

Takeovers Executive of the SFC criticises China New Way Investment Limited, Wei Judong, Zhang Xiaoliang, Yang Weizhi, Wei Lidong and Xu Jianhua in relation to prohibited share acquisitions under the Takeovers Code

Criticism of China New Way Investment Limited (“Offeror”), Wei Judong (“Mr J Wei”), Zhang Xiaoliang (“Mr Zhang”), Yang Weizhi (“Ms. Yang”), Wei Lidong (“Mr L Wei”) and Xu Jianhua (“Mr Xu”)

1. The Executive publicly criticises the Offeror, Mr J Wei, Mr Zhang, Ms. Yang, Mr L Wei and Mr Xu (together referred to as the “**Parties**”) for acquiring shares in China City Construction Group Holdings Limited, formerly known as Chun Wo Development Holdings Limited (“**Company**”) within 6 months after the close of an offer (“**Restriction Period**”) at above the offer price in breach of Rule 31.3 of the Takeovers Code (Note).

Background

2. On 2 January 2015 the Offeror made an unconditional mandatory general offer in cash for the shares of the Company (“**Shares**”) at HK\$1.099 per share. The offer closed on 23 January 2015.
3. The Offeror is wholly owned by New Way International Investment Holdings Limited (“**New Way**”). New Way is beneficially owned by Mr J Wei, Mr Zhang, Ms. Yang and Huinong Financial Holdings Limited (a company indirectly wholly-owned by Mr L Wei), who each holds 25% of its issued shares (“**Offeror’s Beneficial Shareholders**”). At the material time, Mr Xu was the sole director of the Offeror.
4. On 6 and 7 July 2015 during the Restriction Period, the Offeror made a series of on-market acquisitions of a total of 2,930,000 Shares at prices ranging from HK\$1.19 to HK\$1.50

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