

WEBINAR: RESPONSIBILITIES OF HKEX LISTCO DIRECTORS

Part III: Notifiable Transactions

28 AUGUST 2020

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NOTIFIABLE TRANSACTIONS: DEFINITION OF TRANSACTION

1

acquisition or disposal of assets

2

transaction involving a listed company writing, accepting, transferring, exercising or terminating an option to acquire or dispose of assets or to subscribe for securities

3

entering into or terminating finance leases where the financial effects of such leases have an impact on the balance sheet and/or profit and loss account of the listed company

4


entering into or terminating operating leases which have a significant impact on the operations of a listed company

5

granting an indemnity or a guarantee or providing financial assistance, except to subsidiaries, or unless the listed company is a banking company or securities house

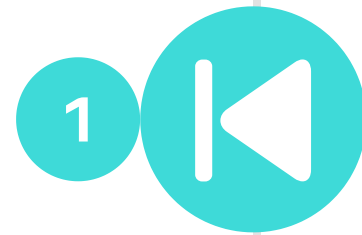
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entering into any arrangement or agreement involving the formation of a joint venture entity in any form or any other form of joint arrangement



transactions of a revenue nature in the ordinary and usual course of business of the listed company (not falling in any of those categories) are exempt from the requirements for notifiable transactions

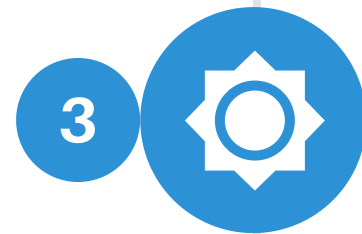
TRANSACTIONS OF A "REVENUE NATURE"



whether previous transactions or recurring transactions of the same nature were treated as notifiable transactions;



historical accounting treatment of previous transactions of the same nature;



whether accounting treatment is in accordance with generally acceptable accounting standards; and

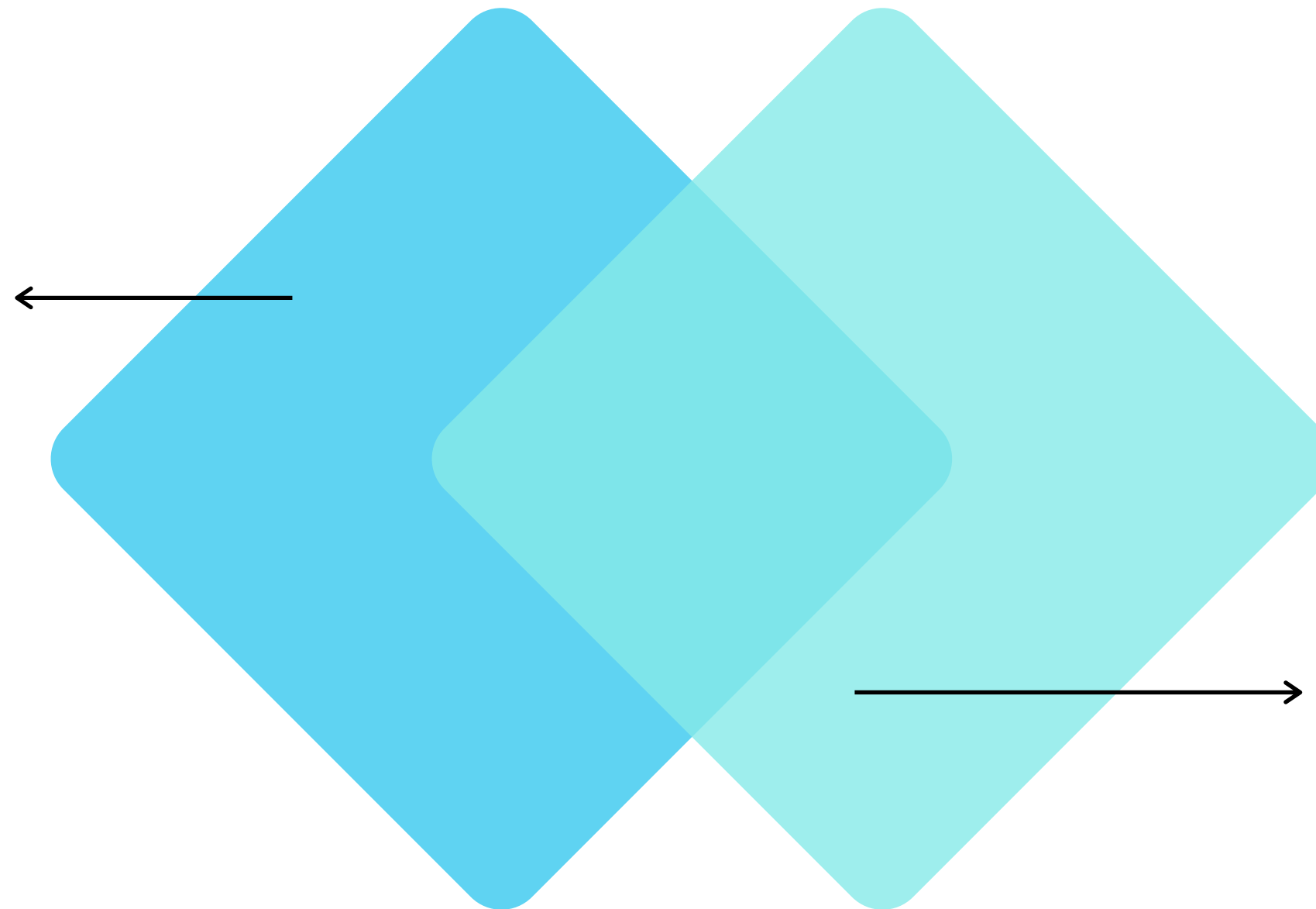


whether the transaction is a revenue or capital transaction for tax purposes

DEFINITION OF TRANSACTION (CONT.)

TRANSACTION INVOLVING ACQUISITION AND DISPOSAL OF PROPERTIES

generally will not be considered to be of a revenue nature unless the transaction is carried out as one of the principal activities and in the ordinary and usual course of business of the listed company (Note 2 to Rule 14.04(1))



ACQUISITIONS AND DISPOSALS OF SHARES (OR "OTHER SECURITIES")

not normally regarded as being of a revenue nature and are thus exempt from the Chapter 14 requirements except when carried out by a listed company which is:

- (1) a banking company
- (2) an insurance company
- (3) a securities house whose main business is conducting SFC-regulated activities

TRANSACTION IN THE "ORDINARY AND USUAL COURSE OF BUSINESS"



The existing principal activities of the listed company or an activity wholly necessary for its principal activities

FINANCIAL ASSISTANCE EXEMPT FROM NOTIFIABLE TRANSACTION REQUIREMENTS

01

by a banking company in its ordinary and usual course of business

02

by a listed company to its subsidiary

03

by a securities house in its ordinary and usual course of business and on normal commercial terms by way of securities margin financing whether or not the shares are pledged as security

DEFINITION OF "BANKING COMPANY" (MBLR 14A.88)

a bank, restricted licence bank or deposit taking company as defined in the Banking Ordinance (CAP 155) or a bank constituted under appropriate overseas legislation or authority

DEFINITION OF "SECURITIES HOUSE" (MBLR 14.04(10E))

a corporation which is licensed or registered under the SFO (CAP 571) for Type 1 (dealing in securities) or Type 8 (securities margin financing) regulated activity



WHERE FINANCIAL ASSISTANCE IS EXEMPT FROM NOTIFIABLE TRANSACTIONS REQUIREMENTS

may still have to publish an announcement in relation to the financial assistance under MBLR 13.13 if:

- the amount of the loan or other financial assistance exceeds 8% of the listed company's total assets; or
- if the financial assistance is provided to an affiliated company of the listed company and results in the aggregate financial assistance (including guarantees provided to its affiliated companies) exceeding 8% of the listed company's assets



ISSUES OF SECURITIES FOR CASH

- definition of “transaction” excludes the issue of new securities for cash only.
- are within the definition of “transaction” which applies for the purposes of “connected transactions” under MBLR 14A.24(6)

CLASSIFICATION OF NOTIFIABLE TRANSACTIONS

TRANSACTION TYPE	ASSETS RATIO	CONSIDERATION RATIO	PROFITS RATIO	REVENUE RATIO	EQUITY CAPITAL RATIO
share transaction	less than 5%	less than 5%	less than 5%	less than 5%	less than 5%
discloseable transaction	5% or more but less than 25%	5% or more but less than 25%	5% or more but less than 25%	5% or more but less than 25%	5% or more but less than 25%
major transaction - disposal	25% or more but less than 75%	25% or more but less than 75%	25% or more but less than 75%	25% or more but less than 75%	N / A
major transaction - acquisition	25% or more but less than 100%	25% or more but less than 100%	25% or more but less than 100%	25% or more but less than 100%	25% or more but less than 100%
very substantial disposal	75% or more	75% or more	75% or more	75% or more	N / A
very substantial acquisition	100% or more	100% or more	100% or more	100% or more	100% or more

CATEGORIES OF NOTIFIABLE TRANSACTIONS (MBLR 14.06)

0
1

share transaction: an acquisition of assets by a listed company where the consideration includes securities for which listing will be sought and where all percentage ratios are less than 5%

0
2

discloseable transaction: a transaction or a series of transactions by a listed company where any percentage ratio is 5% or more, but less than 25%

0
3

major transaction: a transaction or a series of transactions by a listed company where any percentage ratio is 25% or more, but less than 100% for an acquisition or 75% for a disposal

0
4

very substantial disposal: a disposal or a series of disposals of assets by a listed company where any percentage ratio is 75% or more

0
5

very substantial acquisition: an acquisition or a series of acquisitions of assets by a listed company where any percentage ratio is 100% or more

CATEGORIES OF NOTIFIABLE TRANSACTIONS (MBLR 14.06) – REVERSE TAKEOVERS

an acquisition or a series of acquisitions of assets by a listed company which, in the opinion of the Exchange, constitutes or is part of a transaction or arrangement or series of transactions or arrangements which constitute an attempt to achieve a listing of the assets to be acquired and a means to circumvent the requirements for new applicants set out in Chapter 8 of the Listing Rules

CATEGORIES OF NOTIFIABLE TRANSACTIONS (MBLR 14.06) - REVERSE TAKEOVERS (CONT.)

1

an acquisition or series of acquisitions of assets constituting a very substantial acquisition where there is or which will result in a change in control of the listed company

2

acquisition or series of acquisitions of assets from the incoming controlling shareholder(s) or his/their associates within 36 months after the change in control of the listed company that had not been regarded as a reverse takeover, which individually or together reach the threshold for a very substantial acquisition

DOES THE ACQUISITION CONSTITUTE A VERY SUBSTANTIAL ACQUISITION?

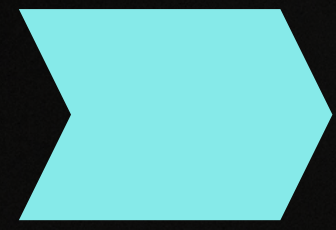
1

the latest published figures of the asset value, revenue and profits and the market value of the listed company at the time of change in control; or

2

the latest published figures of the asset value, revenue and profits and the market value of the listed company at the time of the acquisition(s)

PERCENTAGE RATIOS



1 - assets ratio



2 - profits ratio



3 - revenue ratio



4 - consideration ratio



5 - equity capital ratio

TRANSACTIONS INVOLVING AN ACQUISITION AND DISPOSAL

- will apply the percentage ratios to both the acquisition and the disposal
- will be classified based on the larger of the acquisition or disposal, and subject to the requirements applicable to that classification
- where a circular is required, each of the acquisition and disposal will be subject to the content requirements applicable to their respective transaction classification (MBLR 14.24)



AGGREGATION OF TRANSACTIONS (MBLR 14.22)

1. are entered into by the listed company with the same party or with connected / associated parties;
2. involve the acquisition / disposal of securities or an interest in one particular company or group of companies;
3. involve the acquisition or disposal or parts of one asset; or
4. together lead to substantial involvement by the listed company in a business activity which did not previously form part of the listed company's principal business activities

AGGREGATION OF TRANSACTIONS (CONT.)

1

in cases of doubt

if any factors outlined on the previous slide apply to any transaction entered into by the listco in the past 12 months

2

3

if any transaction entered into by the listed company involves acquisitions of assets from a person or group of persons or any of his/their associates within 24 months of such persons or group of people gaining control of the listed company

CONSEQUENCES OF ENTERING INTO A NOTIFIABLE TRANSACTION (MBLR 14.33)

	PUBLICATION OF AN ANNOUNCEMENT	CIRCULAR TO SHAREHOLDERS	SHAREHOLDERS' APPROVAL	ACCOUNTANTS' REPORT
share transaction	yes	no*	no	no
discloseable transaction	yes	no	no	no
major transaction - disposal	yes	yes**	yes	yes***
major transaction - acquisition	yes	yes**	yes	no****
very substantial disposal	yes	yes**	yes	yes***
very substantial acquisition	yes	yes** ^	yes	yes***

*no shareholder approval necessary if consideration shares are issued under a general mandate

** any shareholder and his associates must abstain from voting if such shareholder has a material interest in the transaction

*** an accountants' report on any business, company or companies being acquired is necessary

**** a listed issuer may at its option include an accountants' report

^ approval of the Exchange is required

ANNOUNCEMENT REQUIREMENT (MBLR 14.34)

as soon as possible after the terms of a notifiable transaction have been finalised, the listed company must publish an announcement on the websites of the Exchange and the listed company in accordance with MBLR 2.07C

SHORT SUSPENSION OF DEALINGS

- must ensure confidentiality of the relevant information until an announcement is published
- must issue an announcement or apply for a trading halt or a trading suspension pending the announcement if it cannot maintain confidentiality or believes that the information may have been leaked (MBLR 14.37)



ANNOUNCEMENT CONTENTS: GENERAL REQUIREMENTS (MBLR 14.58)



1 - prominent and legible disclaimer
(MBLR 14.88)



2 - description of principal business
activities



3 - date of transaction



4 - confirm independence of parties



5 - aggregate value of consideration,
how satisfied and payment terms



6 - amounts and details of securities
(if consideration includes securities
for which listing is sought)

ANNOUNCEMENT CONTENTS: GENERAL REQUIREMENTS (MBLR 14.58) (CONT.)



7 - basis upon which consideration was determined



8 - value of assets subject of the transaction



9 - net profits attributable to assets subject of transaction for last 2 FYs (where applicable)



10 - reasons for entering into the transaction, benefits and directors' statement



11 - details of any guarantee / other security given or required (where appropriate)

ADDITIONAL REQUIREMENTS

For share transaction announcements (MBLR 14.59):

- amount and details of securities being issued and any restrictions on subsequent sales
- details of assets being acquired
- declaration as to whether subsidiary will continue to be a subsidiary after the transaction (if appropriate)
- statement that announcement is for informational purposes only
- statement that application has been or will be made to the Exchange for listing and permission to deal in the securities



ADDITIONAL REQUIREMENTS (CONT.)

For announcements of notifiable transactions (other than share transactions) (MBLR 14.60):

- general nature of transaction
- details of assets being acquired / disposed of
- in the case of disposal:
 - details of gain / loss expected and basis of calc.
 - intended application of sale proceeds
- name of shareholder(s), no. of shares held by each and relationship between shareholders (in the case of a major transaction subject to written shareholders' approval)
- declaration as to whether subsidiary will continue to be a subsidiary after the transaction (if transaction involves disposal of an interest in a subsidiary)
- expected date of dispatch of the circular to shareholders (except for discloseable transactions) and reasons why if 15+ days

PRE-VETTING AND SHAREHOLDERS' APPROVAL REQUIREMENTS

01

PRE-VETTING

- announcements of any very substantial disposals / acquisitions or reverse takeover must be pre-vetted (MBLR 13.52(2))
- termination of a previously announced notifiable transaction / any material variation of terms or material delay in completion of the agreement must be announced as soon as practicable (MBLR 14.36 and 14.49)

02

SHAREHOLDERS' APPROVAL

- major transactions, very substantial disposals / acquisitions and reverse takeovers must be made conditional on approval by shareholders in a general meeting (MBLR 14.40)

VOTING AT GENERAL MEETINGS ON NOTIFIABLE TRANSACTIONS

PROCEDURE

- must be taken by poll (MBLR 13.39(4))
- results of the poll must be announced on the next business day following the meeting
- must appoint its auditor, share registrar or external accountants to act as scrutineer

ABSTENTION

- (1) are they a party to the transaction / close associate of such a party?
- (2) does the transaction confer benefits on shareholder / close associate not available to other shareholders?

REVERSE TAKEOVER

where there is change in control and existing controlling shareholder(s) will dispose of shares to any person, the existing controlling shareholder(s) cannot vote in favour of the acquisition of assets from the incoming controlling shareholder / associates at the time of the change in control

DOES NOT apply where the decrease in outgoing shareholder's shareholding results solely from dilution through new issue of shares to incoming controlling shareholder

WRITTEN SHAREHOLDERS' APPROVAL (MBLR 14.44)

major transaction may be approved by written shareholders' approval in lieu of holding general meeting if:

- no shareholder would be required to abstain if convened meeting to approve;
- obtained from shareholder or closely allied group of shareholders who together hold 50%+ of voting rights at general meeting to approve transaction; and
- reporting accountants do not give modified opinion

CIRCULAR TO SHAREHOLDERS (MBLR 14.63)

1 provide a clear, concise and adequate explanation of its subject matter

2 if voting or shareholders' approval is required:

- contain all necessary information to allow holders to make a properly informed decision;
- contain a heading emphasising the importance of the document and advising holders of securities to consult appropriate independent advisers;
- contain a recommendation from directors as to voting action shareholders should take; and
- contain a statement that any shareholder with a material interest and his close associates must abstain from voting

3 contain a confirmation that, to the best of the directors' knowledge, information and belief, having made all reasonable enquiry, the counterparty and the ultimate beneficial owner of the counterparty are third parties independent of the listed issuer and connected persons

CIRCULAR TO SHAREHOLDERS (CONT.)



CIRCULAR MUST BE SENT:

- in the case of a major transaction to be approved by written shareholders' approval – within 15 business days after publication of the announcement (MBLR 14.41(a))
- for major transactions to be approved in general meeting, very substantial acquisitions and very substantial disposals, at the same time as or before the listed company gives notice of the general meeting to approve the transaction (MBLR 14.41(b) and 14.51)



MUST ALSO DISPATCH:

any revised or supplementary circular and/or additional material that has come to light to be considered at a general meeting not less than 10 business days before the date of the relevant general meeting (MBLR 14.42/52)



ADDITIONAL REQUIREMENTS:

circulars involving an acquisition or disposal of any business, company or companies or revenue-generating assets with an identifiable income stream or asset valuation

ADDITIONAL REQUIREMENTS FOR CIRCULARS

FOR MAJOR TRANSACTIONS INVOLVING AN ACQUISITION OF A BUSINESS OR COMPANY

an accountants' report

a pro-forma statement of the combined assets and liabilities

discussion and analysis of the results of the business or companies being acquired

FOR MAJOR TRANSACTIONS INVOLVING AN ACQUISITION OF ANY REVENUE GENERATING ASSETS (NOT BUSINESS OR COMPANY)

profit and loss statement and valuation for 3 preceding financial years

a pro-forma statement of the combined assets and liabilities

discussion and analysis of the results of the business or companies being acquired

ADDITIONAL REQUIREMENTS FOR CIRCULARS (CONT.)

FOR VSA, EXTREME TRANSACTIONS AND LISTING DOCS FOR RTO INVOLVING ACQUISITION OF ANY BUSINESS OR COMPANY

an accountants' report

a pro-forma income statement, balance sheet and cash flow statement of the enlarged group

general info on the trend of the group's business and statement of group's financial and trading prospects for this FY

VSA - separate discussion and analysis of performance of each of the existing group and any acquisitions

ADDITIONAL REQUIREMENTS FOR CIRCULARS (CONT.)

FOR VSA, EXTREME TRANSACTION AND LISTING DOCS FOR RTO INVOLVING ACQUISITION OF ANY REVENUE GENERATING ASSETS

profit and loss statements and valuation for 3 preceding financial years on the identifiable net income stream and asset valuation, reviewed by the auditors or reporting accountants

a pro-forma profit and loss statement and net assets statement on the enlarged group

VSA - separate discussion and analysis of performance of each of the group and any business or company acquired

ADDITIONAL REQUIREMENTS FOR CIRCULARS (CONT.)

FOR VSD INVOLVING A DISPOSAL OF ANY BUSINESS OR COMPANIES

financial info on either: (1) business or company being disposed of OR (2) issuer's group with the business or company being disposed of shown separately

financial info must include income statement, balance sheet, cash flow statement and statement of changes in equity

pro-forma income statement, balance sheet and cash flow statement of the remaining group

ADDITIONAL REQUIREMENTS FOR CIRCULARS (CONT.)

FOR VSD INVOLVING A DISPOSAL OF REVENUE- GENERATING ASSETS (OTHER THAN BUSINESS OR COMPANY)

profit and loss statement and valuation for 3 preceding financial years on the identifiable net income stream and valuation in relation to such assets which must be reviewed by the auditors or reporting accountants

a pro-forma profit and loss statement and net assets statement on the remaining group

SUMMARY OF HISTORICAL FINANCIAL INFORMATION REQUIREMENTS

applicable to acquisitions of any business, company, companies or revenue-generating asset with an identifiable income stream or asset valuation

	WHERE TARGET IS A BUSINESS / COMPANY	WHERE TARGET IS A REVENUE GENERATING ASSET WITH AN IDENTIFIABLE INCOME STREAM OR ASSET VALUATION
MAJOR DISPOSAL	not required	not required
MAJOR ACQUISITION	accountants' report on the target	profit / loss statement and (where available) valuation of target for past 3yrs
VERY SUBSTANTIAL DISPOSAL	financial info of target OR listco group with target shown separately	profit & loss statement and (where available) valuation of target for past 3yrs reviewed by auditors or reporting accountants
VSRA, EXTREME TRANSACTION OR RTO	accountants' report on the target	profit & loss statement and (where available) valuation of target for past 3yrs reviewed by auditors or reporting accountants

SUMMARY OF PRO FORMA FINANCIAL INFORMATION REQUIREMENTS

applicable to acquisitions of any business, company, companies or revenue-generating asset with an identifiable income stream or asset valuation

	WHERE TARGET IS A BUSINESS / COMPANY	WHERE TARGET IS A REVENUE GENERATING ASSET WITH AN IDENTIFIABLE INCOME STREAM OR ASSET VALUATION
MAJOR DISPOSAL	not required	not required
MAJOR ACQUISITION	pro forma statement of assets and liabilities of enlarged group and pro forma statement of assets and liabilities of group and target	pro forma statement of assets and liabilities of enlarged group
VERY SUBSTANTIAL DISPOSAL	pro forma income statement, balance sheet and cash flow statement of the remaining group	pro forma profit and loss statement and net assets statement on remaining group
VSRA, EXTREME TRANSACTION OR RTO	pro forma income statement, balance sheet and cash flow statement of enlarged group	pro forma profit and loss statement and net assets statement on enlarged group

REQUIREMENTS FOR REVERSE TAKEOVERS (MBLR 14.54)

1

SUITABILITY REQUIREMENT AND FINANCIAL TESTS

acquisition targets must meet suitability requirement (MBLR 8.04) and financial tests (MBLR 8.05)

2

ALL REQUIREMENTS FOR A NEW LISTING

enlarged group must meet all the requirements for a new listing under MBLR 8 (except financial tests under MBLR 8.05)

3

SUFFICIENT PUBLIC INTEREST

where listed company does not comply with MBLR 13.24 requirement, the Exchange must be satisfied that there is sufficient public interest in the company's business and securities under MBLR 8.07

REQUIREMENTS FOR REVERSE TAKEOVERS (CONT.)

01

must comply with procedures and requirements for new listing applicants set out in Chapter 9

02

must issue listing document

03

must pay initial listing fee

04

listing document must be sent to shareholders at same time as or before listco gives notice of general meeting to approve transaction

05

announcement must state expected date of dispatch of listing doc

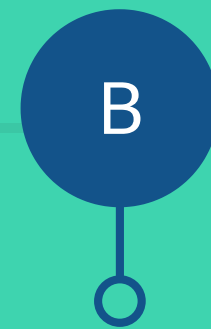
DEFINITION OF A REVERSE TAKEOVER (MBLR 14.06B)

"an acquisition or series of acquisitions by a listed issuer which, in the opinion of the Exchange, constitutes, or is part of a transaction or arrangement or a series of transactions or arrangements which constitute an attempt to achieve a listing of the assets to be acquired and a means to circumvent the requirements for new listing applications under Chapter 8 of the Listing Rules" (the "Principle Based Test")

BRIGHT LINE TESTS:



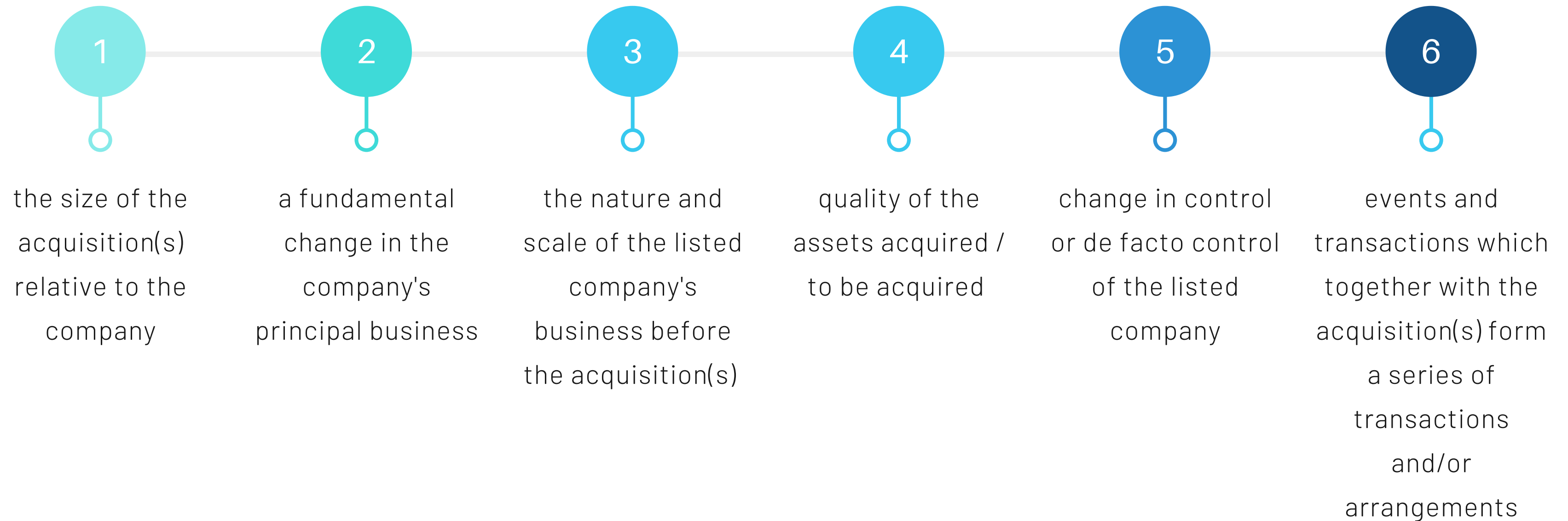
acquisition or series of acquisitions by a listed company constituting a very substantial acquisition which will result in a change of control of the listed company



acquisitions of assets by a listed company which constitute a VSA from a person or group under any agreement or arrangement entered into by the listed company within 36 months of that person or group gaining control of the listed company





EXCHANGE GUIDANCE LETTER HKEX-GL104-19





AGGREGATION OF TRANSACTIONS & ARRANGEMENTS (HKEX-GL104-19)

- (1) acquisitions that are in a similar line of business;
 - (2) acquisitions of interests in the same company or group of companies; and
 - (3) acquisitions of businesses from the same or a related party
- 
- 



REVERSE TAKEOVERS THROUGH LARGE SCALE ISSUE OF SECURITIES

MBLR 14.06D prevents an investor acquiring control or de facto control of a listed company through large scale subscription of the company's securities where the issue will use the proceeds to acquire and/or develop a new business that is expected to be substantially larger than the listed company's existing business



EXTREME TRANSACTIONS

MBLR 14.06C - an acquisition or series of acquisitions of assets by a listed company which, individually or together with other transactions or arrangements, achieves a listing of the acquired assets, where the listed company can demonstrate that this does not constitute an attempt to circumvent the requirements for a new listing

ASSESSMENT OF WHETHER A TRANSACTION IS AN EXTREME TRANSACTION



(a) either:

(i) listed company has been under control or de facto control of a person or group of persons for a long period and transaction would not result in change in control or de facto control; or

(ii) listed company has been operating a principal business of a substantial size, which will continue after the transaction



(b) the acquired assets must:

(i) be suitable for listing under MBLR 8.04; and

(ii) meet the financial and track record requirements of MBLR 8.05, 8.05A or 8.05B



(c) the enlarged group must

(i) meet all the new listing requirements of Chapter 8 MBLR (except LR 8.05)



RESTRICTIONS ON DISPOSALS AFTER A CHANGE OF CONTROL (MBLR 14.06E)

A listed company is prohibited from carrying out a disposal or distribution in specie of all or a material part of its existing business:

- a. where there is a proposed change in control of the listed company (other than at the level of its subsidiaries); or
- b. within 36 months after a change in control

CONSEQUENCES OF CLASSIFICATION AS AN EXTREME TRANSACTION

A listed company proposing an extreme transaction is required to:

- a. comply with the requirements for very substantial acquisitions set out in MBLR 14.48 - 14.53; and
- b. appoint a financial adviser to perform due diligence on the assets subject to the acquisition (and any assets and businesses the subject of a series of transactions and/or arrangements, if any)



ADDITIONAL REQUIREMENTS FOR TRANSACTIONS INVOLVING MINERAL ASSETS

1

comply with the requirements for notifiable transactions of MB Ch. 14 and, if relevant, the requirements for connected transactions of MB Ch. 14A;

3

in the case of a major (or above) acquisition, produce a Valuation Report, which must form part of the circular to shareholders, on the mineral or petroleum assets being acquired; and

2

prepare a Competent Person's Report, which must form part of the circular to shareholders, on the resources and/or reserves being acquired or disposed of as part of the relevant transaction;

4

comply with the requirement of MBLR 18.05(2) - 18.05(6) in relation to the assets being acquired (MBLR 18.09))

PRE-VETTING REQUIREMENTS (MBLR 13.52(1))

- circulars or listing documents in respect of notifiable transactions must be pre-vetted before publication, including listing documents and prospectuses

CASE STUDY: CHINA LUMENA NEW MATERIALS CORP.

PROPOSED ACQUISITION

proposed to acquire a group of companies and to offer shares as part of its proposed restructuring and resumption of trading in the new shares of the listed company

COMPLETION OF PROPOSED RESTRUCTURING

upon completion of proposed restructuring:

- (1) target will become wholly-owned subsidiary of listco;
- (2) owners of target co. will indirectly and beneficially own an aggregate of 65% of the enlarged issue share capital of the listco and become controlling shareholders; and
- (3) would be a change in principal business activities of the enlarged group

VERY SUBSTANTIAL ACQUISITION

acquisition and share offer would result in a change of control of the listco

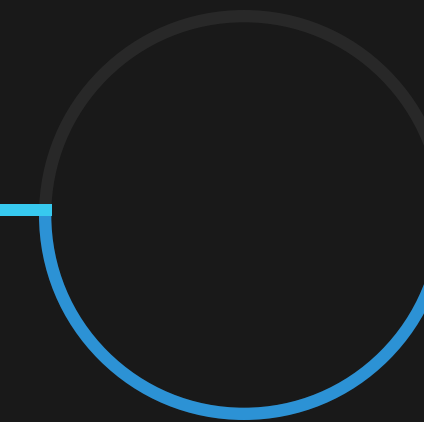
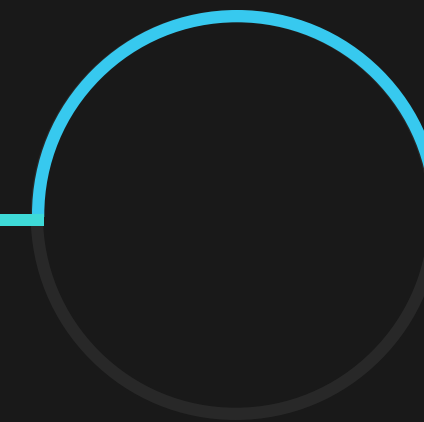
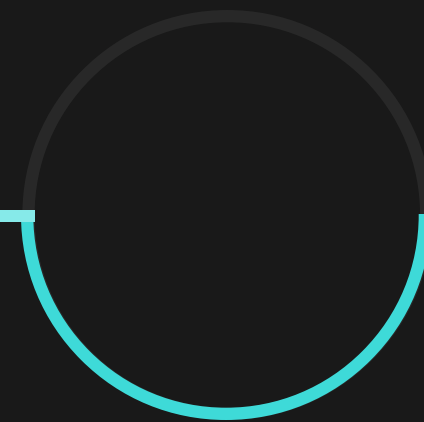
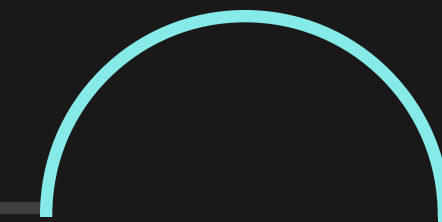
acquisition would constitute a very substantial acquisition under MBLR 14.06(5)

acquisition will fall within bright line tests under Note 2 of MBLR 14.06B and will constitute reverse takeover

CASE STUDY: NEWTREE GROUP HOLDINGS LIMITED

- involved exercise of call option by wholly-owned subsidiary of listco which would result in the listed company group acquiring remaining 80% of the issued share capital of target group
- Listing Committee determined it was an extreme very substantial acquisition which was not subject to reverse takeover rules
- Exchange required enhanced disclosure in shareholders' circular and financial adviser appointed to conduct due diligence

CASE STUDY: HJ CAPITAL (INT.) HOLDINGS COMPANY LIMITED



TRANSACTION

listco entering into an asset transfer agreement to acquire the entire issued share capital of target co (wholly-owned by indirect controlling shareholder of listco interested in approx. 36.88% of entire issued share cap of listco)

UPON COMPLETION

target company would become a wholly-owned subsidiary of the listco

LISTING COMMITTEE DECISION

acquisition was an extreme transaction and reverse takeover rules did not apply

RESULT

transaction was subject to reporting, announcement and shareholders' approval requirements under Ch.14 and enhanced disclosure