

Chapter 13

Contents of circulars:
Premium listing

13.4 Class 1 circulars

Class 1 circulars

- 13.4.1** **R** A *class 1 circular* must also include the following information:
- (1) the information given in the notification (see **LR 10.4.1R**);
 - (2) the information required by **LR 13 Annex 1**;
 - (3) the information required by **LR 13.5** (if applicable); and
 - (4) a declaration by the *issuer* and its *directors* in the following form (with appropriate modifications):

"The [issuer] and the directors of [the issuer], whose names appear on page [], accept responsibility for the information contained in this document. To the best of the knowledge and belief of the [issuer] and the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.";
 - (5) a statement of the effect of the acquisition or disposal on the *group's* earnings and assets and liabilities; and
 - (6) if a statement or report attributed to a *person* as an expert is included in a *circular* (other than a statement or report incorporated by reference from a *prospectus* or *listing particulars*), a statement to the effect that the statement or report is included, in the form and context in which it is included, with the *person's* consent.
- 13.4.1A** **G** The information necessary under **LR 13.3.1R (3)** includes all the material terms of the *class 1 transaction* including the consideration.
- 13.4.2** **R** If a *class 1 circular* contains a *modified report*, as described in **LR 13.5.25 R**, the *class 1 circular* must set out:
- (1) whether the modification or emphasis-of-matter paragraph is significant to shareholders;
 - (2) if the modification or emphasis-of-matter paragraph is significant to shareholders, the reason for its significance; and

- (3) a statement from the *directors* explaining why they are able to recommend the proposal set out in the *class 1 circular* notwithstanding the *modified report*

Takeover offers

13.4.3

R

- (1) If a *class 1 circular* relates to a takeover offer which is recommended by the offeree's board and the *listed company* has had access to due diligence information on the offeree at the time the *class 1 circular* is published, the *listed company* must prepare and publish the working capital statement on the basis that the acquisition has taken place.
- (2) If a *class 1 circular* relates to a takeover offer which has not been recommended by the offeree's board or the *listed company* has not had access to due diligence information on the offeree at the time the *class 1 circular* is published, then the *listed company* must comply with paragraphs (3) to (6).
- (3) The *listed company* must prepare and publish the working capital statement on the *listed company* on the basis that the acquisition has not taken place.
- (4) Other information on the offeree required by ■ LR 13 Annex 1 should be disclosed in the *class 1 circular* on the basis of information published or made available by the offeree and of which the *listed company* is aware and is free to disclose.
- (5) [deleted]
- (6) If the takeover offer has been recommended but the *listed company* does not have access to due diligence information on the offeree, the *listed company* must disclose in the *class 1 circular* why access has not been given to that information.

Acquisition or disposal of property

13.4.4

R

If a *class 1 transaction* relates to:

- (1) the acquisition or disposal of *property*; or
- (2) the acquisition of a *property company* that is not *listed*;

the *class 1 circular* must include a *property valuation report*.

13.4.5

R

If a *listed company* makes significant reference to the value of a *property* in a *class 1 circular*, the *class 1 circular* must include a *property valuation report*.

Acquisition or disposal of mineral resources

13.4.6

R

If a *class 1 transaction* relates to an acquisition or disposal of *mineral resources* or rights to *mineral resources* the *class 1 circular* must include:

- (1) a *mineral expert's report*; and
- (2) a glossary of the technical terms used in the *mineral expert's report*.

13.4.7

G

The *FCA* may modify the information requirements in ■ LR 13.4.6 R if it considers that the information set out would not provide significant additional information. In those circumstances the *FCA* would generally require only the following information, provided it is presented in accordance with reporting standards acceptable to the *FCA*:

- (1) details of *mineral resources*, and where applicable reserves (presented separately) and exploration results or prospects;
- (2) anticipated mine life and exploration potential or similar duration of commercial activity in extracting reserves;
- (3) an indication of the duration and main terms of any licences or concessions and the legal, economic and environmental conditions for exploring and developing those licences or concessions;
- (4) indications of the current and anticipated progress of mineral exploration and/or extraction and processing including a discussion of the accessibility of the deposit; and
- (5) an explanation of any exceptional factors that have influenced the matters in (1) to (4).

Acquisition of a scientific research based company or related assets
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13.4.8

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If a *class 1 transaction* relates to the acquisition of a *scientific research based company* or related assets, the *class 1 circular* must contain an explanation of the transaction's impact on the acquirer's business plan and the information set out in Section 1c of Part III (Scientific research based companies) of the *ESMA Prospectus Recommendations*.