

Practice Note 23 (PN 23) Waivers from the application of Rule 26.1 of the Takeovers Code for De-SPAC Transactions

1. On 17 September 2021, The Stock Exchange of Hong Kong Limited issued a consultation paper on special purpose acquisition companies (**SPAC**). In the consultation paper, the Executive and the Takeovers Panel proposed that the application of Rule 26.1 of the Takeovers Code in relation to a De-SPAC Transaction which would result in the owner(s) of the De-SPAC Target obtaining 30% or more of the voting rights in a Successor Company should normally be waived (**De-SPAC Waiver**). Following market consultation and with almost unanimous support from respondents to the consultation, the proposal was adopted.
2. This Practice Note provides guidance to market practitioners on the formal application process for a De-SPAC Waiver. Where the context requires, terms in this Practice Note shall have the same meanings given to them in Chapter 18B of the Listing Rules.

The De-SPAC Waiver application

3. An application for a De-SPAC Waiver must be made in accordance with section 8 of the Introduction to the Codes. The application should be comprehensive and contain all relevant information, accompanied by the requisite fee and filing form which contains the certification required under section 8.3 of the Introduction. To the extent applicable, the information set out in section 8.1 of the Introduction should be included in the application. In addition, it should include details of the following:
 - (i) a full list of the owner(s) of the De-SPAC Target;
 - (ii) any holdings of the owner(s) of the De-SPAC Target and parties acting in concert with it/them in the shares of the SPAC at the time of the application and their expected holdings immediately after the completion of the De-SPAC Transaction;
 - (iii) details of any dealings by the persons in (ii) in the securities of the SPAC including:
 - (a) date of dealings;

(b) price

