

# Operational Review

## Corporates

### Listing applications

Our oversight of listing matters includes vetting of listing applications. During the quarter, we vetted 69 new listing applications, including six from pre-profit biotech companies. Two companies listed overseas achieved dual-primary listings on the Main Board.

### Corporate conduct

We conduct daily reviews of corporate announcements to identify potential misconduct and irregularities. During the quarter, we issued section 179<sup>1</sup> directions to gather additional information in 13 cases and wrote to a listed company detailing our concerns in one case. These

concerns included, for example, whether a corporate action or transaction is conducted in a manner which is oppressive or unfairly prejudicial to shareholders.

### Takeovers matter

In April, we publicly criticised Gao Yunhong and Feng Xuelian for breaching the no frustrating action rules during an offer for Steering Holdings Limited. As directors of Steering, they were substantially involved in the disposal of some of the company's listed securities which constituted a disclosable transaction under the Listing Rules and a frustrating action subject to the Takeovers Code. There was a breach of the Takeovers Code when neither the approval of Steering's shareholders was obtained nor was a waiver of the requirement to obtain shareholders' approval sought from the Executive<sup>2</sup>.

### Listing applications and takeovers activities

	Quarter ended 30.6.2022	Quarter ended 31.3.2022	Change (%)	Quarter ended 30.6.2021	YoY change (%)
Listing applications	69	68	1.5	120	-42.5
Takeovers and share buy-backs transactions	79	66	19.7	110	-28.2

<sup>1</sup> Section 179 of the Securities and Futures Ordinance gives the SFC the power to compel the production of records and documents from persons related to a listed company.

<sup>2</sup> The Executive refers to the Executive Director of the SFC's Corporate Finance Division or a delegate of the Executive Director.