

Regulatory Story

[Go to market news section](#)



Thalassa Holdings Limited - THAL Legal opinion on the LSR Board's proposal
Released 07:00 02-Apr-2019

RNS Number : 7570U
Thalassa Holdings Limited
02 April 2019

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION. IN PARTICULAR, THIS ANNOUNCEMENT SHOULD NOT BE RELEASED, PUBLISHED, DISTRIBUTED, FORWARDED OR TRANSMITTED, IN WHOLE OR IN PART, IN, INTO OR FROM ANY RESTRICTED JURISDICTION, INCLUDING THE UNITED STATES.

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND NO INVESTMENT DECISION IN RELATION TO THE OFFER OR THE THALASSA CONSIDERATION SHARES SHOULD BE MADE EXCEPT ON THE BASIS OF INFORMATION IN THE OFFER DOCUMENT AND PROSPECTUS EQUIVALENT DOCUMENT.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014.

FOR IMMEDIATE RELEASE

2 April 2019

**Thalassa Holdings Ltd
("Thalassa" or the "Company")**

Legal opinion on the LSR Board's proposal

Thalassa announces that it has submitted its form of proxy and voted **against** the Ordinary Resolution to be tabled at the General Meeting of LSR on 5 April 2019.

LSR Shareholders are invited to accept the Offer as soon as possible. The Offer remains open for acceptance until 10 April 2019.

The Thalassa Board believes LSR Shareholders are being misled by the LSR Board as to the deliverability of a just and equitable winding up of LSR.

Expert advice on the LSR Board proposal

Thalassa has received written advice on the merits of the winding up petition being proposed by the LSR Board from a leading Queen's Counsel ("QC"). The Board of Thalassa confirms that privilege is not waived in respect of the QC's opinion.

The Thalassa Board is confident, on the basis of the QC's opinion, that the prospect of a court making a winding up order in this case is remote. Furthermore, should the LSR Board seek to pursue such a petition, on the basis of the QC's opinion it has received, the Thalassa Board believes that the court could well not only dismiss it but also order the LSR Board to pay the costs personally.

Unfortunately, given the LSR Board's recent actions, it comes as no surprise to the Thalassa Board that the LSR Board has sought to make, in the opinion of the Thalassa Board, misleading representations with regards to the viability of its proposal and to portray it as a positive binary alternative to the Offer, which it is not. As previously stated, the Thalassa Board reserves the right, if necessary, to take legal action to oppose any petitions made by the LSR Board with regard to its proposal. This resolve has been hardened by the receipt of the QC's opinion and therefore should the LSR Board attempt to seek a winding up petition, Thalassa will challenge such a petition.

The Thalassa Board reiterates that its Offer represents a deliverable and certain exit for LSR Shareholders. The proposal put forward by LSR does not have any comparable certainty of delivering a compelling return to long-suffering LSR Shareholders. LSR Shareholders are not precluded from accepting the Offer even if they have submitted their voting intentions in relation to the LSR General Meeting. The Offer presents a degree of certainty of return that the LSR Board's proposal does not.

Setting the record straight

The Thalassa Board contends that the LSR Board has failed to recognise Thalassa's attempts to engage constructively with the LSR Board with regards to a capital return.

Thalassa has previously sought to engage with the LSR Board to explore means to ensure an attractive and equitable return of capital to all LSR Shareholders. At a meeting held on 21 September 2018 between Stephen East, LSR's Chairman and Duncan Soukup, Thalassa's Chairman, Mr Soukup clearly explained that Thalassa was not against a defined strategy to return capital to LSR Shareholders via a controlled and defined buy-back programme or tender, which not only specified quantum and price, to reflect the reality of LSR'S NAV, but which also treated all shareholders equally and fairly. Such a strategy would not have involved a costly and risky liquidation process. The LSR Board never responded to this. The Thalassa Board is at a loss to understand why the LSR Board persists in following a path of value destruction when a bona fide Offer has been made to LSR Shareholders.

The Thalassa Board is incredulous that the LSR Board appears unable to accept that Thalassa is not the cause of LSR's problems; it is instead, in the opinion of the Thalassa Board, a result of the LSR Board's own failed investment strategy and a flagrant disregard for LSR Shareholders in signing up to excessive management and administrative costs with a declining asset base. These decisions have, the Thalassa Board contends, only served to destroy shareholder value.

The Offer Document

The Offer Document containing the full terms and conditions and procedures for acceptance of the Offer and the related Form of Acceptance (where applicable) was posted to LSR Shareholders on 6 March 2019.

Capitalised terms in this announcement (the "Announcement"), unless otherwise defined, have the same meanings as set out in the Offer Document.

Copies of this Announcement, the Offer Document and the Prospectus will be available free of charge (subject to certain restrictions relating to persons in Restricted Jurisdictions) on Thalassa's website at <https://thalassaholdingsltd.com/offer.htm> up to and including the Effective Date. The contents of these websites are not incorporated into, and do not form part of, this Announcement.

Enquiries:	
Thalassa Holdings Ltd	
Duncan Soukup (Executive Chairman)	+33 (0) 6 78 63 26 89
finnCap (Financial Adviser to Thalassa)	+44 (0) 207 220 0500
Henrik Persson Marc Milmo Max Bullen-Smith	

Disclosure requirements of the City Code

Under Rule 8.3(a) of the City Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the City Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at

www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website

Pursuant to rule 26 of the Code, a copy of this announcement will be available, subject to certain restrictions relating to persons resident in, or subject to the laws and/or regulations, of Restricted Jurisdictions, for inspection on the Thalassa's website at www.thalassaholdingsltd.com/offer promptly and in any event by no later than 12 noon (London time) on the business day following the date of this announcement. For the avoidance of doubt the contents of those websites are not incorporated into, and do not form part of, this announcement.

Rule 2.9 disclosure

In accordance with Rule 2.9 of the City Code on Takeovers and Mergers, the Company now has in issue 17,550,275 ordinary shares carrying one vote each (excluding the 8,017,247 ordinary shares held in Treasury) and admitted to the standard listing segment of the Official List of the UK Listing Authority (the "Official List") and to trading on London Stock Exchange plc's main market ("Main Market") for listed securities. Furthermore, Thalassa has in issue 17,155,804 preference shares (each carrying 10 votes), and are not admitted to trading on any exchange. The ISIN for the Thalassa ordinary shares is VGG878801031.

Rule 27.2

For the purposes of Rule 27.2 of the Code:

- (i) save as for Thalassa's views on the past performance and conduct of Thalassa and LSR, sourced from publicly available information (to which the sources and bases of information are set out in Thalassa's announcement of 19 March 2019), there have been no changes in information disclosed in the Offer Document published by Thalassa in connection with the Offer which are material in the context of that document; and
- (ii) save as for certain further dealings in relevant securities (being principally certain further buybacks of Thalassa Shares by Thalassa), there have been no material changes to matters listed in Rule 27.2(b) of the Code which have occurred since the publication of the Offer Document.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END

MSCUGUWACUPBGRG

CLOSE

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

©2014 London Stock Exchange plc. All rights reserved

Legal opinion on the LSR Board's proposal - RNS