

Practice Note 24 (PN24) – Receivers, liquidators and when to commence offer period(s)

In Takeovers Bulletin No. 52 issued in March 2020, we clarified that where an independent receiver or liquidator is appointed over a controlling interest in a Hong Kong public company (i.e. 30% or more of the voting rights), this will give rise to a possible offer on the expectation that the receiver or liquidator would act swiftly to sell the shares and accordingly, an announcement under Rule 3.7 of the Takeovers Code should be published.

vetting if the case falls under (A)(i) or (ii) above. In the draft announcement, the offeree company should disclose the appointment of a receiver or liquidator and the reason(s) for commencing an offer period. Following the commencement of the offer period, the offeree company will be required to publish monthly update announcements in line with existing practice and as required under Rule 3.7.

- (C) In cases where the appointment of a receiver or liquidator did not initially result in the commencement of an offer period, the receiver or liquidator and any future potential purchaser should take all necessary steps to maintain confidentiality of information relating to a possible offer (such as, negotiations on the disposal of the controlling stake) and to ensure there is no leakage of such information.¹ An offer period would only commence upon the issue of a Rule 3.5 firm intention announcement or a Rule 3.7 “talks” announcement which should only be made if an obligation to issue an announcement under