

Takeovers Code (Chow Group Limited) Exemption Notice (No 2) 2016

Pursuant to section 45 of the Takeovers Act 1993, the Takeovers Panel, being satisfied of the matters set out in section 45(6) of that Act, gives the following notice.

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Notice

1 Title

This notice is the Takeovers Code (Chow Group Limited) Exemption Notice (No 2) 2016.

2 Application

This notice applies to acts or omissions occurring on or after 4 March 2016.

3 Revocation

This notice is revoked on the close of 31 October 2016.

4 Interpretation

(1) In this notice, unless the context otherwise requires,-

acquirer means each of the persons listed in the Schedule under the heading Acquirer

acquisition means each acquisition of voting securities by an acquirer listed in the Schedule under the heading Acquisition

Act means the Takeovers Act 1993

associate means a person who is, or was at the date of an acquisition, an associate of a party

Code means the Takeovers Code under the Act

CGL means Chow Group Limited

non-associated shareholder means a shareholder in CGL who is not a party or an associate

notice of meeting means the notice of meeting containing the resolution to approve the acquisitions

party means -

- (i) John Chow; and
- (ii) Michael Chow; and
- (iii) each acquirer

voting security means a voting security in CGL.

- (2) In this notice, a reference to a person increasing voting control is a reference to the person becoming the holder or controller of an increased percentage of voting rights in CGL.
- (3) Any term or expression that is defined in the Act or the Code and used, but not defined, in this notice has the same meaning as in the Act or the Code.

5 Exemption from rule 6(1) of Code

Each acquirer is exempted from rule 6(1) of the Code in respect of an increase in that person's voting control resulting from an acquisition.

6 Conditions of exemption in clause 5 relating to acquisitions

The exemption in clause 5 are subject to the conditions that –

- (a) each acquisition is approved by an ordinary resolution of the shareholders in CGL at a meeting of shareholders; and
- (b) no party, and no associate, votes on the resolution referred to in paragraph (a); and
- (c) John Chow and Michael Chow obtain from an independent adviser a report on the merits of the acquisitions, having regard to the interests of those shareholders in CGL who may vote to approve the acquisitions; and
- (d) the independent adviser's report referred to in paragraph (c) includes the statements referred to in rule 18(4)(a) and (b) of the Code; and

- (e) rule 19 of the Code is complied with in relation to the acquisitions as if the reference in that rule to an acquisition under rule 7(c) of the Code were a reference to all the acquisitions; and
- (f) if a party or CGL publishes or sends to a holder of voting securities, in respect of the meeting held for the purposes of paragraph (a), a statement or information that is not required to be published or sent by this notice, that person, at the same time, sends to the Panel a copy of that statement or information.

7 Conditions of exemption in clause 5 relating to notice of meeting

The exemption in clause 5 is subject to the conditions that –

- (a) the notice of meeting contains or is accompanied by particulars of the following:
 - (i) the identity of each acquirer:
 - (ii) the number of voting securities acquired by each acquirer under an acquisition:
 - (iii) the percentage of all voting securities held by each acquirer at the end of the day on which the acquisition by that acquirer occurred:
 - (iv) the aggregate percentage of voting securities transferred from John Chow and Michael Chow to the acquirers under the acquisitions:
 - (v) the aggregate percentage of all voting securities held by each acquirer, and by John and Michael Chow, at the end of the day on which the final acquisition occurred:
 - (vi) the consideration for each acquisition and when it was paid:
 - (vii) the reasons for the acquisitions; and
- (b) the notice of meeting contains or is accompanied by –
 - (i) a statement to the effect that the acquisitions, if approved, will be permitted under an exemption from rule 6(1) of the Code; and
 - (ii) a summary of the terms and conditions of the exemption; and
 - (iii) a statement by John Chow and Michael Chow setting out the particulars of any agreement or arrangement (whether legally enforceable or not) that was, or is intended to be, entered into between either or both of them and any acquirer or other person (other than between the acquirers and John and Michael Chow in respect of the matters referred to in paragraph (a)) relating to the acquisition, holding, or control of the voting securities acquired in an acquisition, or to the exercise of voting rights in CGL; and
 - (iv) the independent adviser's report referred to in clause 6(c); and
 - (v) a statement by the directors of CGL in relation to the acquisitions that complies with rule 19 of the Code as if the reference in that rule to an acquisition under rule 7(c) of the Code were a reference to all the acquisitions; and

- (vi) a summary of the consequences if the shareholders in CGL do not vote to approve the acquisitions for each of the following:
 - i. the acquirers and the associates;
 - ii. the non-associated shareholders;
 - iii. CGL; and
- (c) the form of the notice of meeting is approved by the Takeovers Panel; and
- (d) at the same time that CGL sends the notice of meeting to the shareholders in CGL, CGL sends to the Takeovers Panel a copy of the notice of meeting and any document accompanying it that relates to the meeting; and
- (e) the notice of meeting displays, in a prominent position, a disclaimer stating that, by exempting the acquirers, the Takeovers Panel:
 - (i) is neither endorsing nor supporting the accuracy or reliability of the contents of the notice of meeting;
 - (ii) is not implying that it has a view on the merits of the acquisitions.

Dated at Auckland this 8th day of August 2016.

[signed]
D O Jones,
Chairperson

**Schedule
Acquirers and Acquisitions**

Acquirer	Acquisition			
	Acquired shares	Acquired from John Chow (JC) or Michael Chow (MC)	Price for each acquired share	Date of acquisition
Ai Lin Lee	10,000,000	JC	0.0020	4 March 2016
Andrew Cardno	250,000	MC	0.0020	8 March 2016
Bo Li	10,000,000	JC	0.0020	8 March 2016
Brenda Dixon	6,666,667	JC	0.0015	4 March 2016
Brent Gilchrist	13,333,333	JC	0.0015	8 March 2016
Brian Green Properties (1971) Limited	10,000,000	JC	0.0020	8 March 2016

Calder J Woodfield	400,000	MC	0.0015	8 March 2016
Chao Chen Wang	1,000,000	JC	0.0020	8 March 2016
Chao Wang	8,000,000	JC	0.0015	8 March 2016
Chee Mei Lim	50,000,000	JC	0.0010	8 March 2016
Chengfan Sun	5,000,000	MC	0.0020	4 March 2016
Clint Webber	25,000,000	MC	0.0010	4 March 2016
Cynthia Sun & Mark Qing Shue (MCCD Trust)	10,000,000	MC	0.0020	8 March 2016
Eng See Looi	10,000,000	JC	0.0020	4 March 2016
Feng Tai	10,000,000	MC	0.0020	8 March 2016
Fenglian Cao	10,000,000	JC	0.0020	4 March 2016
Gavin Heng	10,000,000	JC	0.0020	8 March 2016
Guijin Xu	20,000,000	JC	0.0020	4 March 2016
He Yen Chow	50,000,000	JC	0.0010	4 March 2016
Helen Pei Chen Chiang	5,000,000	JC	0.0020	4 March 2016
Huichan Xu	5,000,000	JC	0.0020	4 March 2016
Hung Yee Chow	60,000,000	JC	0.0010	4 March 2016
Jia Bin Zhang	10,000,000	MC	0.0020	8 March 2016
Jinhai Xu	10,000,000	MC	0.0020	4 March 2016
John Cheung	10,000,000	MC	0.0020	8 March 2016
John Cheung	10,000,000	MC	0.0020	8 March 2016
Jun Lu	13,333,333	JC	0.0015	8 March 2016
Kai Ang Liu	7,500,000	JC	0.0020	4 March 2016
Kai Ang Liu	20,000,000	MC	0.0020	8 March 2016
Keith Chin	10,000,000	JC	0.0020	8 March 2016
Lai-Kwan Chow	50,000,000	MC	0.0010	8 March 2016
Lana Heng	10,000,000	MC	0.0020	8 March 2016
Libin Yang	20,000,000	JC	0.0020	4 March 2016
Lup Yen Chow	500,000	MC	0.0020	8 March 2016
Lup Yen Chow	2,500,000	JC	0.0020	8 March 2016
Lup Yen Chow	50,000,000	MC	0.0010	8 March 2016
Lup Yen Chow	10,000,000	MC	0.0020	8 March 2016
Man Lin	10,000,000	JC	0.0020	8 March 2016
Maria Q. Lewis	3,000,000	MC	0.0015	8 March 2016
Mingshuo Zhou	10,000,000	JC	0.0020	8 March 2016
Minh Khang	10,000,000	JC	0.0020	8 March 2016
MLS Investment Limited	10,000,000	MC	0.0020	8 March 2016
Nigel Dong	10,000,000	JC	0.0020	8 March 2016
Pamela Heng	10,000,000	JC	0.0020	8 March 2016
Paul Michael Parry	10,000,000	MC	0.0020	8 March 2016
Phally Khang	10,000,000	MC	0.0020	8 March 2016
Qi Jun Zhu	50,000,000	MC	0.0010	8 March 2016
Qi Jun Zhu	20,000,000	MC	0.0010	8 March 2016
Qi Wang	10,000,000	JC	0.0020	8 March 2016
Qiang Liu	10,000,000	MC	0.0020	8 March 2016

Qiannan Tang	2,500,000	MC	0.0020	4 March 2016
Qingyang Xu	50,000,000	MC	0.0010	4 March 2016
R Dong & R Tom	10,000,000	MC	0.0020	8 March 2016
Sai Meng Tan	10,000,000	MC	0.0020	8 March 2016
Shaona Kong	10,000,000	JC	0.0020	4 March 2016
Shuk Kan Nicole Leung	10,000,000	MC	0.0020	4 March 2016
Snowdon Peak Investments Limited	175,000,000	JC	0.0003	4 March 2016
So Chow	50,000,000	MC	0.0010	8 March 2016
Stefan Thieu	30,000,000	JC	0.0010	8 March 2016
Su Il Kim	7,500,000	JC	0.0020	8 March 2016
Thi Kim Thuy Le	13,333,333	MC	0.0015	4 March 2016
Tony Ten Kong	2,500,000	JC	0.0020	4 March 2016
Vern Yi Lok	2,000,000	MC	0.0015	8 March 2016
Wanwen Zhou	5,000,000	JC	0.0020	4 March 2016
Weitao Wang	5,000,000	JC	0.0020	8 March 2016
Weiwei Yuan	5,000,000	JC	0.0020	4 March 2016
Wenying Zhu	5,000,000	JC	0.0020	4 March 2016
Xiao ming Lin	5,333,333	MC	0.0015	8 March 2016
Xiaoqi Zhou	10,000,000	MC	0.0020	4 March 2016
Xin Zhou	5,000,000	JC	0.0020	8 March 2016
Xing Jue Xu	5,000,000	MC	0.0020	8 March 2016
Yajiu Xu	25,000,000	MC	0.0020	4 March 2016
Yanfen Dong	5,000,000	MC	0.0020	4 March 2016
Ye Man Nicola Sum	5,500,000	JC	0.0020	4 March 2016
Yuen-Kwan Chow	50,000,000	MC	0.0010	8 March 2016
Yuxi Zhang	6,000,000	MC	0.0015	8 March 2016
Zeng Ting	10,000,000	MC	0.0020	8 March 2016
Zexing Dong	2,000,000	MC	0.0020	4 March 2016
Zhi Hai Hu	5,000,000	JC	0.0020	8 March 2016
Zhiqiang Huang	10,000,000	JC	0.0020	4 March 2016
Zhiqin Su	10,000,000	MC	0.0020	8 March 2016
Zhirong Wu	13,333,333	MC	0.0015	4 March 2016

Statement of Reasons

This notice applies to acts or omissions occurring on or after 4 March 2016 and expires on 31 October 2016.

The Takeovers Panel (the **Panel**) has granted an exemption in respect of the acquisition of shares in Chow Group Limited (**CGL**) by the persons listed in the Schedule (the **acquirers**).

On 4 and 8 March 2016, John Chow and Michael Chow entered into transactions listed in the Schedule involving the transfer of CGL shares to the acquirers (the **acquisitions**). The acquisitions caused any acquirer who was an associate of John Chow or Michael Chow to increase their voting control of CGL potentially in breach of rule 6 of the Takeovers Code (the **Code**).

The Code allows shareholders to approve an increase in a person's voting control that would otherwise breach rule 6. The acquirers cannot use this provision in the Code as the acquisitions have occurred and the Code does not provide for retrospective approval by shareholders. The Panel has granted an exemption to allow shareholders to consider whether to approve the acquisitions.

The Panel considers that it is appropriate and consistent with the objectives of the Code to grant the exemption because –

- the Code allows shareholders to approve an increase in a person's voting control that would otherwise breach rule 6 of the Code but the acquirers cannot use this provision in the Code because the acquisitions have occurred and the Code does not provide for retrospective approval by shareholders; and
- the conditions to the exemption appropriately mirror the shareholder approval required by the Code because the conditions -
 - require certain information in relation to the increase in voting control to be provided to shareholders; and
 - allow shareholders (other than John and Michael Chow, the acquirers and their associates) to approve retrospectively the increase:
- any possible breaches of the Code were inadvertent.

Date of Notification in the *Gazette*: 11 August 2016
