



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP15/07

Tuesday, 13 January 2015

PAYCE Consolidated Limited – Application Received and Withdrawn

The President has consented to a request by Australian Securities and Investments Commission to withdraw its application to the Panel dated 12 January 2015 in relation to the affairs of PAYCE Consolidated Limited.

The application concerned PAYCE's proposed equal access off-market buy-back offer announced on 9 December 2014. Details of the application, as submitted by the applicant, are as follows.

PAYCE called an Extraordinary General Meeting for 13 January 2015 to approve an equal access off-market buy-back of 70.4% of its ordinary shares. The consideration was to be \$0.50 per share, a further \$0.50 in 12 months (with interest payable) and one unlisted, non-voting preference share in PAYCE with a face value of \$7.50 and a discretionary, non-cumulative dividend of 6% per annum.

Lanox Pty Ltd holds approximately 29.6% of PAYCE. Ruz Pty Ltd holds approximately 9.1% of PAYCE. Mr Brian Boyd, Chairman and Managing Director of PAYCE, is the sole shareholder of Lanox and Ruz and has a relevant interest in approximately 38.7% of PAYCE.

The notice of meeting disclosed that:

- Lanox would not participate in the buy-back. Accordingly, Lanox's interest in PAYCE could increase to 100% of PAYCE as a result of the buy-back and
- Ruz had not stated its intentions with respect to participating in the buy-back.

ASIC submitted, among other things, that there were disclosure deficiencies in the notice of meeting and an independent expert's report should have been provided to shareholders. It sought an interim order to have the meeting adjourned, which the President of the Panel granted (see [TP15/05](#)). ASIC also sought final orders to the effect that PAYCE not proceed with the buy-back until it had provided further disclosure and an independent expert's report.

Following the granting of the interim orders, PAYCE announced on 12 January 2015 on ASX that its board had decided to cancel the meeting and engage an expert to prepare a report. PAYCE anticipated a new meeting date in February 2015.

Accordingly, ASIC sought to withdraw its application, which the President has consented to. She is satisfied that it is not against the public interest to consent to ASIC withdrawing its application.

The determination of the proceedings brings to an end the interim orders dated 12 January 2014.

A sitting Panel was not appointed at the time of ASIC's request to withdraw its application.

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