



Quarterly Bulletin on Takeovers Matters

(Fourth Quarter 2018)

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. 47 – December 2018](#)

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 its December 2018 issue, the following matters were highlighted:

- New Practice Note 22;
- Structure of offer price should not be oppressive to offeree shareholders; and
- Quarterly update on the activities of the Takeovers Team.

MONETARY AUTHORITY OF SINGAPORE

[Public Statement on Delong Holdings Limited](#)

11 October 2018 – The Securities Industry Council is investigating all the relevant circumstances leading to the withdrawal of the offer for Delong Holdings Limited (the “Company”) by Best Grace Holdings Limited. In particular, whether there has been any breach of Rule 17 of the Singapore Code on Take-overs and Mergers (the “Code”). The investing public and shareholders of the Company are advised to exercise caution when dealing with their shares and to refrain from taking any action in respect of their shares which may be prejudicial to their interests.

SECURITIES COMMISSION MALAYSIA

Former Investment Banker Sentenced to Six Months Jail and Fined RM 1 Million for Insider Trading

3 October 2018 - The Kuala Lumpur Sessions Court today convicted and sentenced a former employee of an investment bank for insider trading in the shares of PacificMas Bhd (PacificMas). Lim Bun Hwa, 42, was sentenced to six months jail and fined RM 1 million after he pleaded guilty today to five charges of insider trading under section 188(2)(a) of the Capital Markets and Services Act 2007.

According to the charges, Bun Hwa had acquired 145,000 units of PacificMas shares while in possession of inside information between 18 and 31 December 2007. At the material time, Bun Hwa was a Senior Manager in the Corporate Finance Department of CIMB Investment Bank Bhd (CIMB).

The inside information referred to in the charges related to the proposed take-over offer of PacificMas by Overseas Chinese Banking Corporation (OCBC), which was announced to Bursa Malaysia on 4 January 2008. At the material time, CIMB had been engaged by OCBC to advise it on the proposed take-over. Bun Hwa had pleaded guilty following a plea bargaining application under section 172C of the Criminal Procedure Code.

Administrative action against Yeoh Jin Hoe and parties acting in concert

On 10 December 2018, the SC imposed a reprimand and collective fine of RM935,000 against Yeoh Jin Hoe and his parties acting in concert for breaches of obligation to undertake mandatory offer for the remaining voting shares in Can-One Berhad and Kian Joo Can Factory Berhad. In addition, the SC imposed a restriction on the aggregate number of voting rights that may be exercised by YJH and the KJCF PACs in KJCF to not more than 33%. In the event that the proposed corporate exercise in Kian Joo is not carried out within six (6) months from the date of the letter, Yeoh Jin Hoe and his parties acting in concert are required to reduce their collective holdings in KJCF to 33% and below.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

18-376MR ASIC to consult on measures to restrict offers to retail investors of stub-equity in proprietary companies

13 December 2018 - ASIC is concerned about recent control transactions where part or all of the consideration includes stub-equity in Australian proprietary companies. These offers of stub-equity have been made to a large and diverse group of target shareholders, including retail investors.

Proprietary companies are required to be closely held and are prohibited from making broad public offers of their shares. By structuring control transactions to avoid these restrictions, retail investors who accept scrip consideration miss out on the disclosure and governance protections that apply to public companies, but from which proprietary companies are exempt.

TAKEOVERS PANEL OF AUSTRALIA

Tribune Resources Ltd 02R

7 December 2018 - The Panel, Karen Evans-Cullen, Ron Malek (sitting President) and Denise McComish, affirmed with minor variations the final orders made by the initial Panel in relation to the affairs of Tribune Resources Limited. The review application related only to the initial Panel's final orders. No party sought a review of the initial Panel's declaration of unacceptable circumstances.

Benjamin Hornigold Limited and Henry Morgan Limited

5 December 2018 - The Panel, Yasmin Allen, James Dickson (President) and Bruce McLennan affirmed decisions of ASIC to refuse relief under s655A(1) to Benjamin Hornigold Limited and Henry Morgan Limited to extend the time for the dispatch of their target's statements and, in the alternative, to permit them to lodge incomplete target's statements.

Explaurum Limited

26 November 2018 - The Panel, Alex Cartel (sitting President), Shirley In't Veld and Jeremy Leibler, declined to conduct proceedings on an application by Ramelius Resources Limited in relation to the affairs of Explaurum Limited. Ramelius made an off-market takeover bid for all Explaurum shares on issue. The application concerned statements in the Target's Statement, including relating to the value of Ramelius's offer, which Ramelius submitted were misleading. Explaurum subsequently announced a placement to a third party subject to shareholder approval and, following discussions with the Panel, released supplementary disclosure. In light of the above the Panel considered that there was no reasonable prospect that it would declare the circumstances unacceptable.

Bullseye Mining Limited 02

26 November 2018 - The Panel, Richard Hunt (sitting President), Rory Moriarty and Neil Pathak, made a declaration of unacceptable circumstances in relation to the affairs of Bullseye Mining Limited. The application raised disclosure and control issue concerns in relation to a capital raising transaction involving the issue of convertible notes and a gold prepayment funding proposal with a related party. The Panel declared the circumstances unacceptable having regard to, among other things, the effect on potential control of the terms of the convertible notes. The Panel ordered that Bullseye obtain shareholder approval for the transaction that satisfies certain procedural and disclosure requirements. The Panel also accepted an undertaking restricting a director of Bullseye voting on future board resolutions relating to the transaction.

Molopo Energy Limited 12R

18 October 2018 - The Panel, Tracey Horton, Michelle Jablko (sitting President) and John Sheahan QC, varied the final orders made by the initial Panel in relation to the affairs of Molopo Energy Limited by including orders requiring certain persons who were directors of Molopo during the period in which the unacceptable circumstances occurred to compensate Molopo and one of its shareholders for costs they incurred during the initial Panel proceedings. The Panel agreed with the orders made by the initial Panel but considered the additional orders appropriate to protect the rights and interests of Molopo and its shareholders which were affected by the unacceptable circumstances.

NEW ZEALAND TAKEOVERS PANEL

Code Word - No. 47 (October 2018)

- Technical amendments to the Takeover Code
- Full terms of securities to be included with Class Notices
- The Panel's interpretation of "share parcels"
- Disclosure of information to the Panel
- New website

SOUTH AFRICAN TAKEOVER REGULATION PANEL

Takeover Regulation Panel – Second Ed: November 2018

In its November 2018 issue, the following matters were discussed, amongst others, the Panel's focus on two aspects of the Companies Amendment Bill 2018 involving the application of takeover regulation on Private Companies Act (the Act) as well as on share buyback transactions that are required to be done in terms of Section 48(8) of the Act as well, and a feature article on the impact of merger and takeover law on private companies.