

TAKEOVERS BULLETIN

An SFC newsletter to help participants in Hong Kong's financial markets better understand the Codes on Takeovers and Mergers and Share Buy-backs

Feedback and comments:
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Reminder about submission of Code documents to the Executive for pre-vetting

In a number of recent cases, issuers and advisers have result have failed to submit draft announcements to us for comment prior to their release as required by Rule 12.1 of the Takeovers Code. At times they have also failed to comply with other disclosure requirements such as the inclusion of the requisite directors' responsibility statement under Rule 9.3 of the Takeovers Code and the resulting shareholding position. In afterwards.

and other relevant Code requirements, we have recently written to all authorised representatives of listed companies in Hong Kong and approved persons of real estate investment trusts to remind them about the relevant Code provisions.

Issuers and their advisers should be aware that Rule 12.1

Executive for comment prior to release or publication and must

that it has no further comments thereon.

to share buy-back transactions that are governed under the Share Buy-backs Code. The main purpose of Rule 12.1 is to

published and to encourage early consultation with us which should help resolve any Code issues at any early stage. It

directors and advisers) to ensure full compliance with the Codes and any other applicable laws and regulations.

Highlights

- Submission of Code-related announcements and documents for pre-vetting
- Revisions to Practice Note 20 related to announcements and documents under the Codes
- Quarterly update on the activities of the Takeovers Team

Revisions to Practice Note 20

PN 20 is a guidance note on announcements and documents under the Codes. We have received continuous positive feedback

revised in light of feedback received and in order to address a number of issues which have arisen. Highlights of the amendments to PN 20 include:

New paragraphs 2 and 4 – Definition of “document”

As mentioned above, a number of issuers and advisers have failed to submit Code documents to us for pre-vetting before

our comment in advance of publication as required by Rule 12.1 of the Takeovers Code, unless the announcement falls within the Post-Vet List.

PN 20 now contains a reminder that at the outset of a transaction, issuers and advisers should carefully consider whether an

to review a document when it is submitted for comment. The document submitted should be in an advanced form, and points of

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