

Afarak Group PLC

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Afarak tries to distance itself from row between major shareholder and Finnish authorities

Afarak Group PLC (LON:AFRK) reiterated on Monday that it has nothing to do with a dispute between its largest shareholder and Finnish authorities.

Danko Koncar, a major shareholder of Afarak through his controlled entity Kermas Ltd., has been appealing a ruling by the Helsinki Administrative Court to uphold the Finnish Financial Supervisory Authority's (FSA) decision to force him to make a public bid for shares in Afarak.

The FSA has accused Koncar and the entities controlled by him of acting in concert with Hino Resources Co. Ltd, Finaline Business Limited and Koncar's spouse Jelena Manojlovic in order to exercise control over Afarak.

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The Helsinki court ruled that Kermas and Hino Resources' shares in Afarak exceeded the 30% maximum required to launch a full takeover bid for the business on October 22, 2009, and that Koncar was the party that needed to make the offer.

Last July, the FSA had fined Koncar, who was chief executive of Afarak for two years until 2015, €40,000 for his alleged non-compliance.

On Friday, the regulator ordered him to pay €110,000 in accrued supplementary amounts of the fine.

"The supplementary amounts of the conditional fine were ordered payable since Koncar has failed to publish a bid for shares in Afarak Group PLC or to present a valid reason for non-compliance with the obligation," it said.

The FSA said the fine is not legally binding and Koncar has the right to appeal the decision to the Helsinki Administrative Court.

Afarak was required by the FSA to inform its shareholders about the news.

In its statement, Afarak said: "The company has stated many times before and is reiterating again that it is not related in any form to the difference between Finnish Financial Services Authority and Dr Koncar."

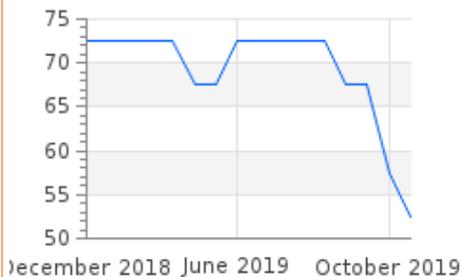
It added that it had been informed by Koncar that, "this further decision is not legally binding and will be appealed by our attorneys, as has been the case with all previous decisions of the Finnish Financial Services Authority in this matter."

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Price: 37.5

Market Cap: £88.89 m

1 Year Share Price Graph



Share Information

Code: AFRK

Listing: LSE

52 week High Low
80 55

Sector: General mining & base metals

Website: afarak.com

Company Synopsis:

Afarak is a growing, integrated chrome producer supplying specialist products to the expanding steel and stainless steel industries. The Group is focused on utilising its experience and technological advantages to deliver profitable and sustainable growth. The Company is listed on the NASDAQ OMX Helsinki (AFAGR) and the Main Market of the London Stock exchange (AFRK).

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