



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP20/75

Monday, 9 November 2020

CFOAM Limited – Panel Declines to Conduct Proceedings

The Panel has declined to conduct proceedings on an application dated 3 November 2020 from shareholders who collectively hold 37.5% of the issued shares in CFOAM Limited in relation to the affairs of that company¹.

On 8 October 2020, CFOAM announced that it had entered into an “*agreement to invest A\$1,550,000 to acquire a strategic 10.24% interest in Innovaero Technologies Pty Ltd (Innovaero), an Australian Aerospace and Defence Technology business*”, conditional (among other things) on CFOAM completing a new equity raising for a minimum of A\$3,000,000 (**Innovaero Investment**). CFOAM also announced that it would undertake a 4 for 3 renounceable entitlement issue at an issue price of \$0.015 per share to raise up to A\$3,843,181 (**Entitlement Issue**) (see [TP20/74](#)).

The Panel considered (among other things) that:

- there was no evidence that the Entitlement Issue will have or is likely to have an effect on the control of CFOAM and
- delaying the Entitlement Issue could impact on CFOAM’s ability to raise funds.

The Panel noted the discretion given to the directors to allocate shares under the shortfall offer (**Shortfall Shares**) in accordance with the terms set out in clause 2.7 of the Entitlement Issue Prospectus. The Panel considered that if the directors allocate the Shortfall Shares in a manner that will have or is likely to have an effect on control then this may be grounds for a further application.

The Panel concluded there was no reasonable prospect that it would make a declaration of unacceptable circumstances. Accordingly, the Panel declined to conduct proceedings.

The sitting Panel was Richard Hunt (sitting President), Bill Koeck and James Stewart.

¹ The shareholder applicants were Jogchum Brinksma, Sydney 2000 Pty. Ltd, Brian Joseph, William Rouse, Muhammad Qubbaj, Seda Baghomian, Gregory Rubino, Toby Chandler, Vivienne Maya, Teni Zadorian and Robert Michael Reveley

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

Allan Bulman
Director, Takeovers Panel
Level 16, 530 Collins Street
Melbourne VIC 3000
Ph: +61 3 9655 3500
takeovers@takeovers.gov.au