



Quarterly Bulletin on Takeover Matters

(Second Quarter 2016)

For the benefit of Takeovers Forum members, we have compiled various information and updates relating to takeover matters extracted from the official site of each Forum members. This bulletin will be published quarterly to serve as a centralized information hub on takeover matters.

(Please click on the title of each item to go to the full write-up at the original source)

SECURITIES & FUTURES COMMISSION, HONG KONG

[SFC publicly censures two units of Bank of America Merrill Lynch Group for breaches of Takeovers Code](#)

The Securities and Futures Commission has publicly censured Bank of America, National Association and Merrill Lynch International, units of the Bank of America Merrill Lynch Group, as a result of their failure to disclose dealings in relevant securities in two transactions in 2015 as required under the Code on Takeovers and Mergers.

[SFC publicly criticises China New Way Investment Limited and related parties for breach of Takeovers Code](#)

The Securities and Futures Commission publicly criticised China New Way Investment Limited, Mr Wei Judong, Mr Zhang Xiaoliang, Ms Yang Weizhi, Mr Wei Lidong and Mr Xu Jianhua for acquiring shares in China City Construction Group Holdings Limited, formerly known as Chun Wo Development Holdings Limited within six months after the close of an offer at above the offer price in contravention of the Takeovers Code (Notes 1, 2 & 3).

[Takeovers Panel rules on breach of Takeovers Code by a subsidiary of Alibaba Group Holding Limited](#)

The Takeovers and Mergers Panel published its written decision setting out the reasons for its ruling that Alibaba Group Holding Limited has breached the Takeovers Code in its acquisition of CITIC 21CN Company Limited, later renamed as Alibaba Health Information Technology Limited (Notes 1, 2 & 3).

SFC hosts Fourth Asia Pacific Takeovers Regulators Conference

The conference provides a forum for takeovers regulators to discuss recent developments in the region and exchange ideas and views.

Takeovers Bulletin (Issue No. 37, June 2016)

- Panel rules that Alibaba breached special deal requirements
- Confidentiality, talks announcements and minimum suspensions
- Engagement of financial advisers in Code transactions
- Whitewash waivers and compliance with applicable rules and regulations
- Executive publicly criticises China New Way and related parties for Takeovers Code breach
- Executive publicly censures Bank of America Merrill Lynch Group for Takeovers Code breaches
- Fourth Asia Pacific Takeovers Regulators Conference in Hong Kong
- Quarterly update on the activities of the Takeovers Team

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

16-200MR ASIC reports on decisions to cut red tape - October 2015 to March 2016

ASIC has released its latest report outlining decisions on relief applications, highlighting ASIC's efforts to reduce red-tape and achieve a practical, positive outcome for companies seeking some regulatory flexibility.

TAKEOVERS PANEL OF AUSTRALIA

Revised Panel Fees

The fees payable for Panel applications are indexed each year from 1 July based on any increase in the Consumer Price Index, pursuant to the Corporations (Fees) Act 2001 (Cth) and Corporations (Fees) Regulations 2001 (Cth).

Reasons for Decision: ABM Resources NL 01R

The review Panel, Richard Hunt (sitting President), Ian Jackman SC and Sophie Mitchell, affirmed the decision of the initial Panel in ABM Resources NL. The review application was brought by ABM Resources NL in relation to its affairs. The review Panel agreed with the initial Panel that the circumstances of ABM's announced rights issue were unacceptable.

Reasons for Decision: Condor Blanco Mines Limited

The Panel, James Dickson, Michelle Jablko (sitting President) and Nicola Wakefield Evans made a declaration of unacceptable circumstances in relation to the affairs of Condor Blanco Mines Limited. The

application concerned two issues of Condor shares being placed in escrow which resulted in Condor and the escrow agent each (in relation to both issues) acquiring a relevant interest in voting shares in Condor in contravention of s606. They also failed to make disclosure in contravention of s671B. A transferee of some of the escrow shares also failed to comply with s671B. The Panel declared the circumstances unacceptable and ordered the cancellation of escrow shares not transferred to other parties, further disclosure, a voting and disposal restriction on the shares held by the transferee, and costs.

Reasons for Decision: Ainsworth Game Technology Limited 01 & 02

The Panel, Tracey Horton, Ron Malek (sitting President) and John Sheahan QC, declined to make a declaration of unacceptable circumstances in relation to the affairs of Ainsworth Game Technology Limited after accepting undertakings. The two applications (heard together) concerned voting by family members on the sale of Mr Leonard Ainsworth's 52.52% stake in AGI under item 7 of s611. The Panel accepted undertakings that (among other things) Mr Ainsworth's wife, Mrs Margarete Ainsworth, will not vote on the resolution to approve the sale. The Panel considered that the undertakings sufficiently addressed the unacceptable circumstances.

Reasons for Decision: Ainsworth Game Technology Limited 03

The Panel, Richard Hunt, Andrew Lumsden and Vicki McFadden (sitting President), declined to conduct proceedings on an application relating to Ainsworth Game Technology Limited 01 & 02 [2016] ATP 9. The application concerned the adjournment of the shareholders' meeting to vote on the sale of AGI's chairman's controlling stake in AGI under item 7 of s611 and whether shareholders in AGI had sufficient time to consider the reasons of the sitting Panel in that matter before the deadline for proxies closed.

SECURITIES AND EXCHANGE COMMISSION, THAILAND

SEC public hearing on draft rules on reporting of securities holding and business takeover of foreign issuers

The SEC is seeking public comments on draft rules concerning disclosure of reports of foreign issuers with regard to securities holding and tender offer for business takeover to promote local fund mobilization by foreign companies. Concurrently, a proposal to streamline the rules on reporting of securities holding in Thai companies is under consideration to reduce burdens on private sectors.

SEC advises ECL shareholders to exercise voting right on private placement of capital shares

The SEC is urging the shareholders of Eastern Commercial Leasing Public Company Limited to thoroughly study the company's proposed private placement to increase capital shares which would be considered a related transaction whereby the offer price is lower than the market price, and a waiver of tender offer to acquire all shares is requested, before exercising their rights at the annual general shareholders' meeting on April 26, 2016.