



**Australian Government**

**Takeovers Panel**

# MEDIA RELEASE

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**No: 79/2009**

**Friday, 16 October 2009**

## **Multiplex Prime Property Fund 04 - Panel Receives Application**

The Panel has received an application from Grocon Investment Management Pty Ltd in relation to the affairs of Multiplex Prime Property Fund. The application concerns the non-renounceable 178:1 entitlement offer (and cash out facility) to remedy a loan to value ratio breach. The entitlement offer was announced by the Fund on 24 August 2009 and approved at a meeting of unitholders on 7 October 2009 (see [TP09/78](#)).

In the Chairman's address at the meeting, it was disclosed that the Fund had on 2 October 2009 received a "further conditional recapitalisation proposal" from a consortium made up of Grocon and Oaktree Capital Management Pte Limited.

Grocon submits, among other things, that:

1. the entitlement offer and cash out facility amount to an unacceptable "back door" takeover of the Fund and deny unitholders a reasonable and equal opportunity to participate in the benefits accruing under the entitlement offer
2. alternatives to the entitlement offer, including the Grocon/Oaktree proposal, have not been fully explored or disclosed by the responsible entity of the Fund. This causes the market for units in the Fund to be misinformed and is otherwise unacceptable and
3. the independent directors of the responsible entity of the Fund have not negotiated with the financiers "as forcefully as they could have".

Grocon seeks interim orders including that:

1. the entitlement offer and cashout facility not open, or if it has opened, be suspended or continue on the basis that acceptances can later be unwound and
2. the responsible entity of the Fund take steps to allow due diligence and financier forbearance so as to facilitate a possible recapitalisation proposal from Grocon and Oaktree as an alternative to the entitlement offer and cashout facility.

Grocon seeks final orders, including that:

1. the entitlement offer and cashout facility not open, and if any acceptances have been received, they be unwound
2. the responsible entity of the Fund allow the consortium to conduct due diligence investigations (subject to confidentiality agreements on “reasonable and customary terms”) and take other steps to facilitate an alternative recapitalisation proposal from Grocon and Oaktree and
3. the responsible entity of the Fund obtain “fair and reasonable” independent expert’s reports comparing the entitlement offer and any alternative recapitalisation proposal.

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

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