



Friday 5 July 2019

19-174MR ASIC appoints Morgan Stanley to sell shares in Donaco International Limited

ASIC has appointed Morgan Stanley Wealth Management Australia Pty Ltd (**Morgan Stanley**) to sell 80,000,000 ordinary shares (**Sale Shares**) in Donaco International Limited (**Donaco**).

The sale follows a decision by the Takeovers Panel (**the Panel**) to vest shares in the Commonwealth for sale by ASIC. As of 4 July 2019, the Sale Shares represent approximately 9.71% of Donaco's issued capital.

The sale process will follow the requirements specified in the Panel's orders. These are included in [ASIC's notice of initial substantial holder](#) lodged with the ASX on 10 May 2019. Under the orders:

- Morgan Stanley will use the most appropriate sale method to secure the best available sale price for the Sale Shares that is reasonably available at that time and will dispose of the Sale Shares within six months from Morgan Stanley's appointment;
- OL Master (Singapore Fund 1) Pte. Limited (**OCP**) or its associates may not, directly or indirectly, acquire any of the Sale Shares; and
- Unless the Sale Shares are sold on market, prospective purchasers must provide a statutory declaration that they are not associated with OCP or its associates.

Background

On 6 May 2019, the Takeovers Panel made a declaration of unacceptable circumstances in relation to the affairs of Donaco on the basis that the market had not been informed of the size of the stake in Donaco over which OCP had an enforceable security interest and that the acquisition by OCP of shares in Donaco between 7 and 31 December 2018 therefore did not take place in an efficient, competitive and informed market.

The Panel's orders required that the 80,000,000 Donaco shares held by OCP, comprising of the Donaco shares acquired by OCP between 7 and 31 December 2018, be vested in ASIC for sale. Under the orders, the shares are to be sold by an investment bank or broker and the proceeds to be accounted to OCP net of the costs, fees and expenses incurred by ASIC and the Commonwealth.

On 31 March 2015, following a public tender process, ASIC entered into a deed of standing offer with Morgan Stanley for the provision of stockbroking services. As Morgan Stanley was able to provide ASIC with a statutory declaration that it was not aware of any conflicts of interest, it has been appointed to sell the Sale Shares under the standing arrangement.

Inquiries about the sale process should be directed to:

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