



Origo Partners PLC - OPP Posting of Circular and Notice of Meetings
Released 08:46 19-Jan-2016

RNS Number : 2826M
Origo Partners PLC
19 January 2016

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Origo Partners PLC
("Origo" or the "Company")

Posting of Circular, Proposed Restructuring and Notice of Meetings

On 29 September 2015 the Company announced that, whilst it remains confident of the delivery of the objectives of its investing policy, the continuing uncertainty in relation to the Chinese economy and depressed commodity markets have meant that realisations of the Company's assets at attractive valuations have been challenging in the short term.

It is therefore likely that the Company will not be in a position to redeem US\$12 million of CZDPs by March 2016, as is required under the Company's articles of association. The Company therefore confirmed in its announcement of 29 September 2015 that it was working with the main convertible zero dividend preference share ("CZDP") shareholders to form a set of proposals which would restructure the CZDPs and would provide Origo with greater flexibility to implement its orderly realisation strategy.

Origo announces that a circular is today being posted to Shareholders (the "Circular"), providing details of the proposed restructuring of the Company's share capital together with notices convening: (i) a general meeting of the Company to be held at 33-37 Athol Street, Douglas, Isle of Man, IM1 1LB at 12:30 p.m. on 4 February 2016 (the "General Meeting"); (ii) a CZDP class meeting to be held at 33-37 Athol Street, Douglas, Isle of Man, IM1 1LB at 1:30 p.m. on 4 February 2016 (the "CZDP Class Meeting"); and (iii) an ordinary share class meeting to be held at 33-37 Athol Street, Douglas, Isle of Man, IM1 1LB at 2:00 p.m. on 4 February 2016 (the "Ordinary Share Class Meeting" and together with the General Meeting and the CZDP Class Meeting the "Meetings").

The Proposals, if approved by Shareholders, would also serve to settle the ongoing dispute with Brooks Macdonald.

The Meetings are being convened for the purpose of seeking shareholder approval for the Proposals. A copy of the circular being sent to shareholders will be available on the Company's website (www.origopl.com) shortly.

Further details of the Proposals are set out below.

Capitalised terms used and not otherwise defined in this announcement have the meanings given in the Circular.

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1 Introduction

In November 2014, the Company's Shareholders approved a revised Investing Policy, under which the Company is now, through an orderly realisation programme, seeking to divest its entire portfolio over a period of no longer than 4 years at such time and under such conditions as the non-executive Directors of Origo may determine in order to maximise value on behalf of the Company's Shareholders.

The Company has, during the first half of 2015, made initial progress in delivering on a number of objectives and the Company remains confident of the implementation of its Investing Policy. However, and as announced by Origo on 29 September 2015, the continuing uncertainty in relation to the Chinese economy and depressed commodity markets have meant that realisations of the Company's assets at attractive valuations have been challenging in the short term.

It is therefore likely that the Company will not be in a position to redeem US\$12 million of CZDPs by 8 March 2016, as is currently required by the Articles.

As a result, the Company is now seeking Shareholder approval for the Proposals, which would restructure the Company's share capital and would provide Origo with greater flexibility to implement its Investing Policy. The Proposals, if approved by Shareholders, would also serve to settle the ongoing dispute with Brooks Macdonald.

The Proposals require the approval of Shareholders at a general meeting and at separate class meetings of CZDP Shareholders and of Ordinary Shareholders, in the case of the General Meeting and the Ordinary Share Class Meeting by way of a majority of 75 per cent. of the votes cast by those in attendance and exercising their vote and in the case of the CZDP Class Meeting by way of a majority of 75 per cent. of the then issued and outstanding CZDPs.

The purpose of the Circular is to convene the General Meeting and the Class Meetings, to provide Shareholders with information on the Proposals, to explain the reasons why the Directors consider the Proposals to be in the best interests of the Company and to recommend that Shareholders vote in favour of the Resolutions at the Meetings, as the Directors intend to do at the Meetings in respect of their own beneficial holdings of Ordinary Shares, representing approximately 1.06 per cent. of the Company's issued ordinary share capital.

2 Principal Benefits of the Proposals

The Directors consider that the Proposals provide a number of significant benefits to the Company and its Shareholders, namely:

- more closely aligning the existing structure of the CZDPs, approved by Shareholders in March 2013, with the Investing Policy adopted by the Company in November 2014. This is expected to provide Origo with greater flexibility in the implementation of the Investing Policy - with a view to maximising Shareholder value;
- allowing Ordinary Shareholders to receive a proportion of all future Distributions alongside CZDP Shareholders; and
- settlement of the ongoing dispute with Brooks Macdonald.

3 Background to and reasons for the Proposals

The Company has, during the first half of 2015, made initial progress in delivering on a number of objectives and the Company remains confident of the implementation of its Investing Policy. However, as announced by Origo on 29 September 2015, the continuing uncertainty in relation to the Chinese economy and depressed commodity markets have meant that realisations of the Company's assets at attractive valuations have been challenging in the short term.

It is therefore likely that the Company will not be in a position to redeem US\$12 million of CZDPs by 8 March 2016, as is currently required by the Articles. If redemption did not occur on 8 March 2016 the Company would be under a continuing obligation to undertake this redemption as and when it was legally able to do so. In addition, the CZDP shareholders may seek to petition the Isle of Man Court for the just and equitable winding up of the Company on the basis of the failure to redeem US\$12 million of CZDPs. The Company's opposition to such an action would inevitably involve significant time and cost. As a result, the Company has worked with the main CZDP shareholders to form the Proposals which would restructure the CZDPs and would, *inter alia*, remove the requirement for a US\$12 million CZDP tender offer to be conducted by 8 March 2016 and allow the Company more flexibility as to the timings of redemptions, which would not be the case if the Proposals are rejected.

The Proposals, if implemented, would also serve to settle the Company's ongoing dispute with Brooks Macdonald. Brooks Macdonald has intimated two complaints that it may bring against the Company in the event that the Proposals are not accepted and the Resolutions are not passed. These are summarised in Annex 1. The Company has been actively engaged in dealing with protracted complaints raised by Brooks Macdonald and dealing with these complaints has required a significant amount of management time and significant costs. The Company estimates that, to date, its legal and other related expenses in relation to the dispute with Brooks Macdonald are in excess of US\$2 million.

The Proposals have been finalised following an extended period of consultation with the Company's key Shareholders. Whilst the Company has been made aware that its largest Ordinary Shareholder is not currently supportive of the proposals, the Board considers that it is important for Shareholders to have the opportunity to consider the Proposals in detail and vote on them.

Details of the Settlement Deed between Origo and Brooks Macdonald are set out in paragraph 5 below.

4 Proposals

The principal terms of the Proposals are:

- the removal of the requirement for the Company to undertake a US\$12 million CZDP tender offer by 8 March 2016 and the removal of the final CZDP maturity date of 8 September 2017;
- that the accreted principal amount per CZDP be reset to US\$1.28;
- that CZDP accruals be suspended until 31 December 2017;

- in the event that aggregate Distributions equal to the aggregate CZDP accreted principal amount of US\$1.28 per CZDP have not been made to CZDP Shareholders by 31 December 2017, the remaining aggregate undistributed accreted principal amount shall increase at an accrued rate of return of 5 per cent. per annum from 1 January 2018 to 31 December 2018 and at an accrued rate of return of 10 per cent. per annum from 1 January 2019 until repaid through Distributions to CZDP Shareholders;
- that the redemption provisions of the CZDPs be amended such that Ordinary Shareholders receive a proportion of all future Distributions alongside CZDP Shareholders on a *pro rata* basis, as follows:
 - in respect of the first US\$40 million of Distributions, 87.5 per cent. (i.e. US\$35,000,000) to CZDP Shareholders and 12.5 per cent. (i.e. US\$5,000,000) to Ordinary Shareholders;
 - in respect of the next US\$40 million of Distributions, 70 per cent. to CZDP Shareholders (i.e. a further US\$28,000,000 bringing total distributions to them of US\$63,000,000) and 30 per cent. to Ordinary Shareholders (i.e. a further US\$12,000,000 bringing total distributions to them of US\$17,000,000);
 - in respect of Distributions in excess of US\$80 million:
 - until such time as Distributions equal to the accreted principal amount per CZDP have been made to the CZDP Shareholders, 30 per cent. to CZDP Shareholders and 70 per cent. to Ordinary Shareholders; and
 - thereafter, 100 per cent. to Ordinary Shareholders.
- Distributions on Ordinary Shares will be only in these agreed proportions until such time as the CZDPs have been paid in full their specified proportion, after which the CZDPs will have all been redeemed or paid off and all further Distributions will be on the Ordinary Shares.
- that the Articles be amended to remove the CZDP conversion provisions; and
- that the Articles also be amended so that any single person holding the greatest number of Ordinary Shares and any single person holding the greatest number of CZDPs shall each have the right to nominate an independent person to be appointed as a non-executive director of the Company, such appointment being subject to relevant regulatory requirements.

The Proposals, if implemented, would also serve to settle the Company's ongoing dispute with Brooks Macdonald.

In determining the levels of cash available for Distribution to the Company's shareholders, the Board will take into account 24 months of reasonable working capital requirements for Distributions made on or before 31 December 2016, but not more than 12 months of reasonable working capital requirements for Distributions thereafter.

The Company may only make Distributions or redeem CZDPs if it will, immediately thereafter, be able to pay its debts as they become due in the normal course of business and the value of its assets exceeds the value of its liabilities (in accordance with section 49 of the Act).

The Company is also taking the opportunity to make a number of administrative changes to the Articles. These changes include, *inter alia*, the removal of Article 45 - which seeks to replicate certain provisions of the City Code. The City Code has applied to the Company since 30 September 2013 and Article 45 is now therefore redundant.

To more accurately reflect the revised structure of the CZDPs it is proposed that the CZDPs will be renamed 'Redeemable Preference Shares' on implementation of the Proposals.

5 Settlement Deed

In connection with the Proposals, and on 19 January 2016, the Company entered into the Settlement Deed with Brooks Macdonald.

The Settlement Deed is conditional on the Proposals being approved by Shareholders and the passing of the Resolutions on or before 29 February 2016. Accordingly, the Brooks Macdonald obligations provided under the Settlement Deed will only have effect if and when the Proposals are approved and the Resolutions are passed and provided that such approval and the passing of the Resolutions occurs on or before 29 February 2016.

Once it becomes effective, the Settlement Deed disposes of the legal claims pursued and/or threatened by Brooks Macdonald to date (subject as set out below).

Shareholders should note, however, that: (i) the Settlement Deed is only binding in relation to Brooks Macdonald and not all of the CZDP Shareholders; (ii) Brooks Macdonald Asset Management (International) Limited and Brooks Macdonald Asset Management Limited hold CZDPs and/or Ordinary Shares through certain nominee companies (including, amongst others, Brooks Macdonald Nominees Limited and Secure Nominees Limited) on behalf of beneficial owners and those beneficial owners are not bound by this Settlement Deed; (iii) although Brooks Macdonald Nominees Limited and Secure Nominees Limited have agreed not to bring any claims of their own initiative in respect of the ongoing dispute under the Settlement Deed, they may nevertheless be required by the beneficial owners of CZDPs and/or Ordinary Shares to bring claims in certain circumstances; and (iv) certain other entities hold CZDPs for which Brooks Macdonald performs management activities but are not a party to, and accordingly will not be bound by, the Settlement Deed.

In addition to the terms of the Settlement Deed, Brooks Macdonald has confirmed that, absent a takeover offer in respect of the Company being made, it shall not commence proceedings against the Company prior to the Meetings provided that the Meetings are held by 29 February 2016 (save, in the case of each of Brooks Macdonald Nominees Limited and Secure Nominees Limited only, where it is required to do so by a beneficial owner of CZDPs and/or Ordinary Shares).

6 Articles of Association

In order to give effect to the Proposals, the Board is seeking to amend and replace the existing Articles.

A summary of the main changes between the proposed new Articles and the existing Articles is set out in Annex 2 to this letter. Other changes, which are of minor, technical or clarifying nature and also some other minor changes which are incidental, have not been noted in Annex 2.

Full copies of the proposed new Articles, in both unmarked final and marked-up formats (with the marked-up copy showing all of the proposed changes to the existing Articles), are available for inspection on the Company's website: <http://www.origopl.com> → Shareholder Communications → Company Documents, and will be available during the General Meeting and the Class Meetings. A full replacement set of Articles, incorporating the proposed amendments, will be filed at the Isle of Man Companies Registry provided the Resolutions are passed.

A General Meeting is therefore being convened for 12:30 p.m. on 4 February 2016 at which a resolution requiring the approval of not less than 75 per cent. of the votes cast by those Shareholders in attendance and exercising their vote and set out in the Notice of General Meeting attached to the Circular will be proposed and voted upon by the Shareholders present and voting at such meeting.

7 CZDPs

As the Proposals involve an alteration of the share rights attaching to the CZDPs, the Proposals are also conditional upon the approval of the holders of not less than 75 per cent. of the CZDPs then in issue and outstanding of a resolution to amend the terms of the CZDPs at a separate class meeting of CZDP Shareholders. This resolution is set out in the Notice of CZDP Class Meeting attached to the Circular.

The CZDP Class Meeting is therefore being convened for 1:30 p.m. on 4 February 2016 at which the resolution set out in the Notice of CZDP Class Meeting attached to the Circular will be proposed and voted upon by the CZDP Shareholders.

8 Ordinary Shares

The Proposals also involve an alteration of the share rights attaching to the Ordinary Shares. The Proposals are, therefore, also conditional upon the approval of not less than 75 per cent. of the votes cast by the Ordinary Shareholders in attendance and exercising their vote of a resolution to amend the Articles at a separate class meeting of Ordinary Shareholders. This resolution is set out in the Notice of Ordinary Share Class Meeting attached to the Circular.

The Ordinary Share Class Meeting is therefore being convened for 2:00 p.m. on 4 February 2016 at which the resolution set out in the Notice of Ordinary Share Class Meeting attached to the Circular will be proposed and voted upon by the Ordinary Shareholders present and voting at such meeting.

9 Related Party Transaction

Brooks Macdonald and its affiliates are interested in approximately 70.06 per cent. of the CZDPs. Therefore, under the AIM Rules for Companies, Brooks Macdonald is deemed to be a related party of the Company. As a result, entry by the Company into the Settlement Deed with Brooks Macdonald, which is conditional upon the Proposals being implemented, is a Related Party Transaction.

The Directors consider, having consulted with the Company's nominated adviser, that the terms of the Settlement Deed are fair and reasonable insofar as the Shareholders are concerned.

10 Action To Be Taken

Shareholders will find enclosed with the Circular a Form of Proxy for the General Meeting and the appropriate Form(s) of Proxy for the relevant Class Meetings. The Forms of Proxy are colour-coded for convenience as follows: (a) the Form of Proxy printed on white paper is the Form of Proxy for the General Meeting; (b) the Form of Proxy printed on blue paper is the Form of Proxy for the CZDP Class Meeting; and (c) the Form of Proxy printed on yellow paper is the Form of Proxy for the Ordinary Share Class Meeting.

Whether or not you intend to be present at the Meetings, you are requested to complete, sign and return the Form(s) of Proxy in accordance with the instructions printed on it. The Form(s) of Proxy should be returned to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (or if couriered or hand delivered to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU) as soon as possible and, in any event, so as to arrive not later than 12:30 p.m. on 2 February 2016 (in the case of the white Form of Proxy for the General Meeting), 1:30 p.m. on 2 February 2016 (in the case of the blue Form of Proxy for the CZDP Class Meeting) and 2:00 p.m. on 2 February 2016 (in the case of the yellow Form of Proxy for the Ordinary Share Class Meeting). The completion and return of a Form of Proxy will not preclude you from attending the relevant Meetings and voting in person should you wish to do so.

11 Irrevocable Undertaking

The Company has received an irrevocable undertaking from Brooks Macdonald in respect of all the voting rights over CZDPs and Ordinary Shares which Brooks Macdonald is entitled to exercise (representing approximately 99.87 per cent. of the CZDPs and 5.68 per cent. of the Ordinary Shares in which Brooks Macdonald and its affiliates are interested) that it will use reasonable endeavours insofar as the matters are within its control and in its clients' best interests to exercise such voting rights in favour of the Resolutions at the Meetings. Shareholders should note that Brooks Macdonald is not therefore entitled to exercise voting rights attaching to 0.13 per cent. of CZDPs and 94.32 per cent. of Ordinary Shares in which Brooks Macdonald and its affiliates are interested due to the manner in which such shares are held. In addition to the voting undertakings, Brooks Macdonald has confirmed to the Company that, absent a takeover offer in respect of the Company being made, it shall not commence proceedings against the Company prior to the Meetings (save, in the case of each of Brooks Macdonald Nominees Limited and Secure Nominees Limited only, where it is required to do so by a beneficial owner of CZDPs and/or Ordinary Shares).

12 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of the Resolutions as they intend to do in respect of their own beneficial shareholdings, which together amount to 3,811,009 Ordinary Shares, representing approximately 1.06 per cent. of the Company's issued Ordinary Shares. Chris Rynning, a director of OAL, also intends to vote in favour of the Resolutions in respect of his beneficial shareholding, which amounts to 14,570,040 Ordinary Shares, representing approximately 4.06 per cent. of the Company's issued Ordinary Shares.

ANNEX 1

SUMMARY OF COMPLAINTS

CZDP Complaint

Brooks Macdonald has notified the Company of a complaint in which it contends that the Articles should have included an option exercisable by the holders of the CZDPs to redeem the CZDPs upon a change of control in respect of the Company. The value of the claim may be up to the sum paid by Brooks Macdonald for the CZDPs it holds. This complaint was the subject of an announcement made by the Company on 7 February 2014. Brooks Macdonald has threatened to bring this claim in the courts of England and Wales. It is the Company's view that this claim would be unlikely to succeed. However, the Company would incur significant costs in defending the claim. If the Company was not successful in defending the proceedings, it would be liable to pay the damages claimed (plus interest) and Brooks Macdonald's costs of the proceedings. In the event that the Company did successfully defend this claim, it would be entitled to its costs from Brooks Macdonald but there would be a proportion of the costs that will be irrecoverable.

Conversion Complaint

Brooks Macdonald has notified the Company of a claim to establish the correct interpretation of Article 4.17 of the Articles governing the conversion of CZDPs to Ordinary Shares upon a change of control in respect of the Company. This complaint was the subject of an announcement made by the Company on 14 July 2015. A claim would be commenced as declaratory proceedings in the Isle of Man Court. The position regarding costs is likely to be broadly the same as the CZDP Complaint. Further, Brooks Macdonald may apply to have its costs paid by the Company to represent the interests of the CZDP holders (any such application would be strongly resisted by the Company).

It should be noted that Brooks Macdonald was a defendant, representing the CZDP holders, in declaratory proceedings by the Company before the Isle of Man court regarding the correct interpretation of provisions in the Articles governing the passing by the Company of "75 per cent. Resolutions". The Company's

interpretation was upheld by the Isle of Man court as outlined in the announcement on 10 July 2015. The Company paid a proportion of Brooks Macdonald's costs of the proceedings on the basis that it obtained an order that it should act as representative defendant on behalf of all holders of CZDPs.

ANNEX 2

SUMMARY OF THE MAIN PROPOSED CHANGES TO THE ARTICLES OF ASSOCIATION

1. Rights attaching to the CZDPs and Ordinary Shares

The rights attaching to the CZDPs and Ordinary Shares are being amended so that:

- the accreted principal amount per CZDP be reset to US\$1.28;
- CZDP accruals be suspended until 31 December 2017;
- in the event that aggregate Distributions equal to the aggregate CZDP accreted principal amount of US\$1.28 per CZDP have not been made to CZDP Shareholders by 31 December 2017, the remaining aggregate undistributed accreted principal amount shall increase at an accrued rate of return of 5 per cent. per annum from 1 January 2018 to 31 December 2018 and at an accrued rate of return of 10 per cent. per annum from 1 January 2019 until repaid through Distributions to CZDP Shareholders;
- the redemption rights (including mandatory redemption on 8 September 2017) are amended so that only the Company has the right to redeem at such reasonable times as the Directors decide;
- the requirement for the Company to undertake a US\$12 million CZDP tender offer by 8 March 2016 is removed;
- on a redemption by the Company of the CZDPs the Ordinary Shareholders receive a proportion of all future Distributions alongside CZDP Shareholders on a *pro rata* basis, as follows:
 - in respect of the first US\$40 million of Distributions, 87.5 per cent. (i.e. US\$35,000,000) to CZDP Shareholders and 12.5 per cent. (i.e. US\$5,000,000) to Ordinary Shareholders;
 - in respect of the next US\$40 million of Distributions, 70 per cent. to CZDP Shareholders (i.e. a further US\$28,000,000 bringing total distributions to them of US\$63,000,000) and 30 per cent. to Ordinary Shareholders (i.e. a further US\$12,000,000 bringing total distributions to them of US\$17,000,000);
 - in respect of Distributions in excess of US\$80 million:
 - until such time as Distributions equal to the accreted principal amount per CZDP have been made to the CZDP Shareholders, 30 per cent. to CZDP Shareholders and 70 per cent. to Ordinary Shareholders; and
 - thereafter, 100 per cent. to Ordinary Shareholders;
- these agreed proportions will be the only remaining preference attaching to the CZDPs;
- Distributions on Ordinary Shares will be only in these agreed proportions until such time as the CZDPs have been paid in full their specified proportion, after which the CZDPs will have all been redeemed or paid off and all further Distributions will be on the Ordinary Shares;

- all rights of conversion of the CZDPs into Ordinary Shares and obligation to convert on a takeover are removed;
- the CZDPs right on a return of capital is being removed to reflect the agreed Distribution proportions and Article 10 (the Company' general right to purchase, redeem or otherwise acquire shares) is being amended to reflect these agreed payments;
- the requirement that in certain circumstances the consent of 75 per cent. of the CZDPs is needed before actions are implemented has been reduced and amended so that the number of circumstances are reduced and amended and the level of consent required is reduced to 75 per cent. of the CZDPs voting. In addition, the right to distribute assets in specie on a winding up would require a 75 per cent. Resolution of both the Ordinary Shares and of the CZDPs for each class to be bound; and
- as a result of the changes to the CZDPs they are being renamed redeemable preference shares.

2. City Code

Since 30 September 2013 the City Code has applied to the Company. As a result the provisions (save for a number of definitions) set out in Article 45 are redundant and it is proposed that they be removed.

3. 75 per cent. Resolution

It is proposed that the definition of 75 per cent. Resolution be amended to clarify the recent Isle of Man Court judgment on its interpretation.

4. Articles 36.4 and 61.2

These Articles are being amended (and applied to the CZDPs) so that they are consistent with other provisions in the Articles.

5. New Article 74A

This new Article entitles any single person holding the greatest number of Ordinary Shares and any single person holding the greatest number of CZDPs to nominate an independent person to be appointed as a non-executive director of the Company.

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