

A periodic newsletter to help participants in Hong Kong's financial markets
better understand the Codes on Takeovers and Mergers and Share Repurchases

Under Note 1 on dispensations from Rule 26 of the Takeovers Code, the Executive may waive an obligation to make a general offer (whitewash waiver) which arises as a result of an issue of new securities as consideration for an acquisition, or a cash subscription, or the taking of a scrip dividend if there is an independent vote at a shareholders' meeting (whitewash). The Whitewash Guidance Note (set out in Schedule VI of the Codes) sets out the procedures to be followed and a number of safeguards which must be met if the Executive is to be asked to grant a whitewash waiver.

(b) a waiver will not be granted or if granted will be invalidated if, without the prior consent of the Executive, any acquisitions or disposals of voting rights are made by such persons in the period between the announcement of the proposals and the completion of the subscription."

Rule 28.7, subject to the application of Rule 28.5, the offeror must declare the partial offer unconditional as to acceptances and comply with Rule 15.3 by extending the final closing day to the 14th day thereafter.

If the acceptance condition is fulfilled an offeror may also declare a partial offer unconditional as to acceptances prior