

22 April 2022

Amendments to the REIT Code

Chapter 2: Interpretation

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2.3A “Code of Conduct” refers to the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

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2.26 Where references are made to the requirements under the Listing Rules, unless the context otherwise requires, the following modifications shall apply in the context of a scheme:

(a) references to the “listed issuer” or “issuer” shall be construed as references to the scheme;

(aa) references to the “new applicant” shall be construed as references to the REIT seeking the Commission’s authorisation;

(b) references to the “directors” of the new applicant or the listed issuer shall be construed as references to the directors of the management company;

(c) references to the “board of directors” shall be construed as references to the board of directors of the management company;

(d) references to “controlling shareholders” shall be construed as references to “controlling unitholders”;

(e) references to “general mandate” shall be construed as references to the 20% general mandate contemplated under 12.2 of this Code;

(f) references to “listed public companies” shall be construed to include REITs;

(g) references to “listed issuer’s group” shall be construed as references to the scheme’s group;

(h) references to “shares” and “equity securities or interests” in relation to a new applicant or a listed issuer, shall be construed as references to units of a scheme;

(i) references to “shareholders” shall be construed as references holders of the units of a scheme;

(j) references to “substantial shareholder” shall be construed as references to “substantial holder” as defined in 8.1 of this Code;

- (k) “close associates” shall bear the same meaning as defined in the Listing Rules (modified as appropriate pursuant to this 2.26);
- (ka) references to “sponsor” shall be construed as references to the listing agent in the context of a REIT seeking the Commission’s authorisation;
- (kb) references to the “expected hearing date” of the Listing Committee shall be construed as references to the expected date of issue of the approval-in-principle letter by the Commission in the context of a REIT seeking the Commission’s authorisation;
- (kc) references to “listing application” shall be construed as references to the Application Form for Real Estate Investment Trusts submitted by a REIT seeking the Commission’s authorisation;
- (l) save in relation to matters pertaining to the listing or trading of the units of a scheme on the Exchange, the Commission shall replace the Exchange in exercising the various discretion and powers in administering the requirements, including but not limited to those in relation to granting waivers, relaxing the application of any requirement, making determinations (such as classification of transactions, application of certain requirements, whether transactions shall be aggregated, whether to deem certain persons as connected persons, whether to accept a written holders’ approval and whether a group of holders shall be regarded as a “closely allied group of holders”), requiring any holder and his close associates to abstain from voting and imposing additional requirements;
- (m) in view of (l) above, the Commission shall replace the Exchange or be included as appropriate as the party with whom the management company of the scheme shall contact and consult to, for example, provide notifications, seek guidance, obtain prior consent or approval, provide relevant information and document to demonstrate compliance and make relevant applications; and
- (n) if there is any inconsistency between the requirements in this Code or any guidelines issued by the Commission from time to time on one hand and the requirements in the Listing Rules on the other hand, the former shall prevail.

Note: The management company should consult the Commission at an early stage if it is in any doubt as to the application of the relevant requirements.

Chapter 9: Operational Requirements

Offers of Units

- 9.8 If an initial offer of units is made, no investment of subscription money can be made until the conclusion of the first issue of units at the initial price.

9.8A Holders shall have the rights to hold and register units of the scheme in their own names.

9.8B In the case of offerings involving bookbuilding activities (as defined under the Code of Conduct) of units by a REIT seeking authorisation from the Commission or an SFC- authorised REIT, Chapter 3A of the Listing Rules and the other relevant Listing Rule provisions relating to sponsor-overall coordinator, overall coordinator and other capital market intermediaries shall apply.

Notes: (1) These requirements include but are not limited to those provisions relating to (a) the appointment of overall coordinator(s) and sponsor-overall coordinator(s); (b) obligations of new applicants, issuers and their directors; (c) engagement of capital market intermediaries; and (d) related reporting, publication and disclosure requirements.

(2) Bookbuilding activities (as defined under the Code of Conduct) also cover those conducted in respect of offerings of debt securities.

(3) The management company should consult the Commission at an early stage if it is in any doubt as to the application of the relevant requirements.