



Hypothetical Scenario between Sirius Corporation vs Magma Logistics based on Singapore and Japan Perspective

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Abstract

This paper discusses a hypothetical scenario for the M&A of Sirius Corporation and Magma Logistic by comparing the application of both Singapore and Japan law and regulation and how both jurisdictions differ to each other in term of M&A deals for Sirius Corporation and Magma Logistic. These two jurisdictions are the most used for companies in Asian. The policies about companies interact could bring another new perspective. The main reason because they have strict implementation and practical for business to use not like many others Asian countries. The paper concludes that although influenced by the U.S. and U.K. models for takeover regulation, Asian countries still differ significantly from them. Based on the laws and regulation in Singapore and Japan, it is less likely that Magma will succeed in their takeover with Sirius. In Singapore, they even do not have de facto control. Meanwhile in Japan, there is a poison pill that can quickly dilute their shares.

Keywords: Corporation Strategies; Jurisdiction; Legal Rights; Notary; Merger and Acquisition.

Introduction

It is interesting to note that numerous mergers and acquisitions (M&A) still happening in this pandemic era. Although most companies have seen revenues and profits decline, Asia-Pacific executives are confident in their ability to navigate the crisis and believe they have outperformed their competitors in operational stability.¹ This proves that the Asian companies think they will bounce back after these unprecedented times over.

There are several reasons why M&A deals occur, such as growing the business, expanding market size, creating a synergy system between related parties, and diversification. In essence, M&A is a way of transfer of ownership and control in a business or more corporations. This essay will be conducting research and collect information regarding the hypothetical scenario and conclude the findings. To examine the detail regarding this deal, we should be well- informed about all parties related. So, there is a provided list number of parties and essentials notes that available from the cases illustrated in the assignment task.

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¹ Yew - Poh Mak, "Will COVID-19 Turbo-Charge M&A and Transformation?" (Global Capital Confidence Barometer, 2021), https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/ey-capital-confidence-barometer/ccb23/pdfs/ey-c.

all parties related. So, there is a provided list number of parties and essentials notes that available from the cases illustrated in the assignment task.

Table 1: Parties Background ²

No	Parties	Notes
1	Sirius Corporation Limited	A leading e-commerce company and is domiciled in Iceland. Sirius's stocks listed on the Iceland Stock Exchange in 2019 by way of an initial public offering (IPO). From a listing price of USD 3, the stocks rose to USD 7 per share by March 31 2020. The board of directors of Sirius comprises his CEO, COO, and five independent directors.
2	MagmaLogistics Inc	The most significant global player based in the United States of America asked if Sirius would be interested in commencing merger negotiations with Magma. It is happening because Sirius revenues grew 300%, and its profits 270%, for the first quarter of 2020.
3	Jake Lee – CEO of Sirius Corporation	He has owned a sum of 25% shares of Sirius Corporation and refused any merger and acquisition transaction.
4	Alice Gomez – COO of Sirius Corporation	She has owned a sum of 25% shares of Sirius Corporation. After a strongly worded letter declining to engage in any sort of discussions about a potential merger and acquisitions transaction. On May 1, 2020, Alice sold for cash shares representing 20% of the total issued and paid-up ordinary share capital of Sirius to Magma.
5	Sirius Public Shareholders	The rest of Sirius's stocks owned by public shareholders owned 50%, including institutional
6	Colin Holder – CEO of Magma Logistics	Successfully persuade Alice to sell her shares and provided a verbal assurance that if Magma secured control over Sirius, Magma would support Alice in continuing with her position as COO. On the same day as Magma acquire Alice shares, Magma notified the SGX of its acquisitions of shares. It only provided details about the name of the acquirer and the total number of shares acquired, and no other information.
7	Fortitude Financial Advisers Limited	An investment banking appointed by the board of Sirius to consider the commercial viability of Magma's offer. Fortitude issued a report stating that any offer within the price

² “Assignment Task to Provides the General Idea Regarding the M&A Transaction.,” 2021.

		range of USD 10 to USD 12 would be fair and reasonable to Sirius's shareholders. Never had any pre-existing relationship either with Sirius or Magma, but Jake's daughter Jane secured an internship with the reputed structured finance team of Fortitude in New York.
8	Resilience LLP	A leading accounting firm appointed by Magma to create a report regarding the commercial viability states that an offer within the range of USD 9 to USD 11 would be fair and reasonable. Never had any pre-existing relationship either with Sirius or Magma.
9	Jane Lee – Jake's Daughter	She has secured an internship in Fortitude with the Fortitude during the battle of control of Sirius
10	Ocean Planet Partners LP (OPP)	OPP is a private equity firm based in London that rescues Sirius by issuing convertible bonds with several terms and conditions. Sirius is hoping this company will save them by performing a white knights strategy.
11	Shooting Star Assets Limited	The new subsidiary establishes by Sirius, where they possess intellectual property regarding registered trademark and the technology platform for its business.

In general, this case looks complicated. Making breakdown notes help us to see it clearly how these M&A deals might occur. Based on the current situation, Sirius's board of director has issues with their COO because she sells their shares to potential acquire. It also shows that Alice does not act for the company interest.

Sirius and Magma are running a business in the hottest industries in cross-border M&A deals. Both companies using e-commerce platform to sell something through their marketplace. Vikram Chakravarty supports this argument in his statement during an interview with Executive Agenda, "The most favoured industries are banking, telecom, retail, beverages, and packaged foods, primarily because they are all extremely fragmented, so they represent an abundance opportunity."³ In general, Sirius's business model almost combines all the industries mentioned by Vikram Chakravarty into one integrated platform to sell any products and services they wish to put in the markets. Not only that, but Clifford Chance also released information that suggests that technology, media, and telecom still favoured in the global market.⁴

Both parties launch their attack, where Sirius was trying to defend, and Magma desperately interested in gaining control over Sirius. Sirius's board argues

³ Vikram Chakravarty and Chua Soon Ghee, Interview with Vikram Chakravarty & Chua Soon Ghee, Partner at AT Kearney., n.d.

⁴ Clifford Chance, "Our Insights into M&A Trends" (Clifford Chance, 2012), https://www.cliffordchance.com/content/dam/cliffordchance/PDFs/Our_insights_into_MandA_trends_global_dynamics_July_2012.pdf.

that Magma was a predator and was charged by the regulators in Brazil to acquire a company in that country and sell away its prized assets to declare a generous dividend to itself. This announcement has the purpose of pursuing public shareholders to select their sides with the incumbent. Additionally, Sirius highlighted that one of Sirius's logistics facilities was located within a mile of sensitive defence installation belonging to the Government of Iceland. This could be used as an advantage and a lobbying power to ask for government supports. It is a general principle that if there is a disturbance that can block national safety and interest, the rationale will avoid any cross-border M&A in the inbound category. Not stopping that, Magma also launches their announcement stated that Sirius's board was not friendly during the transactions, hoping for mercy from the public shareholders.

When Colin offers Alice to buy her shares, he is agreed that he will continue to support her current role. However, Sirius's board remove her as COO because she is neglected the company interest. It is created a new environment in the company board. So, after Alice sold 20% of her shares, she only has 5% remaining under her name. Meanwhile, Jake secured 5,01% from public shareholders through markets and negotiations with an institutional investor, so Jake composed a total of 30,01%, barely enough to have *de facto* control. He would love to increase his share but limited to the financial abilities.

It is interesting to see the public shareholder hold majority of shares with 44,99% and the remaining shares held by Magma with only 20%. If this current structure is still intact, it makes sense to Jake and Magma to pursue public shareholders to be on their sides. There are no parties with *de jure* power; all related parties should make allies reach closely enough 70% to possess those abilities. It is either Jake with public shareholders or Magma, Alice, and public shareholder.

Aggressively, Magma makes a voluntary offer to Sirius shareholder with USD 9, triple the IPO price. It looks attempting, but Magma has a clever strategy that will give USD 5 in cash and the rest trade with Magma stock listed in the New York Stock Exchange on the day of the offer. It is to save Magma cash reserves. The offer was upon conditional the company's net asset value as reflected on its balance sheet being not lower than USD 350 million. In reality, the net asset only short with USD 20 million for the second quarter. Looking at these factors, it is the rationale for Magma to lowering the price. However, are this way is permissible?

Another plot twist, in this case, is two external parties involved to value Sirius share. The first one is Fortitude Financial Advisers Limited that reported that the price range between USD 10 until USD 12 per share would be a fair price. This investment banking never has a previous relationship either with Sirius or Magma. But, during the control battle, there might be a slight conflict of interest because Jane, Jake's daughter, secured an internship in this elite financial team based in New York. Meanwhile, Resilience LLP, appointed by Magma, also never has a previous relationship with both Sirius and Magma, stated that the price range between USD 9 until USD 11 per share would be a fair price. So there is room for negotiation between Sirius and Magma, in which the price would be range from around USD 10 until USD 11 hypothetically.

Based on the background notes, Sirius shareholders wanted to keep the company from any M&A transactions, especially their CEO. They also create a new subsidiary, registered under Shooting Star Assets Limited, which is also established in the same domiciled with the holdings company. The board of Shooting Star also invited Ocean Planet Partners LP (OPP) to obtain 51% of the

total issued and paid-up ordinary shares capital of Shooting Star. This transaction carried both Sirius and Shooting Star immediately and seek approval of Sirius's shareholders later while meetings still in conveyed.

It is critical to understand the event that matters with this M&A deals entirely. We should approach this transaction based on the material fact that we can see from the event timeline. Understanding this process as a whole might be essential to determine which legal action we should consider. It is also important to note that this timeline also works as a prediction in the foreseeable future. Both Sirius and Magma successfully overcome this unprecedented period, and it seems like Covid-19 here to stay in the long term. Sirius can manage this challenge by having a solid strategy. We can consider that they are planning for success beyond the Covid-19 should be built based on strategy, human resources, financial, future consumer, fully understand your return on investment. One method to solve the problem is by having a solid business to create an impactful synergy. Looking at aggressive moved from Magma to perform their hostile take-offers, it is a quietly blatant strategy. To help us understand these deals, the tables below provide the highlight event in places in this M&A deals.

Table 2: Event Timeline

Date	Event
January 2019	Sirius listed on Iceland Stock Exchange with the price set at USD 3.
January 2020	The global pandemic started, and revenues grew 300% and its profit 270%.
March 2020	Sirius's board passes a resolution that authorized the company's board to "issues shares or other securities convertible into shares of a maximum of 25% of the total issued and paid-up share capital of the company, as and when the company requires funds during the six months.
March 31 2020	Its stock price rose more than 133% to USD 7 per share.
April 2020	Magma offers Sirius M&A transaction but heavily rejected by the board of Sirius. Jake found out that his company under siege. He began to shore up his shareholding in Sirius with 5.01% through stock market purchases and negotiated deals with some institutional shareholders at varying prices, the highest, USD 9.20 per share. Due to a lack of limited funds, he cannot acquire more shares; even he would love to do that.
May 1 2020	Magma launches their hostile takeover by buying Alice share after Colin Holder placed a telephone call at USD 9 per share. The board of Sirius takes this event as unpardonable behaviour from Alice because she was neglected the interest of the very company she founded, and the board remove her as COO of Sirius. On this same day, Magma notified SGX of its acquisition of shares with only the name of the acquirer and the total number of shares acquired, no other information.

May 2 2020	Magma announced a takeover offer to all the shareholders of Sirius. The offer stated that USDD 9 in total with the consideration would comprise USD 5 in cash and the remaining shares of Magma based on its shares on the New York Stock Exchange on the day of the offer. This offer was conditional upon the net asset value of at least USD 350 million on the
June 2020	The net assets value of Sirius's as reflected on its balance sheet for the second quarter of 2020 was USD 330, which is below the term and condition when Magma offers to all Sirius shareholder at USD 9.

Research Questions

This paper seeks to explore a hypothetical scenario of M&A of Sirius Corporation and Magma Logistic by comparing the application of Singapore and Japan law and regulation as two most used jurisdiction in Asia. How do the two jurisdictions differ to each other in term of M&A deals for Sirius Corporation and Magma Logistic. It will be interesting to apply both jurisdictions in the same case, and the big question is the result will have the same outcome or completely different?

Method

There are three considerations when it comes to choosing which jurisdiction will be used in this essay. First, there are five top five investment destinations (including domestic and cross-border M&A) countries such as India, Singapore, Japan, and Thailand.⁵ Second, see an overview of how M&A deals in a different legal system where Singapore significantly influenced by common law, and Japan with civil law perspective. Lastly, both countries are critical figures in the Asian financial centre.

Results and Discussion

1. Legal rights and obligations of the parties

This essay will construct two main perspectives between Singapore and Japan rule of M&A. There is no particular reason why it started with Singapore following by Japan. Both parties eager to control Sirius would be seeking legal rights and obligations to obtain this special power over this booming business.

a. Singapore

Singapore's legal system is based on common law, where case precedents and statutory provisions exist side by side.⁶ Singapore gained its independence in 1965 and still involved in part of Commonwealth members nowadays. The Companies Act was passed in 1977, based on the Australian Companies Act 1961 and UK Companies Act 1948. It shows that how well Singapore connected with UK and Australia.

The current version of the Companies Act contains provisions that are pertinent to takeovers, such as the mandatory acquisition of shares from minority shareholders and the statutory statement of directors duties (which defines the

⁵ Poh Mak, "Will COVID-19 Turbo-Charge M&A and Transformation?," 2.

⁶ Wai Yee Yee, "Legal Transplantation of UK-Style Takeover Regulation in Singapore," *Singapore Management University School of Law Research Paper*, 2017, 7.

relationship between directors and shareholders.

There are still certain additions to business law with regard to those takeover-related details. The Securities and Futures Act (SFA) and Singapore Code outline a more detailed approach. The SFA's Section 138 establishes the Securities Industry Council (SIC). Wai Yee Wan also mentions Section 139 of the SFA, which states that the Monetary Authority of Singapore (MAS), on the advice of the SIC, shall administer, supervise, and control takeover offers and matters related to them more effectively. Section 140 of the SFA lists the offenses related to takeover offers. If someone has no intention of making a takeover offer, giving notice or publicly declaring that they do so is illegal. Making a takeover offer is also illegal if the maker lacks any reason to believe they will be able to fulfill their responsibilities should the offer be accepted or approved.⁷

Market participants in Singapore have largely accepted the authority of the SIC in Singapore. If there is a breach of the Singapore Code, the SIC may choose either a private or public issues. It also crucial regarding how much time-consuming during proceedings in SIC. It is non-formal courts because the handle is private and informal, so the processing time much faster than regular. Another essential element regarding the takeovers rule in Singapore jurisdiction is the Singapore Code.⁸ This code consists of General Principles, rules, and notes. The Singapore Code places a heavy emphasis on protecting shareholders. Its two main goals are to ensure that all shareholders of the same class are treated equally and that the target shareholders, not the target board, decide the bid's fate. On a daily basis, the first aim is known as the "mandatory bid rule (MBR)", which requires bidders after crossing 30% voting rights up to 50% to make takeover offers with prices not less expensive than the offer price paid for the shares acquired. The required bid rule's goal is to give the remaining shareholders the option to leave the target company upon a change in control of the business at the bidder's price. Magma cannot trigger this MBR because they only possess a maximum of 25%; it assumes Alice will support Magma during the battle. Meanwhile, Jake could begin this MBR since he has 30,01% of the shares but cannot perform this action due to lack of financial support.

As mentioned earlier on the timeline event that Magma announced a takeover offer to all the shareholders of Sirius, the offer stated that USD 9 in total with the consideration would comprise USD 5 in cash and the remaining shares of Magma based on its shares on the New York Stock Exchange on the day of the offer. This offer is not MBR; it is a voluntary offer. Moreover, this offer is not permitted under Singapore Law because Magma bought Alice price at USD 9, so the only takeovers offer works only if Magma make an offer that more than USD 9 per share. Sirius's board can easily reject the offer created by Magma because it is not permissible. If Magma's board decided to continue their takeover offer, they must recalculate their cash reserves again. If they failed in their MBR and still want to buy the share periodically, they have a maximum of only 1% every six months to take time.

Back to Jake as a blockholders, since he has *de facto* control over the company, he can easily disagree with the resolution. Jake also wanted to dilute Magma shares by asking OPP to join Sirius. What Jake can do is proposed to buy back Magma shares through a scheme of arrangement with the help of

⁷ Poh Mak, "Will COVID-19 Turbo-Charge M&A and Transformation?", *Ibid.*, 9.

⁸ Yee, "Legal Transplantation of UK-Style Takeover Regulation in Singapore.", *Ibid.*, 18.

OPP. So, it is clear that Jake holds 30,01% and, combine with public shareholder, bring the number to 75%. It is enough to squeeze out Magma and Alice from Sirius. Squeeze-outs are contentious because the majority shareholders have the power to compel the minority shareholders to sell their shares against their will and at low prices.⁹

It is a time-consuming and lengthy process to accomplish by both Sirius and Magma. Suppose Jake secures all public shareholders with his side. In this case, he can efficiently deliver a statement to the courts stated that the government should support the scheme of arrangement because it also protects Singapore national interest regarding their country defence and safety; it is announced by Sirius that one of their logistics facilities in a nearby area with Singapore.

With the exception of two developments, Singapore's scheme of arrangement law and regulations were exactly the same as those in the UK. Bidders and their concert parties are required to abstain from voting at the same scheme meeting as the other (minority) shareholders, according to the Singapore Code on Takeovers and Mergers (Singapore Takeover Code), which is applicable to Singapore and foreign companies with a primary listing in Singapore.

The Singapore Code on Takeovers and Mergers (Singapore Takeover Code), which is applicable to Singapore and foreign companies with a primary listing in Singapore, requires bidders and their concert parties to abstain from voting at the same scheme meeting as the other (minority) shareholders. The majority in number requirement can no longer be applied because of a 2012 amendment to Section 210 (the provision on plans of arrangement).¹⁰

If this scheme of arrangement of successful, Magma should consider themselves to walk out from the deal and cut their losses. Even they can perform the mission impossible which all public shareholders on their sides, it still not enough to reach 75% to squeeze out Jake from Sirius. The only way that Magma can think of is to increase their offer higher than USD 9 to attract more public shareholders to sell their shares. When they reach 30%, Magma can move their strategy to make an MBR with the help of an independent financial firm to determinethe value of Sirius's shares. Magma's board should consider their cash reserves to keep this planning running because it will cost more than they predicted. If they are losing money on this game plan, it is better to exit and cut their losses.

b. Japan

In a very quick summary, Delaware's Shadow presented a Japanese corporate governance system that was in flux and being influenced by both internal and foreign pressures.¹¹ In essence, the unique poison pill that is the Japan takeover rule can diminish the acquirer shares. The increase in hostile takeovers in Japan portends a further acceleration of the postwar economic system's reconfiguration, with important ramifications for the country's judicial system as well. Starting at

⁹ Christopher C.H Chen, Wei Zhang, and Wai Yee Wan, "Regulating Squeeze-out Techniques by Controlling Shareholders: The Divergence between Hong Kong and Singapore," *Singapore Management University Institutional Knowledge at Singapore Management University* 1 (2018): 3, <https://doi.org/10.1080/14735970.2017.1316554>.

¹⁰ Poh Mak, "Will COVID-19 Turbo-Charge M&A and Transformation?," *Ibid.*, 8.

¹¹ Curtis J. Milhaupt, "Bull-Dog Sauce for the Japanese Soul? Courts, Corporations, and Communities—A Comment on Haley's View of Japanese Law," *Washington University Global Studies Law Review* 8, no. 2 (2009): 347.

this time, the judiciary is involved in M&A transactions.

The Tokyo High Court upheld the District Court's order against the issuing of the warrant, describing it as "grossly unfair," and establishing the following rule: In general, it is a terribly unjust issuance when a battle for company control has arisen. (Commercial Code §280-39(4); §280-10) to issue warrants, whose main goal is to reduce the holdings of another shareholder in order to maintain control over existing management or a particular shareholder who has influence over management. The hostile bidder, however, is engaging in "scorched earth" policies when it (1) intends to pressure a target company or its affiliates into repurchasing shares at a premium after the stock price rises (greenmail); and (2) intends to transfer intellectual property, know-how, corporate secrets, key business transactions, or customers that are essential to the management of the company to the bidder or its affiliates.; (3) Acquires temporary control of management to sell off valuable assets unrelated to the core business, such as real estate or securities, in order to pay a one-time dividend from the proceeds, or sell the stock after having driven up the stock price due to the high dividend—in other words, liquidate assets to secure or pay off the bidder's debts or those of related companies. (4) has purchased the target company's shares so that after acquiring control, the bidder can liquidate assets to secure or pay off, where there is an abusive motive of exploiting the target—then it is not appropriate to protect the bidder as a shareholder, and if it is clear that . . . when necessary to maintain or safeguard the Board of Directors' control rights and within the parameters of necessity and propriety as to mode of resistance, the issuing of warrants may be approved.¹²

Based on that explanation, that warrant can be issued to retain control for incumbent management. It is interesting to relate that to our case. It means Sirius's board will issue a warrant to all previous shareholders exclude the acquire, so it diluted Magma's shares because their takeover considers threatening the target company. Meanwhile, for Magma to succeed in their takeovers, they must promise the public shareholders that they will keep the corporate value and shareholders interest first rather than short-term goals.

We use the two categories of *ex-post* measures and *ex-ante* measures, which are used in Japanese legal discourse, to frame the discussion that follows. After briefly introducing each category, we contextualize Japan's defensive strategies and related legal standards by contrasting them with those of the United States and the United Kingdom. The exercise reveals key distinctions between Japan, the United States, and the United Kingdom, highlighting the significance of understanding Japan's defense strategies on their own terms.¹³

It seems the legal system does not have an impact on Japan takeover regulation. Several influences from the US and UK, which is common law centre, into Japanese system which dominantly civil law system. There are two main strategies regarding this game-plan known as *ex-post* and *ex-ante* measures. How are these two main options if we are applied to our hypothetical case?

Only when a firm has been deliberately targeted by a corporate raider are *ex-post* measures taken. Share or share-option placement, which entails issuing shares

¹² J. Milhaupt, "Bull-Dog Sauce for the Japanese Soul? Courts, Corporations, and Communities—A Comment on Haley's View of Japanese Law," *Loc.cit.*, 358.

¹³ Alan K. Koh, Masafumi Nakahigashi, and Dan Puchniak W, "Land of the Falling "Poison Pill": Understanding Defensive Measures in Japan on Their Own Terms," *University of Pennsylvania Journal of International Law* 41(3) (2020): 703, <http://dx.doi.org/10.2139/ssrn.3332481>.

or share options to a specific party who is friendly to incumbent management, or option allotment, which entails issuing share options to all current shareholders in a target corporation with the options exercisable by all shareholders barring the raider, are the two traditional defensive measures available to the corporation. The latter—option allotment—could be compared to a pill that is taken after a hostile takeover effort has begun. In Japan, neither variation has completely evaded legal inspection.¹⁴

After Magma bought Alice shares, Sirius's board directly issued new shares to a specific party who supports incumbent management or given to all existing shareholder except the acquirer. This method force Magma to rethink for buying more share and indirectly asking to leave the company alone. Meanwhile, the other *ex-ante* measures happen before a specific takeover threat arise, which follow Ministry of Economy, Trade and Industry (METI) guidelines.

The boom in *ex-ante* measures—which are adopted by companies before a specific takeover threat arises—can be traced back to the Takeover Guidelines jointly issued by two government ministries after consultation with stakeholders with the goal of “preventing excessive defensive measures, enhancing the reasonableness of takeover defense measures and thereby promoting the establishment of fair rules governing corporate takeovers in the business community.” The Guidelines explicitly mentioned pre-bid *ex-ante* defensive actions, approving this as-yet-untested legal tactic while also making it clear that potential targets may use defensive measures more generally. The Takeover Guidelines were published in 2005, a critical year in which hostile takeover attempts reached a new high in the public consciousness. These guidelines not only caused a change in jurisprudence, but also acquired popularity among Japanese practitioners.¹⁵

Conclusion

The study on Sirius and Magma shows that M&A covers key legal aspects such as jurisdiction, legal rights, and corporation strategies in the event of the transactions. Not only that, but transaction timeline also plays a pivotal point when the M&A deal occur.

Although influenced by the U.S. and U.K. models for takeover regulation, Asian countries still differ significantly from them.¹⁶ It is unlikely that Magma will succeed in their takeover with Sirius. In Singapore, they even do not have *de facto* control; meanwhile, there is a poison pill that can quickly dilute their shares in Japan.

If Magma still wishes to obtain control in Sirius based on Singapore perspective, they should increase their voluntary offer by more than USD 9 per share, with consideration of their cash reserves, or if it is possible, they also partnering with others to raise the capital. Magma also can start to negotiate with institutional investors and retail investors to obtain at least 30% and the proposed MBR. On the other hand, Sirius's board can decide to defend the control by submitting in the scheme of arrangement to squeeze out Magma since they owned

¹⁴ K. Koh, Nakahigashi, and Puchniak W, “Land of the Falling “Poison Pill”: Understanding Defensive Measures in Japan on Their Own Terms.”, *Loc.cit.*, 708.

¹⁵ K. Koh, Nakahigashi, and Puchniak W., *Loc.cit.*, 711.

¹⁶ Umakanth Varottil and Wai Yee Wan, “Hostile Takeover Regimes in Asia: A Comparative Approach,” *NUS Law Working Paper* 11 (2018): 270, <http://dx.doi.org/10.2139/ssrn.3167684>.

75% shares, it assumes all public shareholders and Jake merge into one vision.

Regarding Japan's perspective, were more dispersed shareholder than concentrated shareholder like in Singapore, Sirius's board can quickly dilute Magma share by issuing more shares either with *ex-post* measures or *ex-ante* measures. Both jurisdictions are not likely to place to perform hostile takeover because of the culture itself.

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