



SFC Consultation Paper on
(1) the proposal to amend the requirements for property valuation in the Codes on Takeovers and Mergers and Share Repurchases
(2) the proposed amendment relating to confirmations of independence in placing and top-up transactions and
(3) the timing for payment of acceptances

Question 1

Do you agree that Rule 11.1(f) should be amended? If not, please give reasons.

Answer:

We agree that Rule 11.1(f) should be amended.

Question 2

If your answer to Question 1 is yes, do you agree with the proposal that Rule 11.1(f) should only apply if the offeror is a related party or if the transaction involves a special deal that requires shareholder approval pursuant to Rule 25? If not, please give reasons.

Answer:

We agree to the proposal.

Question 3

Do you agree with the proposed amendments to Rule 11.1(f)? If not, please give reasons.

Answer:

To give more clarity, reference to whitewash transaction should be added to the first paragraph of Rule 11.1(f). Suggested amendment is given below:

“Except with the consent of the Executive, a valuation of properties will be required in the case of an offer for or a whitewash transaction concerning a company with significant

property interests and, in the case of a securities exchange offer, where the offeror company has significant property interests, if the offeror or the whitewash applicant is a related party or the offer or whitewash transaction involves a special deal which requires shareholder approval pursuant to Rule 25.

Question 4

Do you agree with the proposed amendment to Note 7 on dispensations from Rule 26? If not, please give reasons.

Answer:

We agree to the proposal.

Question 5

Do you agree with the proposed amendment to Rule 20.1? If not, please give reasons.

Answer:

We agree to the proposal.

**The Law Society of Hong Kong
Company Law Committee
Investment Products & Financial Services Committee
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