



Australian Government

Takeovers Panel

# MEDIA RELEASE

---

No: TP17/38

Monday, 24 July 2017

## **Tapp Group Limited – Panel Receives Application**

The Panel has received an application from Pearl Management Pty Ltd in relation to the affairs of Tapp Group Limited. 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**

Tapp Group is an unlisted public company with over 50 members. The applicant holds convertible notes issued by Tapp Group.

On 12 July 2017, Tapp Group announced a 2.06 for 1 non-renounceable rights issue at \$0.0233 per share for sophisticated Tapp Group investors under s708(8)<sup>1</sup> and issued an offer document.

The rights issue is underwritten by FYD Securities Pty Ltd, as trustee for the FYD Securities Trust, to a minimum of \$3.5 million with the right to subscribe up to a maximum of \$6 million. If no eligible Tapp Group shareholder participates in the rights issue and FYD Securities underwrites the rights issue to \$6 million, FYD Securities' voting power in Tapp Group may increase from 0% to 66%.

The applicant submits (among other things) that:

- the structure of the rights issue (i) denies a reasonable and equal opportunity for Tapp Group shareholders to participate in the rights issue and (ii) is designed to deliver control of Tapp Group to the underwriter and
- there are disclosure deficiencies in the offer document, including in relation to the identity of FYD Securities "*and its beneficiary*".

---

<sup>1</sup> Unless otherwise indicated, all statutory references are to the *Corporations Act 2001* (Cth), and all terms used in Chapter 6 or 6C have the meaning given in the relevant Chapter (as modified by ASIC)

The applicant seeks an interim order delaying the closing date of the offer from the currently scheduled closing date of 28 July 2017. The applicant seeks either a final order that the rights issue be prevented from proceeding or final orders requiring enhanced disclosure and allowing all shareholders to participate in the rights issue.

Allan Bulman  
Director, Takeovers Panel  
Level 10, 63 Exhibition Street  
Melbourne VIC 3000  
Ph: +61 3 9655 3597  
[allan.bulman@takeovers.gov.au](mailto:allan.bulman@takeovers.gov.au)