

# **Takeovers Bulletin**

## **Highlights**

- Availability of financial resources until the completion of an offer
- Appointments and reappointments to takeovers-related committees

# Availability of financial resources until the completion of an offer

Under Note 3 to Rule 3.5 of the Takeovers Code and Schedule I of the Codes, a Rule 3.5 announcement and an offer document should include a confirmation from the offeror's financial adviser that the offeror has sufficient financial resources to settle the consideration payable upon full acceptance of the offer. Financial advisers should observe the highest standard of care in satisfying themselves of the sufficiency of the offeror's financial resources.

As explained in Practice Note 15, the financial adviser must submit a signed financial resources confirmation to the Executive before the Rule 3.5 announcement is made. The submission should set out the bases for the financial adviser's confirmation and the due diligence steps it has taken in satisfying that sufficient financial resources are and will be available to satisfy full acceptance of the offer. In addition, an updated confirmation must also be submitted before the Executive can clear the offer document for the offer to open for acceptance. It is important that the offeror has sufficient financial resources to discharge its payment obligations until the consideration due is settled.

If there are any changes in circumstances that might affect the financial adviser's bases for its confirmation, the offeror and its financial adviser  Quarterly update on the activities of Takeovers Team

should work together to ensure that the offeror continues to have sufficient financial resources to satisfy full acceptance of the offer. The Executive should be consulted at the earliest opportunity if there is any doubt about the application of the Codes.

# Appointments and reappointments to takeovers-related committees

We welcome the following appointments and reappointments of members to the Securities and Futures Commission's (SFC) Takeovers and Mergers Panel (Panel), Takeovers Appeal Committee (Appeal Committee), Disciplinary Chair Committee and Nominations Committee with effect from 1 April 2024:

### The Panel and the Appeal Committee

*New appointments* – Ms Christina Lee and Ms Joey Chau

Reappointments – Ms Teresa Ko, BBS, JP, Ms Celia Lam, Mr John Maguire, Mr Mark Schwille, Ms Benita Yu, Mr Conrad Chan, Ms Julia Charlton, Ms Pauline Leung, Mr David Norman, Mr Nicholas Norris, Mr Martin Sabine, Mr Philip Tye, Mr Richard Winter, Mr Julian Wolhardt, Mr Richard Wong, Mr Alex Wong and Mr Dieter Yih, JP

### The Disciplinary Chair Committee

*Reappointments* – Mr Jat Sew Tong, SC, JP, Mr Paul Shieh, SC, Mr Anson Wong, SC, JP, Mr Bernard Man, SC, and Mr José-Antonio Maurellet, SC

#### **The Nominations Committee**

*Reappointments* – Mr Tim Lui, GBS, JP and Mr Victor Dawes, SC

#### Full list of members of the takeoversrelated committees

Members are appointed or reappointed for a term of two years until 31 March 2026 unless otherwise stated. The membership lists for the Panel, Appeal Committee, Disciplinary Chair Committee and Nominations Committee are set out below.

#### **The Panel**

### **The Appeal Committee**

The Appeal Committee reviews disciplinary rulings of the Panel for the sole purpose of determining whether any sanctions imposed by the Panel is unfair or excessive. For each review, the Appeal Committee shall comprise a Chairman, who shall be selected from the Disciplinary Chair Committee, and other members, who shall be selected from the Panel on a case-by-case basis.

#### Members

Ms Bidlake Alexandra<sup>\*</sup> Mr Chan Che Chung (Alias: Conrad Chan) Mr Chan Yuk Sing Freeman<sup>\*</sup> Ms Charlton Julia Frances Ms Chau Lai Yi (Alias: Joey Chau) Mr Clark Stephen John<sup>\*</sup> Mr Ip Koon Wing Ernest<sup>\*</sup> Ms Ko Teresa Yuk Yin, BBS, JP Ms Lam Chor Lai Celia Ms Lee Sum Man Christina Ms Leung Po Wah Pauline Mr Lo Samson Lambert<sup>\*</sup> Mr Maguire John Martin

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# Quarterly update on the activities of Takeovers Team

From October to December 2023, we received 16 takeovers-related cases (including privatisations, voluntary and mandatory general offers, and off-market and general-offer share buy-backs), eight whitewashes and 51 ruling applications.

All issues of the *Takeovers Bulletin* are available under 'Published resources – Newsletters – Takeovers Bulletin' on the SFC website at www.sfc.hk.

Feedback and comments are welcome and can be sent to takeoversbulletin@sfc.hk.

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