



Takeovers Bulletin

Highlights

- Consultation conclusions on Codes amendments
- Calculation of acceptances under Rules 2.2 and 2.11
- Quarterly update on the activities of Takeovers Team

Consultation conclusions on Codes amendments

We issued our consultation conclusions on proposed amendments to the Codes on Takeovers and Mergers and Share Buy-backs (Codes) on 21 September 2023. The amended Codes were gazetted on 29 September 2023 and took effect on the same day.

The amendments mainly codify existing practices, and reflect changes and clarifications identified in recent years. We had received 12 responses to our consultation which generally supported our proposals.

The consultation and conclusions can be found on the [SFC website](#).

We have made consequential amendments to a number of Practice Notes. Marked-up and clean versions of the revised Practice Notes are available on the [Takeovers and mergers](#) section on the SFC website.

Hard copies of the amended Codes will be distributed to our annual subscribers in due course which would be the last printed version of the Codes. Going forward, we will no longer publish hard copies as part of our green initiatives and the latest and previous versions of the Codes will continue to be available on the [SFC website](#).

Calculation of acceptances under Rules 2.2 and 2.11

Under Rules 2.2 and 2.11, an offeror must receive 90% acceptances of the disinterested shares before it can exercise compulsory acquisition rights or delist a company (where compulsory acquisition is not available). In our consultation conclusions, we have clarified that both shares acquired by an offeror and its concert parties from the date of the Rule 3.5 announcement as well as acceptances under an offer would count towards the 90% threshold.

In a mandatory general offer triggered by a share acquisition, shares that are acquired by an offeror under a share purchase agreement would not be treated as disinterested shares for the purpose of calculating 90% acceptances under Rules 2.2 and 2.11. This is because shares acquired under the share purchase agreement would not form part of the shares subject to the general offer.

Quarterly update on the activities of Takeovers Team

From April to June 2023, we received 10 takeovers-related cases (including privatisations, voluntary and mandatory general offers, and off-market and general-offer share buy-backs), six whitewashes and 50 ruling applications.

Useful links

- The Codes on Takeovers and Mergers and Share Buy-backs
- Practice notes
- Decisions and statements
- Previous *Takeovers Bulletins*

All issues of the *Takeovers Bulletin* are available under 'Published resources – Newsletters – Takeovers Bulletin' on the SFC website at www.sfc.hk.

Feedback and comments are welcome and can be sent to takeoversbulletin@sfc.hk.

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