

SFC Reprimands Mr. Sai Xiaolin otherwise known as Mr. Azizi Farhat and Mr. Liu Wenchuan

30 Jan 2001

The Takeovers and Mergers Executive announced today that it had publicly reprimanded Mr. Sai Xiaolin (otherwise known as Mr. Azizi Farhat) and Mr. Liu Wenchuan both formerly senior executives of Sinochem Hong Kong Investment Company Ltd in relation to breaches of the Takeovers Code which occurred in late 1997 during the takeover of China Sci-Tech Holdings Limited (formerly known as Contrad International Holdings Limited).

Subsequent to a general offer in late 1997, an investigation was conducted which led the Executive to conclude that Mr. Sai and Mr. Liu effected various acquisitions of shares in China Sci-Tech during the offer period which gave rise to breaches of the Takeovers Code. The Executive accepts that, in effecting such acquisitions, Mr. Sai and Mr. Liu were acting in excess of the authority conferred on them by Sinochem.

The Executive has reprimanded Mr. Sai and Mr. Liu pursuant to section 12.2 of the Introduction to the Takeovers Code in respect of their conduct in this matter.

The Executive wishes to take this opportunity to remind practitioners and parties who wish to take advantage of the securities markets in Hong Kong that they should conduct themselves in matters relating to takeovers and mergers in accordance with the Code. If they do not, they may find that they are subject to sanction.

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