Global Public M&A Guide - Hong Kong

Timeline

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# 5. Timeline

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

**5.1 Disclosure of shareholdings**

As a general rule, the timeline for a mandatory general offer is similar to the timeline of a voluntary general offer, with certain exceptions. The table below contains a timeline of a typical mandatory general offer.

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| Step |
| 1. Preparatory stage:   * Preparation of the bid by the bidder (feasibility study, due diligence and financing). * The bidder approaches the target and/or its key shareholders. * Negotiations with the target and/or its key shareholders. |
| 2. Announcement:   * The bidder makes an announcement of a firm intention to make an offer, setting out the terms of the offer and other details required under the Takeovers Code. Once such announcement is made, the bidder can no longer withdraw the bid (except with the consent of the SFC and in certain limited circumstances, such as in the event of a competing offer). * Before an announcement of a firm intention to make an offer is made, there may be circumstances where the bidder/potential bidder, the target company or the potential vendor must make an announcement of a possible offer when, for example:   the target company is the subject of rumor or speculation about a possible offer;  there is undue movement in the target company’s share price or volume of share turnover; or  negotiations or discussions are about to be extended to include more than a very restricted number of people. |
| 3. Day 0:  Despatch of an offer document or a composite document (combining the offer document and the target board circular):   * ·no later than 21 days after the date of announcement of the terms of the offer (for cash offer); or * no later than 35 days after the date of the announcement of the terms of the offer (for securities exchange offer). |
| 4. Day 14:   * Last day for posting of the target board circular if it is not combined in a composite document (or not posted on the same day as the offer document on Day 0). |
| 5. Day 21:  First permitted closing date if the target board circular is combined in a composite document (or despatched on the same day as the offer document). |
| 6. Day 28:  First permitted closing date if the target board circular is not combined in a composite document (or despatched after the date on which the offer document is posted). |
| 7. Day 39:   * Last day for the target company to announce new material information (including trading results, profit or dividend forecasts, asset valuations or proposals for dividend payments or for any material acquisition, disposal or major transactions). |
| 8. Day 46:   * Last day for revision of the offer if the offer has not by then become unconditional as to acceptances. |
| 9. Day 60:  Last day for the offer to become or be declared unconditional as to acceptances and such day cannot be extended (except with the consent of the SFC and in certain limited circumstances, such as in the event of a competing offer). In any event, Day 60 must not exceed four months after the date of the initial offer document.  Last day for accepting shareholders to withdraw their acceptance. |
| 10. Day 81:   * Last day for all conditions to the offer to be fulfilled or the offer must lapse. |
| 11. Payment of offer price:  The bidder must pay the offer price to accepting shareholders no later than seven business days after the later of the date on which the offer becomes, or is declared, unconditional and the date of receipt of a duly completed acceptance. |

**5.2 Competing bid**

If a competing offer has been announced, both bidders will normally be bound by the timetable established by the posting of the competing offer document. If a competitive situation continues to exist in the later stages of the offer period, the SFC will normally require revised offers to be published in accordance with an auction procedure, the terms of which will be determined by the SFC. That procedure will normally require final revisions to competing offers to be announced by the 46th day following the posting of the competing offer document, but will enable a bidder to revise its offer within a set period in response to any revision announced by a competing bidder on or after the 46th day. The SFC will consider applying any alternative procedure which is agreed between competing bidders and the target board.

Set out below is an overview of the main steps for a mandatory general offer in Hong Kong.

**5.3 Indicative timeline for a mandatory general offer**

Click here to view diagram for [Hong Kong](https://resourcehub.bakermckenzie.com/en/-/media/global-public-ma-handbook/files/2025-version/hong-kong-timeline.pdf?sc_lang=en)

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