

Takeovers Code (Chow Group Limited) Exemption Notice 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 2016.

2 Application

This notice applies to acts or omissions occurring on or after 29 March 2016.

3 Revocation

This notice is revoked on the close of 30 September 2016.

4 Interpretation

(1) In this notice, unless the context requires, –

Act means the Takeovers Act 1993

CGL means Chow Group Limited

CGL allotment means an allotment of voting securities issued by CGL to John Chow and Michael Chow, as trustees of the John Chow Investment Trust and the Michael Chow Investment Trust, which was approved at a meeting of the shareholders of CGL on 24 February 2016

Chow acquisition notice means an acquisition notice sent by John Chow and Michael Chow to the outstanding security holders of CGL after John Chow and Michael Chow, as trustees of the John Chow Investment Trust and the Michael Chow Investment Trust, became the dominant owners in relation to CGL by reason of the CGL allotment

Code means the Takeovers Code under the Act

- (2) 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 55(1)(a) of Code

John Chow and Michael Chow are exempted from rule 55(1)(a) of the Code in respect of a Chow acquisition notice.

6 Conditions of exemption in clause 5

The exemption in clause 5 is subject to the condition that John Chow and Michael Chow include in a Chow acquisition notice a statement that they became the holders or controllers of 90% or more of the voting rights in CGL and the date on which they did so.

Dated at Auckland this 30th day of March 2016.

[signed]
D O Jones,
Chairperson

Statement of reasons

This notice applies to acts or omissions occurring on or after 29 March 2016 and is revoked on 30 April 2016.

The Takeovers Panel (the **Panel**) has granted an exemption for John Chow and Michael Chow from rule 55(1)(a) of the Takeovers Code (the **Code**).

The exemption relates to the allotment of voting securities in Chow Group Limited (**CGL**) to John Chow and Michael Chow approved at a meeting of shareholders on 24 February 2016, which resulted in John Chow and Michael Chow, acting jointly or in concert, becoming the holders or controllers of 90% or more of the voting rights in CGL (the **allotment**).

Exemption from rule 55(1)(a) of Code

The exemption from rule 55(1)(a) of the Code relates to an acquisition notice given by John Chow and Michael Chow under rule 54 of the Code (**acquisition notice**), following John Chow and Michael Chow achieving dominant ownership in CGL as a result of the allotment.

The exemption is required because John Chow and Michael Chow are unable to comply with rule 55(1)(a) of the Code which requires them to state, in their acquisition notice, that they hold or control 90% or more of the voting rights in CGL.

The inability of John Chow and Michael Chow to comply with rule 55(1)(a) has occurred because, after they became the dominant owners in relation to CGL but before they sent an acquisition notice, John Chow and Michael Chow reduced their holding or control of voting rights in CGL to less than 90%.

Despite reducing their holding or control of voting rights in CGL to less than 90% before sending an acquisition notice, John Chow and Michael Chow continue to be dominant owners of CGL for the purposes of the Code and are required to comply with Part 7 of the Code in accordance with the terms of the acquisition notice.

As dominant owners, John Chow and Michael Chow are required by Part 7 of the Code to issue an acquisition notice to outstanding security holders in CGL. They will undertake the “voluntary sale” process under Part 7 of the Code, meaning that outstanding security holders have the right to sell their equity securities to John Chow and Michael Chow but are not obligated to do so.

The conditions of the exemption require John Chow and Michael Chow to state in the acquisition notice that they became the holder or controller of more than 90% of the voting rights in CGL and the date on which this occurred.

The Panel considers that it is appropriate and consistent with the objectives of the Code to grant the exemption from rule 55(1)(a) because the exemption will enable John Chow and Michael Chow to comply with the rights and obligations of dominant ownership as set out under Part 7 of the Code.