

Introduction

1. In this issue the Executive reminds directors not to make or trigger a general offer during a black out period.
2. The Executive updates the market on the first six months of the post-vetting regime and reminds market practitioners to include the directors' responsibility statements in Post-Vet announcements.
3. The Executive clarifies its approach to confirmations of past shareholdings in placing and top up transactions.

convertible securities. While the overriding principle is that a director must not deal in the issuer's securities when in possession of unpublished price sensitive information, Rule 3(a) of the Model Code sets out an absolute prohibition that a director must not deal in any securities of the listed issuer on any day during the "black out period," which starts from (i) 60 days before publication of the annual results and (ii) 30 days before publication of quarterly results and half-year results and includes (iii) the day on which the financial results are published. A breach of the required standard in the Model Code will be regarded as a breach of the Listing Rules of the SEHK.

It follows that during a black out period, a director must not deal in the issuer's securities. ~~MC5()-5(q7-12(d)-10(ea14(g)-5()-5(2)-25(s)-5(9n)-5(()-5(5)-7(b)-7((g)-5(s5()-h)-2(l)156(n)-145-12(d)-10(ee)-5()-5d)-10(ea1~~

Currently the Post-Vet List covers the following five types of announcements: (i) announcements of the appointment of independent financial advisers under Rule 2.1; (ii) announcements of the despatch of circulars under Rule 8 or 25; (iii) announcements of delay in despatch of circulars under Rule 8.2 or Rule 8.4; (iv) announcements of the appointment and resignation of directors of the offeree company under Rule 26.4 and Rule 7; and (v) announcements of placing and top-up transactions under Note 6 on dispensations from Rule 26.

For the avoidance of doubt, practitioners should note that any announcement that is not specified in the Post-Vet List (including but not limited to the first announcement of a whitewash proposal, the results of general meeting approving the whitewash

Takeovers Panel rules no mandatory offer obligation triggered for Merdeka Resources Holdings Limited (MRH) (formerly CCT Resources Holdings Limited)

On 9 December 2010 the Takeovers Panel ruled that there was insufficient evidence to suggest that Merdeka Commodities Limited (MCL) and its sole shareholder, Mr Lai Wing Hung, were acting in concert with CCT Telecom Holdings Limited and its wholly-owned subsidiary, Manistar Enterprises Limited (Manistar), in an acquisition by MCL of 13.14% of the voting rights in MRH from Manistar. The Panel also considered that, in light of the circumstances of the case, any presumption that the parties are acting in concert under class (1) of the definition of acting in concert in the Takeovers Code as a result of the acquisition had been rebutted. Accordingly, a mandatory general offer obligation under Rule 26.1 of the Takeovers Code had not been triggered as a result of the acquisition.

On 25 November 2010 the Takeovers Executive received an application for a rebuttal of the presumption that the parties were (b)-17(e)(b)-17(e)(b)-17(e)

Update on the activities of the Takeovers Team in the day-to-day administration of the Codes

Further to our update on the activities of the Takeovers Team in the June 2010 issue of the Takeovers Bulletin, in the six months ended 30 September 2010, the Executive dealt with 22 takeovers-related cases (including privatisations, voluntary and mandatory general offers and off-market and general-offer repurchases) and 15 whitewashes. The Executive also received 119 ruling applications.

The Executive referred one case to the Takeovers Panel for a ruling during this six-month period as particularly novel, important