

MINIMUM CONTENT REQUIREMENTS FOR AN OFFER DOCUMENT OF A COMPANY

Company details

1. State:

- (a) the full name, date and place of incorporation, registration number if any and Registered Office address of the Company offering the Securities or if it does not have a Registered Office, its address in Fiji;
- (b) the names of the top twenty holders of Securities being offered by the Company at a date less than 21 days before the issue date of the Offer Document and the amount of each of those shareholdings; and
- (c) a brief background and history of the company.

Details of the offer

2. (1) State:

- (a) the number and type of Securities to be offered;
- (b) who is eligible to participate in the offer and the number of Shares, Debentures or Interests in a Managed Investment Scheme, which are proposed to be issued to different groups of applicants;
- (c) the manner in which entitlements or allotments will be determined;
- (d) the issue price for each Securities, the total amount to be raised and any other conditions applicable to the offer;
- (e) the minimum subscription amount to be raised under the offer;
- (f) the minimum amount for which an applicant can apply;
- (g) the minimum number of Securities that can be applied for and the multiples of additional Securities which investors can apply for;
- (h) the estimated net cash proceeds of the offer and the intended use of the proceeds, and the timeline for full utilisation of the proceeds;
- (i) the opening and closing dates of the offer, date for allotment of Securities, and the date for the despatch of new Securities certificates;
- (j) whether the Directors reserve the right to extend the closing date;
- (k) for Companies intending to list on a Securities Exchange, the date of listing;
- (l) the date on which monies will be refunded to applicants if:
 - (i) the minimum subscription amount is not met;
 - (ii) the Company does not list on a Securities Exchange, for Companies intending to list on a Securities Exchange;
 - (iii) the applicant is not issued with the full amount of Securities for which the applicant applied;
- (m) the purpose for which the funds raised will be used;

- (2) Contain instructions and procedures on how to apply for Securities under the Offer Document and how to complete the accompanying application form;

3. Contain the terms and conditions for the application for Securities under the Offer Document; and
4. Explain the risks of participating in the offer, including, but not limited to, any risks which could materially affect the prospects of the Company and the industry in which it operates such as:
 - (a) the competitive position of the Company;
 - (b) growth management and performance;
 - (c) capital requirements;
 - (d) legal environment;
 - (e) research and development;
 - (f) financial performance;
 - (g) international business exposure, including, but not limited to, foreign currency exposure;
 - (h) future profitability and dividends;
 - (i) liquidity;
 - (j) operational risks;
 - (k) Share price risk;
 - (l) changes in law and Accounting Standards;
 - (m) litigation; and
 - (n) terrorism.
- (3) Explain the steps proposed by the company to mitigate or manage the risks identified.

Information about Directors

5. In respect of each Director of the Company, state:
 - (a) the name, age, occupation, residential address and technical or other qualifications if any, of each Director of the Company and if a Director is also an employee of the Company, the title of the Director's position;
 - (b) a profile including business and management experience;
 - (c) the date of expiration of the current term of office, where applicable, and the period for which the person has served in that office;
 - (d) their shareholding both direct and indirect in the Company, and to state the ultimate beneficial ownership of any Shares held under a nominee, Company or trustee arrangements; and
 - (e) whether or not a Director or a member of senior management meets the fit and proper requirements as determined by the Reserve Bank and, is or has been:
 - (f) involved in an application under any bankruptcy or Insolvency laws filed and not struck out against such person or any partnership in which he or she was a partner or any Company of which he or she was a Director;
 - (i) convicted in a criminal proceeding or is a named subject of a

- pending criminal proceeding; or
- (ii) subject of any order, judgment or ruling of any Court of competent jurisdiction or the Reserve Bank temporarily enjoining him or her from acting as an Investment Adviser, Dealer, Director or employee of a Financial Institution and engaging in any type of business practice or activity.

Auditors, experts and advisers

6. (1) State:

- (a) the names of the Company's Auditors by both audit firm, audit Company and individual names, and of any accountants, financial institutions, brokers, investment advisers or solicitors by firm or company name, who have been involved in the preparation of the Offer Document;
 - (b) the names, addresses, and qualifications of any experts named in the Offer Document;
 - (c) if the offer of Securities is underwritten, the name and address of the underwriter; and
 - (d) the interests of any consultant engaged by the Company in the preparation of the offer in the success of the offer.
- (2) An expert report that forms part of the Offer Document must be signed and dated by the expert.

Historical financial information

7. (1) Include the most recent 3 years of Financial Statements which have been audited for a Financial Year which has ended within 6 months of the issue date of the Offer Document and in relation to that Financial Statements, provide:
- (a) segmental analysis of revenue/operating profits by business unit or Subsidiary, products or services and markets or geographical locations;
 - (b) details as to the extent of which any material change in net revenues is attributable to changes in prices, volumes or amount of products being sold or the introduction of new products or services;
 - (c) if material, discussion of the impact of foreign exchange, interest rates on operating profits;
 - (d) discussion of any known trends, demands, commitments, events or uncertainties that—
 - (i) have had or the Company expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of the Company; and
 - (ii) would cause the historical Financial Statements to be not necessarily an indication of future financial information;
 - (e) a description of the material sources of liquidity, whether internal or external and a brief discussion of any material unused sources of liquidity; and

- (f) a classification of the total outstanding borrowings in the Balance Sheet into long term and short term, interest bearing and non-interest bearing and for all foreign borrowings to be identified separately with their corresponding foreign currencies amount.
- (2) If the issue date of the Offer Document is more than 6 months since the end of the last Financial Year, include interim Financial Reports in the same form as Financial Reports for a full Financial Year.

Projected financial information

- 8. (1) Projected Financial Statements for the Company for the next 3 years.
- (2) Directors' analysis of the estimate, forecasts and/or projections and commentary on achievability, in light of the following:
 - (a) future prospects of the industry;
 - (b) future plans and strategies to be adopted; and
 - (c) the level of gearing, liquidity and working capital requirements.
- (3) An estimate/forecast and/or projection must be realistic and achievable to provide investors with information on the Company's prospects.
- (4) A dividend estimate or forecast which includes:
 - (a) a dividend policy;
 - (b) a dividend rate; and
 - (c) gross/net amount.

Independent accountant's report

- 9. (1) An independent accountant must:
 - (a) not be the Auditor for the Company or involved in the preparation of the Company's current financial accounts; and
 - (b) be a chartered accountant with a current Certificate of Public Practice issued by the Fiji Institute of Accountants in accordance with the Fiji Institute of Accountants Act (Cap. 259).
- (2) The report must:
 - (a) be signed and dated;
 - (b) state:
 - (i) the work done by the Independent Accountant;
 - (ii) the scope and limitations of the work done;
 - (iii) the existence of any relationship which the accountant has with the Company;
 - (iv) whether the accountant has obtained all information and explanations that he or she has required;
 - (v) whether or not, in the accountant's opinion, the projected Financial Statements that are required to be included in the Offer Document (Projected Financial Statements):

- (A) comply with all legal requirements for the content of an Offer Document;
 - (B) comply with Accounting Standards; and
 - (C) present fairly the state of Affairs of the Company as at the date of the Offer Document for the period to which the Projected Financial Statements relate, and, if they do not, state the respects in which they do not;
- (vi) whether any amounts in the Projected Financial Statements have been taken from audited Financial Statements of the Company, and whether or not the amounts have been correctly taken; and
 - (vii) whether or not in his or her opinion any forecasts included in the Offer Document have been properly prepared on the basis of the stated assumptions, and have been presented in accordance with Accounting Standards and on a basis consistent with the accounting policies adopted by the Company, and disclosed in the report.

Other

10. (1) Specify any documents required by section 291 of the Act to be endorsed on or attached to the Offer Document for the purposes of that section.
- (2) Contain all information, statements, certificates, and other matters that it is required to contain by regulations made under the Act.
