire Dan Form shares.
  - (2) Further or alternatively, Ivan Sit, having received, directly or indirectly, from Lee whom he knew or had reasonable cause to believe was contemplating making a take-over offer for Dan Form, information to that effect which he knew was inside information in relation to Dan Form, counselled or procured Choi to acquire Dan Form shares.
  - (3) Choi, having information which she knew was inside information in relation to Dan Form, and which she received, directly or indirectly, from Lee whom she knew was connected with Dan Form and whom she knew or had reasonable

cause to believe held the inside information as a result of being connected with Dan Form, dealt in Dan Form shares by acquiring them.

- (4) Further or alternatively, Choi, having received, directly or indirectly, from Lee whom she knew or had reasonable cause to believe was contemplating making a take-over offer for Dan Form, information to that effect which she knew was inside information in relation to Dan Form, dealt in Dan Form shares by acquiring them.

**I. INSIDER DEALING BY CYNTHIA CHEN, WEN, IVAN SIT AND CHOI**

35. Accordingly, by reason of all the matters set out above:-

- (1) Cynthia Chen engaged or may have engaged in market misconduct defined in sections 270(1)(a) and/or 270(1)(c) of the Ordinance.
- (2) Wen engaged or may have engaged in market misconduct defined in section 270(1)(e)(i) of the Ordinance.
- (3) Ivan Sit engaged or may have engaged in market misconduct defined in sections 270(1)(e)(ii) and/or 270(1)(f)(ii) of the Ordinance.
- (4) Choi engaged or may have engaged in market misconduct defined in sections 270(1)(e)(i) and/or 270(1)(f)(i) of the Ordinance.

Dated this 29<sup>th</sup> day of February 2024



Securities and Futures Commission