

Takeovers Executive of the SFC criticises Penta Investment Advisers Limited in relation to breaches of the dealing disclosure requirements in Rule 22 of the Takeovers Code

Criticism on Penta Investment Advisers Limited

1. The Executive publicly criticises Penta Investment Advisers Limited (“Penta”) under section 12.3 of the Introduction to the Code on Takeovers and Mergers (“Takeovers Code”) for breaching Rule 22 of the Takeovers Code as a result of its late disclosure of dealings in the relevant securities of Allied Properties (H.K.) Limited (“APL”) and Tian An China Investments Company Limited (“Tian An”) between 15 September 2011 and 30 September 2011.
2. At all relevant times, Penta, on behalf of various funds and investors, held over 5% of the issued share capital of APL and Tian An respectively and fell within the definition of “associate” under the Takeovers Code during the relevant period.

Background and relevant provisions of the Takeovers Code

Background

3. Penta acts as investment advisor to various funds and managed accounts, including Penta Master Fund, Ltd., Penta Asia Domestic Partners, L.P. and Penta Asia Long/Short Fund Ltd.
4. Rule 22.3 of the Takeovers Code provides that *“[i]f a person manages investment accounts on a discretionary basis, relevant securities so managed*

obligations under Rule 22 of the Takeovers Code. It was specifically mentioned in the reminder that associates of Tian An and APL included persons holding 5% or more of a class of relevant securities of Tian An and/or APL.

Breaches of Rule 22 of the Takeovers Code

15. Between 15 September 2011 and 30 September 2011, Penta executed 14 orders in the relevant securities of Tian An on seven da Tc a.007 Twt -0.0025]TJ 03422 Tc 0.00

