



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP18/59

Wednesday, 15 August 2018

Tikforce Limited – Panel Receives Application

The Panel has received an application in relation to the affairs of Tikforce Limited from a group of shareholders¹ who have requisitioned a general meeting of Tikforce pursuant to section 249D of the *Corporations Act 2001* (Cth).²

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

The general meeting of Tikforce has been called for 20 August 2018.

One of the resolutions proposed by Tikforce to be considered at the meeting is for the approval, for the purposes of ASX Listing Rule 7.1 and for all other purposes, of the issue of up to 706,335,386 shares and 706,335,386 options. If all the shares are issued, the shares would represent approximately 78.5% of Tikforce's issued share capital.

The notice of general meeting and explanatory statement does not identify who will receive the shares if the resolution is passed. It only states that the shares will be issued to holders of convertible notes.

According to the applicants' analysis, if all of Tikforce's convertible notes are converted into shares at least three convertible note holders will become substantial shareholders in Tikforce and one of those will acquire a shareholding of more than 34% of Tikforce.

The applicants submit that the circumstances are unacceptable having regard to the effect on control or potential control of Tikforce or the acquisition by a person of a

¹ EZR Systems Pty Ltd, Valplan Pty Ltd as trustee for the Troy R Valentine Fam S/F Account, Alignment Capital Pty Ltd, Cityside Investments Pty Ltd and Union Square Capital Pty Ltd on behalf of the Endeavour A/C

² All section 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)

substantial interest in Tikforce and the purposes of Chapter 6 set out in section 602, in particular section 602(b). They submit that, in respect of the resolution described above, Tikforce has failed to identify any person who will receive shares if the resolution is passed and does not provide Tikforce shareholders any information to enable them to assess the merits of the proposed share issue.

The applicants seek an interim order restraining Tikforce from putting the proposed resolution to a vote at the general meeting, or alternatively, from issuing any shares as a consequence of the resolution being approved.

The applicants seek a final order restraining Tikforce from seeking shareholder approval for the issue of shares on conversion of the convertible notes until shareholders have been provided with sufficient information and, if applicable, requiring Tikforce to seek item 7 of section 611 approval in relation to any person who may obtain voting power in more than 20% in Tikforce.

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