



# Takeovers Bulletin

## Highlights

- New email address for submissions to the Takeovers Team
- Cold shoulder order against Zuo Ping for breaching the mandatory general offer obligation
- Rule 22 submissions: Aggregation of same-day, same-price trades and presentation of non-HKD currency-denominated trades
- Quarterly update on Takeovers Team activities

## Season's Greeting

We wish all readers a healthy and fruitful 2025!

## New email address for submissions to the Takeovers Team

As part of the Securities and Futures Commission's (SFC) ongoing paperless initiative, the Executive has, since September 2023, required that all submissions be made by email unless otherwise directed. To further enhance operational efficiency, we are going to introduce a designated email address for the Takeovers Team. Starting from 1 February 2025, all submissions to the Executive under the Codes on Takeovers and Mergers and Share Buy-backs (Codes) should be sent to [takeovers@sfc.hk](mailto:takeovers@sfc.hk).

The current email address, [CFMailbox@sfc.hk](mailto:CFMailbox@sfc.hk), will remain in use for receiving Codes-related submissions until 31 January 2025. In the meantime, market participants involved in Codes-related matters and their advisers are encouraged to update their address books and make appropriate

arrangements to ensure that the new email address is used from 1 February 2025 onwards, after which the current email address will no longer be used for Codes-related matters.

## Cold shoulder order against Zuo Ping for breaching the mandatory general offer obligation

On 15 November 2024, we publicly censured and imposed a six-year cold shoulder order against Zuo Ping for increasing her shareholding interest in CBK Holdings Limited (CBK) from 0% to over 30% in November 2023 without making a general offer as required under Rule 26.1 of the Takeovers Code. Licensed corporations, licensed representatives and registered institutions should not provide Zuo or corporations controlled by her (excluding CBK and its subsidiaries) with access to the Hong Kong securities market until 14 November 2030. Details of the Executive Statement (including the cold shoulder order) can be found in the "[Regulatory Functions – Corporates – Takeovers and mergers – Decisions and statements – Executive decisions and statements](#)" section of the SFC website.

The mandatory general offer obligation is one of the most fundamental provisions of the Takeovers Code. Failure to comply with this requirement would deprive shareholders of the opportunity to exit in the event of a change in control over the relevant public company. Parties wishing to take advantage of the securities markets in Hong Kong should conduct themselves in matters relating to takeovers, mergers and share buy-backs in accordance with the Codes and seek professional advice as needed. Professional advisers should ensure that their clients understand and abide by the Codes.

### **Rule 22 submissions: Aggregation of same-day, same-price trades and presentation of non-HKD currency-denominated trades**

Rule 22 of the Takeovers Code provides that parties to an offer and their respective associates should disclose their dealings in relevant securities of the offeree company and those of the offeror<sup>1</sup> during the offer period. Dealing disclosures should be made through the [Rule 22 Dealing Disclosure Online Submission](#) system on WINGS, the SFC Online Portal, by way of the prescribed public disclosure form or a private disclosure form as appropriate.

It is possible that multiple trades are executed by a party on a single day. To the extent that such trades are executed at the same price, they should be aggregated for the purpose of Rule 22 filings. For example, if a party made five trades of 1,000 shares each at HK\$1.25 on a certain date, a single entry of 5,000 shares at HK\$1.25 should be included in the Rule 22 disclosure form. In contrast, if a party made five trades of 1,000 shares each at different prices, five separate entries should be made. We believe this approach will provide a more meaningful overall picture of the trades conducted by the relevant parties.

As for trades that are denominated in a non-Hong Kong dollar currency (for example, where the trade relates to a dealing on an overseas exchange or the RMB counter of the Stock Exchange of Hong Kong), to avoid any confusion arising from the exchange rate used by a party, we believe translation into Hong Kong dollars is neither necessary nor appropriate. The dealing disclosure should be presented in the currency of the transaction, with a clear indication of such currency in the "Submission Remarks" box of the Rule 22 Dealing Disclosure Online Submission portal.

The Executive should be consulted if there is any doubt about the application of Rule 22 or related submission procedures.

<sup>1</sup> Only where the offer includes a securities exchange offer.

## Quarterly update on Takeovers Team activities

From July to September 2024, we received 18 takeovers-related cases (including privatisations, voluntary and mandatory general offers and off-market and general-offer share buy-backs), three whitewashes and 68 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](http://www.sfc.hk).

Feedback and comments are welcome and can be sent to [takeoversbulletin@sfc.hk](mailto:takeoversbulletin@sfc.hk).

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