



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP24/050

Monday, 9 September 2024

Montu Group Pty Ltd – Panel Receives Application

The Panel has received an application from Wayne Irvine and Shawki Shahin (together, the **Applicants**) in relation to the affairs of Montu Group Pty Ltd (**Montu**).

Details of the application, as submitted by the Applicants, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

Montu is a proprietary company with over 50 shareholders, including approximately 2,350 crowd-sourced funding (or 'CSF') shareholders – among whom are the Applicants. Montu's largest shareholder is MG Invest Limited (**MG Invest**), a company which appears to be incorporated in Hong Kong and has voting power in approximately 83.7% of Montu.

On 2 August 2024, Montu issued a notice of meeting and explanatory statement for an extraordinary general meeting proposed to be held on 26 August 2024 (**General Meeting**). The purpose of the proposed General Meeting was to consider a special resolution to approve a selective buy-back of up to 12,173,913 Montu ordinary shares for \$1.15 per share, to be offered to all Montu shareholders except for MG Invest (**Selective Buy-Back**).

After concerns were raised by the Applicants to Montu regarding (among other things) Montu's disclosure of the basis for the Selective Buy-Back price and the potential for the Selective Buy-Back to increase MG Invest's shareholding above 90% (enabling it to compulsorily acquire the remaining Montu shares), Montu adjourned the General Meeting until 17 September 2024. It also circulated a Chairman's letter which (among other things) contained a summary of an independent valuation which was obtained by Montu to determine the Selective Buy-Back price, and a scale back of the Selective Buy-Back so that as a result of the offer, MG Invest would have a maximum relevant interest in 89.9% of Montu's shares.

The Applicants submit, among other things, that:

- there are disclosure deficiencies in relation to the General Meeting to approve the Selective Buy-Back, including that an independent expert's report should be obtained in the circumstances and
- the Montu board of directors, which is recommending that shareholders vote in favour of the Selective Buy-Back, does not appear to be independent from MG Invest. As a result, there is a conflict of interest between their duties to shareholders as a whole and their duties to MG Invest.

The Applicants seek interim orders that until further order of the Panel:

- Montu be restrained from holding any general meeting in relation to the Selective Buy-Back and
- further, or in the alternative, Montu be prohibited from accepting or completing any buy-back agreements.

The Applicants seek final orders that Montu obtain an independent expert's report in respect of the Selective Buy-Back and provide that to shareholders for the purpose of any general meeting in relation to the Selective Buy-Back.

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