



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP18/22

Thursday, 29 March 2018

Finders Resources Limited 02 – Panel Receives Application

The Panel has received an application from the Australian Securities and Investments Commission in relation to the affairs of Finders Resources Limited. Finders is currently the subject of an unconditional off-market takeover bid by Eastern Field Developments Limited¹ to acquire all Finders shares for a final offer price of \$0.23 per share. The offer is scheduled to close tomorrow (the Good Friday public holiday), unless extended.

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

On 5 December 2017, Finders lodged its target's statement which stated that the directors considered independent of Eastern Field each recommended that shareholders reject the offer and *"intend to reject the Offer for any Finders Shares they own or control"*. Two of the three independent directors owned or controlled Finders shares.

On 7 December 2017, Finders announced that Taurus Funds Management Pty Ltd, which managed approximately 11.31% of Finders shares then on issue, had *"notified Finders that it does not intend to accept the Offer at the Offer Price of \$0.23 per Finders share in respect of the Finders shares that Taurus manages, on the basis that Taurus considers that the Offer Price does not reflect the fair value of Finders shares"*.

On each of 12, 13 and 15 December 2017, Finders released an announcement stating that shareholders representing 33.19%, 37.58% and 38.21%, respectively, of Finders shares in aggregate had notified Finders that they did not intend to accept the offer at the offer price of \$0.23 per Finders share. In each case, the holding of the two independent directors was included in the aggregated figure, along with the shares managed by Taurus.

¹ A company jointly owned by Procap Partners Limited, PT Saratoga Investama Sedaya Tbk and PT Merdeka Copper Gold Tbk

On 19 March 2018, Taurus accepted the offer for all the Finders shares it managed. That evening, Eastern Field released an updated substantial holding notice showing that its voting power in Finders had increased from 48.4% to 60.22%.

Later that evening, Finders released its second supplementary target's statement advising that the independent directors: (a) continued to believe the offer does not reflect fair value but now recommended shareholders consider accepting the offer to avoid the risk of being left as minority shareholders and (b) now intended to accept the offer (which they subsequently did in relation to a portion of their shares).

On 21 March 2018, Eastern Field released its second supplementary bidder's statement noting Taurus' acceptance and that its aggregate relevant interest in Finders shares may need to be adjusted to exclude the Taurus shares and possibly other shares once validity of the Taurus acceptance had been resolved.

ASIC submits that the following circumstances are unacceptable:

- the departure by Taurus and the two independent directors from their 'last and final statements' and
- the circumstances in which the intention statements of the other shareholders disclosed in the announcements between 12 and 15 December 2017 were solicited and made.

ASIC submits that the effects of the circumstances include that investors in Finders have potentially suffered losses in connection with trading Finders shares in reliance on the statements and acceptances of Eastern Field's bid have potentially occurred in circumstances in which they would not have if the departure from the 'last and final statements' had not happened.

ASIC does not seek any interim orders. ASIC seeks final orders including that:

- the acceptances of Taurus and the two independent directors are cancelled
- withdrawal rights be offered to Finders shareholders in respect of whom an acceptance was received by Eastern Field on or after 20 March 2018 and
- Eastern Field must not take into account voting power in shares that are the subject of the acceptances cancelled or withdrawn for purposes of item 9 of section 611 of the *Corporations Act 2001* (Cth).

Allan Bulman
Director, Takeovers Panel
Level 10, 63 Exhibition Street
Melbourne VIC 3000
Ph: +61 3 9655 3500
takeovers@takeovers.gov.au