

An SFC newsletter to help participants in Hong Kong's financial markets better understand the Codes on Takeovers and Mergers and Share Buy-backs

Feedback and comments:
takeoversbulletin@sfc.hk

Confidentiality, talks announcements and minimum suspensions

In the June 2016 issue of the *Takeovers Bulletin*, we reminded parties, their advisers and other market practitioners that “talks” announcements should not be issued as a matter of confidentiality matter under Rule 3 of the Takeovers Code should not

arise. This applies when the board of an offeree company has been approached about, or informed of, a possible offer (including a possible privatisation proposal) which is being contemplated or negotiated, and whilst the proposals or negotiations are incomplete.

In the event that the obligation to make an announcement under Rule 3.7 arises, the announcement should be relatively short and disclose no more than the fact that talks are taking place. In cases where the board of the offeree company has been informed of an indicative offer price or the form of consideration, it is not normally acceptable for this information to be disclosed in a Rule 3.7 announcement because the transaction is still being negotiated and may or may not materialise.

At this stage, the parties are under a strict obligation to keep the relevant information confidential (see Rule 1.4) until a firm intention to make an offer is announced.

Parties should therefore take all necessary steps to maintain confidentiality and to ensure there is no leakage of information prior to the announcement of a firm intention to make an offer. In cases where leakage has occurred, we may conduct an investigation and take disciplinary action if appropriate.

Highlights

- Reminder about confidentiality, talks announcements and minimum suspensions
- Monthly update announcements
- Appointments and reappointments to the Takeovers and Mergers Panel and the Takeovers Appeal Committee
- Quarterly update on the activities of the Takeovers Team

We wish to remind issuers and their advisers that every effort should be made to avoid unnecessary trading suspensions. Trading suspensions to facilitate negotiations between parties are

Appointments and reappointments of members to the Takeovers and Mergers Panel and the Takeovers Appeal Committee

We welcome the following new appointments and reappointments to the Takeovers and Mergers Panel (Panel) and the Takeovers Appeal Committee (Appeal Committee) with effect from 1 April 2017:

Panel and Appeal Committee

New appointment

Mr Sabine Martin Nevil*
Mr Schwille

Alternate members to CLARK Stephen Edward

Mr Chan Yuk Sing, Freeman

Ms Ko, Teresa Yuk Yin, JP

Mr Liu Chee Ming

Mr Maguire John Martin

Mr Webb David Michael

* Reappointed on 1 April 2016 for a term of two years until 31 March 2018

A full list of members of the Panel, the Appeal Committee, the Disciplinary Chair Committee and the Nominations Committee can be found in the "Regulatory 2 natio fu] Co @ fu] fuc it rd @ Co @ fuf Ö g fuc t

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 – Industry-related publications – *Takeovers Bulletin*' on the SFC website at www.sfc.hk.

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