

Background

CSRC

2

Special Regulations

3

Mandatory Provisions

PRC Rule Change

Purpose

Exchange

PRC H Share Issuer

Stock

Relevant Rules under the Codes

Takeovers Code provisions

Definition of “Associate” and Rule 22 – Disclosure of dealings during an offer period

Rules 2.2 and 2.10 – Delistings and privatisations

[i]f after a proposed offer the shares of an offeree company are to be delisted from the Stock Exchange, neither the offeror nor any persons acting in concert with the offeror may vote at the meeting, if any, of the offeree company's shareholders convened in accordance with the Listing Rules. The resolution to approve the delisting must be subject to:–

- (a) approval by at least 75% of the votes attaching to the disinterested shares that are cast either in person or by proxy at a duly convened meeting of shareholders;*
- (b) the number of votes cast against the resolution being not more than 10% of the votes attaching to all disinterested shares; and*

the offeror being entitled to exercise, and exercising, its rights of compulsory acquisition.

[e]xcept with the consent of the Executive, where any person seeks to use a scheme of arrangement or capital to acquire or privatise a company, the scheme or capital reorganisation may only be implemented if, in addition to satisfying any voting requirements imposed by law:–

- (a) the scheme or the capital reorganisation is approved by at least 75% of the votes attaching to the disinterested shares that are cast either in person or by proxy at a duly convened meeting of shareholders; and*
- (b) the number of votes cast against the resolution to approve the scheme or the capital reorganisation at such meeting is not more than 10% of the votes attaching to all disinterested shares.”*

[f]or the purpose of Rules 2.2, 2.10 and 2.11, “disinterested shares” means shares in the company other than those which are owned by the offeror or persons acting in concert with it. Where an offeree company has more than one class of share capital, the requirements in Rules 2.2, 2.10 and 2.11 will normally apply separately in respect of each class.

Step 1

PBOC

Step 2

R

R

Note 1: *In calculating the above denominator, the daily VWAP per A share must first be converted from RMB to HK\$ using the RMB to HK\$ exchange rate quoted by the PBOC on each applicable date (i.e. the VWAP per A share on each trading date must first be converted into HK\$ using the applicable PBOC exchange rate quoted on the same date before taking*

Special deals and whitewash waivers

Share Buy-backs Code provisions

Rule 2 – Off-market share buy-backs

Early consultation