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Company [CIC Capital Ltd](#)
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CIC CAPITAL LTD. ("CIC" or the "Company")

Reasons for suspension of Company shares Variation of agreements to dispose of interests in investments to third parties

CIC (AIM: CICC), the consulting and advisory firm operating primarily in the mining and energy infrastructure sectors, is pleased to provide an update on the reason for the suspension of the Company's shares from trading on AIM on 4 February 2014 and various other corporate transactions that are in progress. Trading in the Company's shares will resume at 12:00 today.

Reason for suspension

The Company has been contemplating a number of transactions as which, until completed, give rise to material uncertainty as to the Company's value, in particular the variation of the agreements to dispose of interests in investments to third parties. The Board is pleased to announce that an agreement has been reached and it is now able to comment on the implications on the valuation of these investments.

The Board has also previously announced that it is unable for technical reasons to issue new shares into CREST. It is working to resolve these issues as explained below.

- a) the Board has in October 2013 held a special shareholder meeting to allow the transfer of its share register outside Canada thus avoiding The Depository Trust Company ("DTC") and to change the Canadian status from Federal to Provincial Company.
- b) appointed Gowlings (UK and Canada) and Pinsent Mason to act as legal council to provide opinions and guidance to the share registrar.

The Company advises that significant issues in relation to the DTC have now been overcome and it continues to make every effort to finally resolve this issue imposed on the Company.

DTC by which shares flow through to CREST imposed a chill on the securities following the Company's name change without notice in accordance with new regulations imposed by regulators.

Existing shares in CREST are trading normally and the DTC "chills" only effect new securities issued by the company being delivered into CREST.

The Company hopes to make a further announcement in the near future.

Background to the variation of agreements to dispose of interests in investments to third parties

On 31 July 2013 included in the announcement of its final results for the year ended 31 January 2013, the Company announced that Mr Dell Balfour ("Balfour") and Jarada Equities Limited ("Jarada") had agreed to advance to 31 December 2013 their respective payments of £1,350,000 and £1,350,000 to acquire shares in CIC Fuels Limited ("CICF") and their respective payments of US\$2,700,000 and £1,350,000 to acquire shares in CIC Gold Limited ("CICG") from CIC (collectively the "Balance Purchase Price"). Such amounts represent 90 per cent of the purchase price of the securities to be sold by the Company to Balfour and Jarada, the initial 10 per cent of the purchase price having been previously received by the Company (the "Initial Purchase Price"). CICF and CICG transferred all of the shares and warrants to Balfour and Jarada at the time of the initial transactions on 21 May 2012.

On the 17 December 2013 the Company announced that in order to facilitate these receipts and as a tax planning measure, a new offshore company had been established in the Republic of Seychelles. It is intended for the new bank and treasury facilities to be put in place in Hong Kong with HSBC alongside the Company's existing bank facilities.

The Company had agreed with Jarada and Balfour that their remittances would be delayed until this matter had been resolved.

Establishment of new bank and treasury facilities with HSBC in Hong Kong and CIC Capital Limited (Republic of Seychelles)

The Board is currently unclear as to the timing of the opening of the bank and treasury facilities with HSBC in Hong Kong, as it is reliant on HSBC completing its internal procedures. This will need to be in place before the Balfour and Jarada transactions can be concluded and the monies will then need to be deposited by Balfour and Jarada. A further announcement will be made in due course.

Variation of Balfour and Jarada agreements

CIC has agreed with Balfour and Jarada that the agreements entered into with CIC relating to the purchase of securities in CICF and CICG shall be varied to the effect that 50% of the shares will be returned to the Company and the Balance Purchase Price adjusted accordingly. Therefore 40% of the original purchase price is payable upon conclusion of the HSBC bank and treasury facility in Hong Kong, as referred to above. The original agreement had issued Balfour and Jarada 100% of the shares for a 10% deposit and 90% being payable, therefore following this variation, 50% of the shares will be returned.

The Company believes that it is in the shareholders best interests to amend the transaction as potential valuations that may be reflected in any future listing of CICG or CICF could be materially different than what is currently being reflected in CIC's last audited financial statements.

Financial impact on CIC

The Company's investments in CICG and CICF were held in its balance sheet dated 31 July 2013 as Non-current investments with a carrying value of CAD\$34.13m in the case of CICG and CAD\$14.02m in the case of CICF. Following the transactions described above, CIC will own 77,560,000 shares in

CICG representing 64.63% of CICG's current issued share capital, and 34,500,000 shares in CICE, representing 56.56% of CICE's current issued share capital. Warrants attached to each share returned to the Company will be cancelled.

It is the opinion of the Board of Directors, the variation agreements with Balfour and Jarada, as described above, will not affect the Company's choice of valuation technique selected to measure fair value.

Therefore the Company will continue to follow IFRS 7 and the fair value of these investments will be established using "Level 3" inputs as defined in the established fair value hierarchy. This classification of level 3 refers to inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The determination of the valuation technique to be used requires significant judgment and is dependent on the specific characteristics of the asset or liability being measured and the market in which market participants would transact to sell, transfer or settle the asset or liability. An asset or liability that is not traded with a quoted price in an active market may require more than one input to determine its fair value. The valuation technique applied is therefore the most appropriate in the circumstances in the opinion of the Directors.

The Directors advise that revenue has been recognised in full on 100% of the shares sold to Balfour and Jarada, and the appropriate amount recognised within receivables. As at 31 January 2013 and 31 July 2013, receivables of CAD\$10.18 million were included in the statement of financial position in relation to these sales.

Following the variation agreements with Balfour and Jarada, described above, revenue and receivables will be materially adjusted to reflect the reduction in the amount payable following 50% of the shares being returned.

Yorkville US\$2,000,000 Loan Facility

On the 2 January 2014 the Company announced a loan facility and drew down US\$500,000. On the 2 February 2014 the company made its required monthly loan repayment of US\$55,095.89 in accordance with the loan facility agreement.

Share exchange transaction with another AIM quoted company

The Company announced on 2 January 2014 that it was in early stage discussions with regard to a possible share exchange with another quoted company which would, if the transaction completes, result in CIC owning a substantial shareholding in that company. Agreements have been drafted but can only be finalized when the Company is able to issue new shares, this is expected to be resolved shortly and is explained further below. However, there is no certainty that such share exchange transaction will proceed and further announcement(s) may be made in due course as appropriate in connection with this matter.

Issue of new shares

On 9 August 2013 the Company announced the conversion of the Special Series B Class Non-Voting Shares issued to registered shareholders on 31 July 2012 into 1,242,419 new common shares. These shares were admitted to trading on AIM on 3 October 2013.

Due to unforeseen technical reasons relating to the Company's change of name in May 2013 and restrictions subsequently imposed on the Company's new ISIN in the US by DTC which have resulted in the Company being unable to register new common shares issued into CREST since May 2014,

the Company has as yet been unable to credit the allotted new common shares into relevant CREST accounts nor been able to register them in the names of the shareholders.

The Company remains very concerned to resolve these technical difficulties and, to this end, it is working with its advisers to establish a new DI facility in the UK. As explained above in this announcement, the process is progressing and the Company intends to complete the process as soon as possible.

Pending Change of Company's Nominated Adviser

The Board also announces that Cairn Financial Advisers LLP, the Company's Nominated Adviser, has given notice to the Company and will cease to act as the Company's Nominated Adviser on 24 March 2014. If a replacement Nominated Adviser is not appointed by 24 March 2014, the Company's shares will be suspended on that date pursuant to AIM Rule 1. If within one month from 24 March 2014 the Company has not appointed a replacement Nominated Adviser the Company's shares will be cancelled from trading on AIM.

Enquiries

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CIC Capital Ltd

The Company is a consulting and advisory company, operating primarily in the mining and energy infrastructure sectors. The Company seeks to provide consulting and advisory services to entities operating at various stages of resource development, and the exclusive right to control the public listing process of any client company if the client company is an unlisted company.

The core services provided by CIC Capital Ltd. are: the Advisory Service which provides a range of technical, project management, strategic and commercial services; the Strategic Investment Service which helps companies source investment from industry partners for which the Company will typically receive an equity interest; and Advice on Listings where the Company helps the client realise value by listing on a Stock Exchange www.CICCapital.com

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