

In the News

O'Melveny's Roberts Quoted in Asian Legal Business on Chinese Companies Delisting in the US



February 27, 2012

O'Melveny & Myers LLP partner David Roberts is quoted in *Asian Legal Business*' February 27, 2012, article "Is the Water Getting Muddier?," which concerns the growing number of Chinese companies considering privatisation and delisting from US exchanges to avoid the scrutiny of US regulators, and the complex legal issues they will face.

According to Roberts, who is based in O'Melveny's Beijing office, investors in China considering such a move need to know about the complex and extensive disclosure obligations involved in a typical 13E-3 going private transaction. "Businessmen in China are often focused purely on the 'business' rationale for such transactions, particularly on the interests of the buyout or control group initiating the transaction. Thus, the rules that are designed to ensure 'entire fairness' (and to protect minority public shareholders) can take many such controlling investors and PE/VC backers by surprise," Roberts said.

Roberts added that while the pipeline for privatisation deals will continue to be strong in 2012 and 2013, "the more exciting future for M&A in China will involve strategic M&As whereby US-listed Chinese companies will consider trade sales to Chinese or foreign buyers." Roberts recently represented China's education conglomerate Global Education & Technology Group in its sale through a merger to British education publisher Pearson for US\$294 million, which he describes as a "pioneering and landmark example of this new trend."