



Takeovers Bulletin

Highlights

- Reminder on ESS registration
- Quarterly update on Takeovers Team activities
- Reminder on severe weather arrangements

Reminder to factor in the time required for ESS registration

The Codes on Takeovers and Mergers and Share Buy-backs require an offeror (including a potential offeror) and a potential vendor¹ of shares² of an offeree company to make announcements under certain circumstances³. Where an offeree company is listed on the Stock Exchange of Hong Kong Limited (SEHK), the related Codes documents must be published on the HKEXnews website in accordance with the requirements of the Listing Rules⁴.

The announcements made by an offeror or a potential vendor are often issued together with or with the help of the offeree company. However, at times, an offeror or a potential vendor may need to make the requisite disclosures on its own as soon as practicable to keep the market informed⁵. For instance, the responsibility for making an announcement normally rests with an offeror under

the Takeovers Code before the board of the offeree company is approached. Actions of an offeror or a potential vendor listed in Hong Kong or elsewhere may also trigger disclosure requirements under the rules of the relevant exchanges or the laws of the relevant jurisdictions. In addition, an offeror may sometimes choose to issue, inter alia, the firm intention announcement without involving the offeree company.

We would like to emphasise that if an offeror or a potential vendor is not listed on SEHK and intends to issue Codes documents without involving the offeree company, it must factor in the time required to complete prior registration for accessing the e-Submission System (ESS) of Hong Kong Exchanges and Clearing Limited in planning the transaction timetable. It is the responsibility of the relevant parties to familiarise themselves with the relevant procedures (including the requirements to submit supporting materials for ESS registration) and allow sufficient time to complete the registration process to avoid any delay in publication.

- 1 This refers to a shareholder or shareholders involved in negotiations or discussions with a potential offeror and holding 30% or more of the voting rights of the relevant listed company.
- 2 References to shares in this bulletin are taken to include REIT units and HDRs where applicable.
- 3 Rules 3.1 and 3.3 of the Takeovers Code.
- 4 Rule 12.2 of the Takeovers Code.
- 5 For example, when the offeree company is the subject of rumour or speculation about a possible offer or there is undue movement in its share price or trading volume and there are reasonable grounds for concluding that the situation is caused by the actions of the potential offeror or the potential vendor, an announcement must be made under Rules 3.1 and 3.3 of the Takeovers Code, respectively.

Reminder on severe weather arrangements

SEHK's new operational model and arrangements for severe weather trading commenced on 23 September 2024.

We would like to remind market participants that, for the purpose of the Codes, a severe weather trading day⁶ counts as a business day, and except as otherwise provided in [Practice Note 27](#), a waiver is required for an extension of a deadline regulated under the Codes in view of severe weather conditions⁷.

The Executive should be consulted if there is any doubt about Practice Note 27 or any requirements of the Codes in the context of severe weather.

Quarterly update on Takeovers Team activities

From April to June 2024, we received 17 takeovers-related cases (including privatisations, voluntary and mandatory general offers and off-market and general-offer share buy-backs), three whitewashes and 59 ruling applications.

Useful links

- [The Codes on Takeovers and Mergers and Share Buy-backs](#)
- [Practice notes](#)
- [Decisions and statements](#)
- [Previous *Takeovers Bulletins*](#)

6 A "severe weather trading day" refers to a trading day on which one or more severe weather conditions are in effect during the trading session.

7 A severe weather condition means a typhoon warning signal no. 8 or above, or a black rainstorm warning issued by the Hong Kong Observatory, or an "extreme conditions" warning announced by the HKSAR Government.

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