



Quarterly Bulletin on Takeover Matters

(Fourth Quarter 2016 & First Quarter 2017)

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 member. 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

[TAKEOVERS BULLETIN – Issue No. 40 – March 2017](#)

The SFC's Takeovers Bulletin is a newsletter to help participants in Hong Kong's financial markets better understand the Codes on Takeovers and Mergers and Share Buy-backs.

In March 2017, the SFC highlighted the following matters in its newsletter:

- Confidentiality, talks announcements and minimum suspensions;
- Monthly update announcements;
- Appointments and reappointments to the Takeovers and Mergers Panel and the Takeovers Appeal Committee; and
- Quarterly update on the activities of the Takeovers Team.

[TAKEOVERS BULLETIN – Issue No. 39 – December 2016](#)

- Season's Greetings
- Performance pledges
- Case management for Code matters
- Revised PN 1 in relation to partial offers
- Cold shoulder order imposed on Zheng Dunmu for breach of mandatory offer requirement
- Public criticism of Southwest Securities International Investment and related parties
- Quarterly update on the activities of the Takeovers Team

Takeovers Executive of the SFC criticizes Southwest Securities International Investment Limited, Li Zhi Tao and Dong Jiang Wen in relation to prohibited share acquisitions under the Takeovers Code

14 December 2016 - The Executive publicly criticises the Offeror, Mr Li and Mr Dong (together referred to as the “Parties”) for acquiring shares in Southwest Securities International Securities Limited (formerly known as Tanrich Financial Holdings Limited) (“Company”) within 6 months after the close of an offer (“Restriction Period”) at above the offer price in breach of Rule 31.3 of the Takeovers Code (Note).

Takeovers Executive of the SFC sanctions Mr Zheng Dunmu for breaching Rule 26.1 of the Takeovers Code

22 November 2016 - The SFC today publicly censures and imposes a 24-month cold-shoulder order against Mr Zheng Dunmu (“Mr Zheng”) for breaching the mandatory general offer obligation under Rule 26.1 of the Code on Takeovers and Mergers (“Takeovers Code”). Mr Zheng will be denied direct or indirect access to the Hong Kong securities market for a period of 24 months commencing on 22 November 2016 to 21 November 2018.

Panel Decision in relation to the interpretation of Rule 24.2 in the context of the offer for the shares in, and the share options of, L&A International Holdings Limited

7 October 2016 - The Takeovers and Mergers Panel (the “Panel”) met on 22nd September, 2016 to consider an application by L&A International Holdings Limited (the “Offeree Company”) under Section 9.1 of the Introduction to the Codes on Takeovers and Mergers and Share Buy-backs (the “Takeovers Code”) for a review of the Takeovers Executive’s ruling that Rule 24.2 did not apply to the offer by Favourite Number Limited (the “Offeror”) for the shares in, and share options of, the Offeree Company announced on 18th August, 2016 and 12th September, 2016 of 57 new shares in WLS Holdings Limited (“WLS”) and HK\$5.60 in cash for every 400 shares in the Offeree Company and 8 new shares in WLS and HK\$0.7775 in cash for every 100 outstanding share options of the Offeree Company.

SECURITIES COMMISSION MALAYSIA

SC Charges Three Individuals for Insider Trading of PacificMas Bhd Shares

29 March 2017 - Securities Commission Malaysia (SC) today charged three individuals for insider trading offences under section 188 of the *Capital Markets and Services Act 2007* (CMSA). Ewe Lay Peng, 45, was charged at the Kuala Lumpur Sessions Court with one count of communicating non-public information between 10 December 2007 and 31 December 2007 to Lim Bun Hwa, 41. Lay Peng and Bun Hwa, at the material time, were both Senior Managers in the Corporate Finance Department of CIMB Investment Bank Bhd. Five charges were also preferred against Bun Hwa’s brother, Lim Boon Cheng, 47, for acquiring 145,000 units of PacificMas Bhd (PacificMas) shares between 18 December 2007 and 31 December 2007 while in possession of material non-public information. Bun Hwa was charged with abetting Boon Cheng in committing the alleged offence. SC alleged that the material non-public information referred to in the charges were related to the proposed conditional take-over offer by OSPL

Holdings Sdn Bhd (OHSB) to acquire all voting shares in PacificMas not already owned by OHSB. The proposed take-over offer was announced to Bursa Malaysia on 4 January 2008.

SC Files Civil Suit Against Dato' Sreesanthan Eliathamby for Insider Trading

19 October 2016 - Securities Commission Malaysia (SC) has filed a civil suit at the Kuala Lumpur High Court against Dato' Sreesanthan Eliathamby for insider trading involving the shares of Worldwide Holdings Bhd (Worldwide). In the claim filed on 12 October 2016, SC claimed that Dato' Sreesanthan had breached section 89E(2)(a) of the Securities Industry Act 1983 (SIA), where he acquired a total of 600,000 of Worldwide shares between 7 June 2006 and 15 September 2006, while in possession of material non-public information. At the material time, Dato' Sreesanthan was a senior partner in a law firm which was engaged to act as the legal adviser of the proposed privatisation of Worldwide. The SC contended that the material information referred to in the action was related to a proposed privatisation of Worldwide by way of a member's scheme of arrangement under section 176 of the Companies Act 1965 undertaken by Perbadanan Kemajuan Negeri Selangor. On 23 August 2006, Worldwide announced the proposed privatisation to Bursa Malaysia.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

16-423MR ASIC updates takeovers guidance on minimum bid price rule

7 December 2016 - ASIC has today reissued its regulatory guide on takeover bids to incorporate updated guidance on the minimum bid price rule in s621(3) of the Corporations Act. The rewrite of our previous guidance on the rule is designed to make it clearer and easier to use. There are no significant changes to the underlying policy.

16-344MR ASIC appoints Morgan Stanley to sell shares in Sovereign Gold Company Limited

11 October 2016 - ASIC has appointed Morgan Stanley Wealth Management Australia Pty Ltd (Morgan Stanley) to sell 22,901,234 ordinary shares (Sale Shares) in Sovereign Gold Company Limited (SOC). The sale follows a decision by the Takeovers Panel (the Panel) to vest the shares in the Commonwealth for sale by ASIC. The shares represent approximately 1.62% of SOC's issued capital.

TAKEOVERS PANEL OF AUSTRALIA

ASIC and the Takeovers Panel announce updated Memorandum of Understanding

28 March 2017 - The Takeovers Panel's Director Allan Bulman and ASIC Commissioner John Price have announced the release of a new [Memorandum of Understanding](#) (MOU) between the Panel Executive and ASIC. ASIC and the Panel each perform separate but complementary roles in connection with the regulation of takeovers and other control transactions in Australia. The previous MOU between ASIC and the Panel was signed in August 2001.

Appointment of Panel Members

23 March 2017 - The Takeovers Panel notes the announcement by the Minister for Revenue and Financial Services of the reappointment of 5 members and the appointment of 6 new members to the Panel, for terms of 3 years commencing on 23 March 2017. The President of the Panel, Ms Vicki McFadden congratulated the new and reappointed members and is delighted with their appointment. Ms McFadden said that the Panel's success has depended heavily on the exceptional quality of its members and the willingness of the most experienced and highly regarded professionals and business leaders to make themselves available.

Macmahon Holdings Limited - Panel Declines to Conduct Proceedings

7 March 2017 - The Panel has declined to conduct proceedings on an application dated 6 March 2017 from CIMIC Group Investments Pty Limited (CGI) and CIMIC Group Limited in relation to the affairs of Macmahon Holdings Limited. Macmahon is currently the subject of an off-market takeover bid from CGI. The offer closes at 7:00pm on 9 March 2017. The applicants submitted (among other things) that the target's statement and first supplementary target's statement were misleading and deceptive in several respects.

Innate Immunotherapeutics Limited - Panel Declines to Conduct Proceedings

20 February 2017 - The Panel has declined to conduct proceedings on an application dated 14 February 2017 from Mr James Wheeldon in relation to the affairs of Innate Immunotherapeutics Limited. The applicant submitted (among other things) that there is an available inference that Mr Collins (a director and shareholder of Innate) may be associated with family members and other shareholders. The Panel considered that the applicant did not provide sufficient material to justify the Panel making further enquiries and, in the circumstances of the matter, there was no reasonable prospect that it would make a declaration of unacceptable circumstances. Accordingly, the Panel declined to conduct proceedings.

Panel Publishes Revised Guidance Note 4 - Remedies General

30 January 2017 - The Takeovers Panel today published a revised Guidance Note 4 *Remedies General*. The Panel issued a [consultation paper](#) in relation to the proposed amendments of Guidance Note 4 on 2 September 2016. The Panel received one submission in response from ASIC, has taken ASIC's comments into account and made further changes to the Guidance Note. The final revised Guidance Note, and the

Public Consultation Response Statement detailing the material comments received and the Panel's response, are available on the [Takeovers Panel website](#).

Kasbah Resources Limited 01R - Panel Declines to Conduct Proceedings

17 January 2017 - The review Panel has declined to conduct proceedings on a review application dated 24 December 2016 from Lois Lane Investments Pty Ltd, Bloom Financial Advice Pty Ltd and others in relation to the affairs of Kasbah Resources Ltd.

Panel Publishes Re-write of Guidance Note 12 – Frustrating Action

1 December 2016 - The Takeovers Panel today published a re-write of Guidance Note 12 *Frustrating action*. The Panel issued a [consultation paper](#) in relation to the proposed re-write of Guidance Note 12 on 14 September 2016. The Panel received 6 submissions in response and has taken them into account and made further changes to the Guidance Note. The final revised Guidance Note, and the Public Consultation Response Statement detailing the material comments received and the Panel's response, are available on the [Panel's website](#).

Merlin Diamonds Limited – Declaration of Unacceptable Circumstances

30 November 2016 - The Panel has made a declaration of unacceptable circumstances following an application dated 31 October 2016 by Mr Thomas Reddicliffe in relation to the affairs of Merlin Diamonds Limited.

Regal Resources Limited - Declaration of Unacceptable Circumstances and Orders

17 October 2016 - The Panel has made a declaration of unacceptable circumstances and final orders in relation to an application dated 22 September 2016 by Mr Warwick Sauer in relation to the affairs of Regal Resources Limited.

Jervois Mining Limited - Panel Declines to Conduct Proceedings

6 October 2016 - The Panel has declined to conduct proceedings on an application made on 29 September 2016 by Jervois Mining Limited (JRV) in relation to its affairs. JRV submitted, among other things, that Scandium Development International Pty Ltd, which holds 0.03% of JRV, had formed an association with other JRV shareholders and SDI and its associates had each acquired relevant interests in voting shares in JRV in breach of section 606 and which had not been disclosed under section 671B. The Panel considered that it was not provided with a sufficient body of material to justify the Panel making further enquiries as to the alleged association.

NEW ZEALAND TAKEOVERS PANEL

Guidance Note - Schemes of arrangement and amalgamations under Part 15 of the Companies Act 1993

20 February 2017 - The Panel published the Guidance Note on schemes of arrangement and amalgamations.

Code Word – Number 43 (December 2016)

- Small Code companies class exemption notice
- Timing rules calculator
- Update: Technical amendments to the Code
- The meaning of “effective control”
- Appointments and departures
- Christmas closedown

Code Word – Number 42 (October 2016)

- A farewell to David Jones
- Interest classes in schemes of arrangement
- Disaggregation of holding or control
- New timing rules calculator
- Appointments to the Panel
- Our MOU with the FMA

Takeovers Panel Decides Not To Convene Section 32 Meeting

15 November 2016 - On 9 November 2016, the Panel received a formal request from Bapcor Finance Pty Limited (“Bapcor”), to convene a meeting under section 32(1) of the Takeovers Act 1993 to consider allegations of misleading or deceptive conduct by Hellaby Holdings Limited (“Hellaby”) and Grant Samuel & Associates (“Grant Samuel”) in relation to the takeover offer by Bapcor for Hellaby. The Panel met on 14 and 15 November and, on the basis of the information available to the Panel, including the information in Bapcor’s request and the preliminary submissions of Hellaby and Grant Samuel, the Panel considered that there was no reasonable possibility that either Hellaby or Grant Samuel acted in a manner inconsistent with rule 64 of the Takeovers Code (which prohibits misleading or deceptive conduct) in respect of the allegations made. On that basis, the Panel has decided not to convene a meeting under section 32(1) of the Takeovers Act 1993.

Takeovers Panel appointment announced

27 October 2016 - Commerce and Consumer Affairs Minister Paul Goldsmith has announced an appointment to the Takeovers Panel, the regulator of the corporate takeovers market. Nathanael Starrenburg has been appointed as a new member of the Panel for a five-year term, from 25 October.

A TAKEOVERS PANEL CONSULTATION PAPER - Proposed Amendments to the Takeovers Code

October 2016 - The Panel had issued a consultation paper on the proposed amendments to the Takeovers Code. There are two main sections to this paper. *Section One* contains three substantive subsections that incorporate a framework and policy analysis similar to that found in Regulatory Impact Statements. The three subsections are: Small Code Companies, “Days” in the Code, and Electronic Access for Shareholders. *Section Two* contains technical amendments of low policy content, most of which are drafting anomalies or minor inconsistencies in the wording of the Code. The six subsections in Section Two are: Offer documents, Target company statements, Notices of meeting, Compulsory acquisition, Communications, and Timing.

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

SECP invites comments on the draft Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2016

6 December 2016 - The Securities and Exchange Commission of Pakistan (SECP) has formulated draft Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2016, under the Securities Act, 2015, keeping in view the best interests of the shareholders. These regulations will replace the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2008, which were framed under the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Ordinance, 2002, which has been repealed. The draft takeover regulations have been published in the official gazette and placed on the SECP’s website (www.secp.gov.pk) for public consultation purposes. The stakeholders may submit their comments by December 23, 2016.

MONETARY AUTHORITY OF SINGAPORE

TAKE-OVERS BULLETIN – Issue No. 2 – February 2017

- Happy New Year
- The offer for OSIM International Ltd
- Opinion by IFA
- Pre-conditional offer announcements
- H2 2016 - Statistics on M&A activity