

Takeovers Panel rules SouthGobi Resources Limited is subject to the Codes

On 19 June 2014, the Takeovers and Mergers Panel ruled that SouthGobi Resources Limited (SouthGobi) should be considered a "public company in Hong Kong" under the Codes and therefore the Codes should apply to it.

The Panel's decision was based primarily upon the material changes in the number of Hong Kong shareholders and the extent of share trading in Hong Kong.

Prior to its secondary listing, SouthGobi sought the Executive's ruling that upon completion of its secondary listing that SouthGobi would not be considered a "public company in Hong Kong" within the meaning of the Codes and hence the Codes would not apply to it. On 28 September 2009, the Executive ruled that SouthGobi would not be regarded as a "public company in Hong Kong" for the purposes of the Codes (2009 Ruling). It was expressly stated in the 2009 Ruling that if there was a material change to the information provided and/or representations made, the Executive should be advised immediately so that it could determine whether the 2009 Ruling should remain valid.

The Executive referred this matter to the Panel for its ruling as particularly novel, important or difficult points were at issue. The Panel's decision was published on 30 June 2014.

The full written decision of the Panel can be found in the "Regulatory functions – Listing & takeovers – Takeovers & Mergers – Decisions & statements - Takeovers and Mergers Panel and Takeovers Appeal Committee decisions and statements" section of the SFC website.

Highlights

- Takeovers Panel rules the Codes apply to SouthGobi Resources Limited

The Executive has up-dated the secondary listed companies webpage on 20 June 2014 to reflect the Panel’s ruling. SBI Holdings, Inc. has also been removed from the list of secondary listed companies that are not subject to the Codes following the withdrawal of the listing of its HDRs with effect from 25 June 2014. The updated page can be found in the now renamed “Regulatory functions – Listing & takeovers – Takeovers & Mergers – Secondary listed companies” section of the SFC website.

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