



Australian Government

Takeovers Panel

MEDIA RELEASE

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Celamin Holdings NL – Panel Receives Application

The Panel has received an application from Psons Limited in relation to the affairs of Celamin Holdings NL. The application concerns a rights issue by Celamin announced on 4 November 2014.

Details of the application, as submitted by the applicant, 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

Psons, a Hong Kong-based company, has been in discussions with Celamin in relation to a proposed share placement. On 3 November 2014, Psons provided Celamin with a “firm binding written offer” to provide funding to the company, which included a placement of shares.

On 4 November 2014, Celamin announced a 15 for 4 renounceable rights issue at an issue price of 1 cent per share to raise up to \$8.8 million. The rights issue is partially underwritten by Paterson Securities Limited. Celamin’s Chairman, Managing Director and two of its largest shareholders have agreed to act as sub-underwriters in an arrangement which will fill their commitment in priority to any other sub-underwriters. On 5 November 2014, Celamin rejected the offer by Psons.

Psons submits (among other things) that:

- Celamin did not disclose Psons’ offer to its shareholders and shareholders have therefore not been provided with all relevant information
- the sub-underwriting by the related parties could result in those parties and their associates increasing their voting power to more than 71%
- the rights issue is likely to result in a contravention of s606 because items 10 and 13 of s611 are not available to exempt the issue of shares to two of the priority sub-underwriters

- Celamin shareholders do not have a reasonable and equal opportunity to participate in the rights issue because the underwriter and directors retain sole and complete discretion in relation to placing shortfall shares
- there has been unacceptable insider participation in a control transaction because the Chairman and Managing Director participated in the board decision to approve the rights issue and
- control of Celamin is likely to pass in a manner that is unacceptable having regard to the effects of the circumstances and the principles in s602.

Psons seeks interim orders halting rights trading and delaying the opening and closing dates of the offer.

Psons also seeks final orders that the rights issue be prevented from proceeding or that it proceeds either without related party sub-underwriters or with non-related party shareholder approval.

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