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Headnote

An issuer wants to complete a take over bid that meets some, but not all of the conditions set out in s. 98 (1)(e) of the Act required for an exempt take over bid - The bid is being done in compliance with the laws of a jurisdiction that has not been recognized for the purposes of s. 98(1)(e); the bid will satisfy all other conditions required for an exempt take over bid

Exemption Order

Ideal Standard International Holding Sarl

Securities Act, R.S.B.C. 1996, c. 418, s. 114(2)

Background

- ¶ 1 Ideal Standard International Holding Sarl (the Filer) applied for a decision under section 114(2)(c) of the *Securities Act* that the formal take-over bid requirements in the Legislation and related regulations, including the provisions relating to delivery of an offer and take-over bid circular and any notices of change or variation thereto, delivery of a directors' circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to a take-over bid, disclosure, financing, restrictions upon purchases of securities, identical consideration and collateral benefits (collectively, the Take-over Bid Requirements), shall not apply to the all cash offer made or to be made by Lehman Brothers Asia Limited for and on behalf of the Filer to acquire securities of A-S China Plumbing Products Limited not already owned by the Filer (the Requested Relief).

Representations

- ¶ 2 This decision is based on the following facts represented by the Filer:
1. the Filer is an investment holding company incorporated in Luxembourg and is indirectly wholly owned by Bain Capital Fund VIII-E, L.P;
 2. the Filer is not a reporting issuer in British Columbia or in any other jurisdiction in Canada;
 3. the Target is an investment holding company incorporated in the Cayman Islands and is based in Hong Kong; the Target is engaged in the manufacture, sale and distribution of plumbing products in the People's Republic of China;
 4. the Target's issued share capital as at October 1, 2007 consists of 151,034,000 Shares; these Shares are listed on the Stock Exchange of Hong Kong;

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5. the Target is not a reporting issuer in British Columbia or in any other jurisdiction in Canada;
6. the Filer has entered into a stock and asset purchase agreement with American Standard Companies Inc., the parent of the Target, on completion of which the Filer will own approximately 63.47% of the issued share capital of the Target (the Completion) via private agreement;
7. pursuant to the Hong Kong Code on Takeovers and Mergers (the Code) of the Hong Kong Securities and Futures Commission, the Filer, by virtue of having acquired over 30% of the voting rights of the Target, is required to make an unconditional mandatory offer (the Offer) for all the Shares not already owned by the Filer and any party acting in concert with the Filer;
8. the Offer is being made in accordance with the laws of Hong Kong, including the requirements of the Code, and not pursuant to any exemptions from such requirements; in accordance therewith, Lehman Brothers Asia Limited (Lehman), as financial adviser to the Filer, will be making the Offer on behalf of the Filer;
9. subject to Completion having taken place, the Offer will be made to all holders of the Target's Shares to acquire all the Shares not already owned or agreed to be acquired by the Filer and the parties acting in concert with it at a price of HK\$3.31 per Share in cash;
10. the Filer intends to mail the Offer on November 5, 2007, and the Offer will be made to the holders of all the outstanding Shares not already owned or agreed to be acquired by the Filer at that date;
11. in accordance with the Code, the Offer will remain open for not less than 21 days following the date on which the Offer document is posted; the recommendation of the independent directors of the Target and the advice of their independent financial advisor will be included in the Offer document;
12. the Filer cannot rely on the *de minimus* exemption from the Take-over Bid Requirements because the Commission has not recognized Hong Kong for this purpose in the Legislation;
13. the Offer will be made on the same terms and conditions to the shareholders of the Target resident in British Columbia as those applicable to Target shareholders residing outside British Columbia;

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14. the Offer documents and all other materials relating to the Offer, including any amendments, sent by or on behalf of the Filer to Target shareholders residing outside British Columbia shall concurrently be sent to the Target shareholders resident in British Columbia and filed with the Commission;
15. based on the current share register of the Target, there is one shareholder resident in British Columbia holding 130,000 Shares of the Target which represent, in aggregate, 0.086% of the outstanding Shares of the Target; and
16. the Filer requests exemption from the Take-over Bid Requirements in the Legislation.

Decision

- ¶ 3 The Commission is satisfied that the test contained in the Legislation that provides the Commission with the jurisdiction to make the decision has been met.

The decision of the Commission under the Legislation is that the Offer is exempt from the Take-over Bid Requirements, provided that:

- (a) the Offer and all amendments to the Offer are made in compliance with the Hong Kong Takeovers Code; and
- (b) the Offer Documents and all other materials relating to the Offer, including any amendments, that are sent by or on behalf of the Offeror to Target shareholders residing outside British Columbia are concurrently sent to Target shareholders resident in British Columbia and copies of such materials are filed contemporaneously with the Commission.

- ¶ 4 November 1, 2007

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission