Global Public M&A Guide - Hong Kong

Squeeze-out of Minority Shareholders after Completion of the Takeover

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# 7. Squeeze-out of Minority Shareholders after Completion of the Takeover

[Last updated: 1 January 2025, unless otherwise noted]

**7.1 Squeeze-out**

If, within four months following a takeover offer, the bidder (either alone or in concert with others) holds 90% in number of the shares to which the takeover offer relates in the Hong Kong incorporated target company (the "**90% threshold**"), the bidder can give a squeeze-out notice to compel shareholders who have not accepted the takeover offer to sell the remaining shares to the bidder. A shareholder can, however, apply to the court for an order stating that the bidder is not entitled to acquire the shares or for an order varying the terms of the acquisition. Absent such an application, the bidder is bound to acquire the remaining shares after giving the squeeze-out notice.

**7.2 Sell-out**

If, following a takeover offer, the bidder (either alone or in concert with others) holds shares in the Hong Kong incorporated target company that reaches the 90% threshold, a shareholder who has not accepted the takeover offer may, by a letter addressed to the bidder, require the bidder to acquire its shares. Where the minority shareholder exercises its right to be bought out, the bidder is bound to acquire the remaining shares

**7.3 Restrictions on acquiring securities after the takeover bid period**

If an offer is withdrawn or lapses before it becomes unconditional, the bidder is restricted, for a period of 12 months, from launching a new offer or acquiring shares that trigger a mandatory general offer. In addition, where a privatization offer has been unsuccessful, the bidder will normally be precluded from buying any shares in the target company within 12 months after the offer lapses if the result would be a delisting of the target company’s shares on the Stock Exchange (unless previously approved by shareholders in accordance with the Listing Rules).

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