

5. New China requested the consent of the Executive under Rule 21.2 to allow sales during the offer period. The Executive referred the matter to the Panel. Concern had been expressed that the granting of consent was necessary to enable the performance of the underwriting and subunderwriting agreements. Concern also had been expressed that performance of the underwriting and subunderwriting agreements whilst the offer was open for acceptance might lead to market confusion because only some of the Unisouth shares trading in the market would be eligible for acceptance of the offer.

Code Issues

6. Rule 21.2 states that "during an offer period, the offeror and persons acting in concert with the offeror must not sell any securities in the offeree company except with the prior consent of the Executive and following 24 hours public notice that such sales might be made."

7. Rule 21.2 originated from a provision of the City Code which was designed to