



Wednesday, 7 November 2007

Financial Resources Limited - Panel Declines to Commence Proceedings

The Panel advises that it has declined to commence proceedings in relation to an application dated 2 November 2007 from Panga Pty Ltd (**Applicant**) in relation to the affairs of Financial Resources Limited (**Financial Resources**) (see [TP07/88](#)).

Financial Resources is currently under administration. A shareholders meeting has been convened for 7 November 2007 for the purpose of seeking approval to a restructure and recapitalisation proposal that, amongst other things would, if approved, result in Questus Capital Group Pty Ltd (**Questus**) increasing its voting power in Financial Resources to 48.8% (**Questus Proposal**).

The Panel considered that it was not likely that unacceptable circumstances would arise.

The Panel considered that:

1. the material issues which Panga complained of could, with reasonable diligence, be discovered in the information disclosed to Financial Resources shareholders (although there were errors in the information concerning disclosure in relation to Financial Resources shareholders' dilution under the Questus Proposal, which the Applicant raised);
2. the supplementary information provided to Financial Resources shareholders by the administrator on 2 November adequately noted and corrected the errors in the original explanatory statement and expert's report.

The President of the Panel appointed Catherine Brenner, Geoff Brunson and Kathleen Farrell as the Panel to sit on the application.

The Panel will publish its reasons for decision on its website at www.takeovers.gov.au in due course.

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