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Imagination Technologies Group PLC - IMG [Publication of Scheme Document](#)

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FOR IMMEDIATE RELEASE

9 October 2017

**RECOMMENDED CASH ACQUISITION
 of
 Imagination Technologies Group plc
 by
 CBFi Investment Limited
 a wholly-owned subsidiary of funds managed by
 Canyon Bridge Capital Partners, LLC**

Publication of Scheme Document

On 22 September 2017, Imagination Technologies Group plc ("Imagination") and CBFi Investment Limited, a newly incorporated company ("CBFi"), indirectly owned by Canyon Bridge Fund I, LP ("Canyon Bridge"), a fund managed by U.S. headquartered Canyon Bridge Capital Partners, LLC announced that they had reached agreement on the terms of a recommended cash acquisition by which the entire issued and to be issued ordinary share capital of Imagination will be acquired by CBFi (the "Acquisition"). The Acquisition is to be effected by means of a Court approved scheme of arrangement under Part 26 of the Companies Act 2006 (the "Scheme").

Imagination and Canyon Bridge are pleased to announce that the scheme document containing the full terms and conditions of the Acquisition (the "Scheme Document"), together with the related Forms of Proxy, is being published and posted today to Imagination Shareholders and, for information only, to persons with information rights and holders of options and awards granted under the Imagination Share Plans.

The Scheme Document will be made available on Imagination's website at <https://www.imgtec.com/sales-process/> and Canyon Bridge's website at www.canyonbridge.com/#in-the-news/.

Unless otherwise defined, all capitalised terms in this announcement shall have the meaning given to them in the Scheme Document.

Notice of the Court Meeting and Imagination General Meeting

As described in the Scheme Document, to become effective the Scheme requires, amongst other things, the approval of a majority in number of the Scheme Shareholders present and voting (either in person or by proxy) at the Court Meeting representing not less than 75 per cent. in value of the relevant Scheme Shares voted, and the passing of the Special Resolution. The Scheme must also be sanctioned by the Court. The Scheme is also subject to the satisfaction or waiver of the Conditions and further terms that are set out in the Scheme Document.

Notices of the Court Meeting and the Imagination General Meeting, which will be held at Clifford Chance LLP, 10 Upper Bank St, Canary Wharf, London E14 5JJ on 31 October 2017, are set out in the Scheme Document. The Court Meeting will commence at 9.00 a.m. and the Imagination General Meeting at 9.15 a.m. (or, if later, as soon as the Court Meeting has concluded or been adjourned).

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of voting Scheme Shareholders' opinion. Voting Imagination Shareholders are therefore strongly advised to complete, sign and return their blue Form of Proxy (once received) or to appoint a proxy electronically using the instructions set out in the Form of Proxy (once received) as soon as possible.

Timetable

The Scheme Document contains an expected timetable of principal events relating to the Scheme, which is also attached as an Appendix to this announcement. Subject to obtaining the approval of Imagination Shareholders at the Court Meeting and the Imagination General Meeting and the Court, and the satisfaction or, where applicable, the waiver of the other Conditions (as set out the Scheme Document), the Scheme is expected to become Effective in early-mid November 2017.

If the Scheme is approved as outlined above, from close of business on the Business Day prior to the Effective Date trading of Imagination Shares on the London Stock Exchange's main market for listed securities will be suspended. It is intended that, following the Scheme becoming Effective, the London Stock Exchange and the FCA will be requested respectively to cancel trading in Imagination Shares on the London Stock Exchange's main market for listed securities and to remove the listing of the Imagination Shares from the Official List, in each case on or shortly after the Effective Date.

The dates given are based on Imagination's current expectations and may be subject to change. If any of the key dates set out in the timetable change, Imagination will give notice of this change by issuing an announcement through a Regulatory Information Service. Such announcement will be made available on both Imagination's website at <https://www.imgtec.com/sales-process/> and Canyon Bridge's website at www.canyonbridge.com/#in-the-news/. All Imagination Shareholders have the right to attend the Court hearing.

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Important notices

Citigroup Global Markets Limited ("Citi"), which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for CBFI and Canyon Bridge in connection with the matters set out in this announcement and for no one else and will not be responsible to anyone other than CBFI and Canyon Bridge for providing the protections afforded to its clients or for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

N. M. Rothschild & Sons Limited ("Rothschild"), which is authorised by the FCA in the United Kingdom, is acting exclusively for Imagination and no one else in connection with the Acquisition and will not be responsible to anyone other than Imagination for providing the protections afforded to its clients or for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

Jefferies International Limited ("Jefferies"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Imagination and no one else in connection with the Acquisition and will not be responsible to anyone other than Imagination for providing the protections afforded to its clients or for providing advice in relation to the Acquisition or any other matters referred to in this.

Further information

This announcement is for information purposes only and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Imagination in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document or any document by which the Acquisition is made, which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis on the information contained in the Scheme Document. Imagination urges each Imagination Shareholder to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.

Please be aware that addresses, electronic addresses and certain other information provided by Imagination Shareholders, persons with information rights and other relevant persons for the receipt of communications from Imagination may be provided to CBFI during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

This announcement does not constitute a prospectus or prospectus equivalent document.

Overseas Shareholders

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and/or regulation. Persons who are not resident in the United Kingdom or who are subject to the laws and regulations of other jurisdictions should inform themselves of, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Imagination Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law and the Code and the information

disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

Unless otherwise determined by CBFI and Imagination or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or form within any jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all other documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

Further details in relation to Overseas Shareholders are contained in the Scheme Document.

The Acquisition shall be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

Additional Information for US Investors

The Acquisition relates to the shares of an English company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. Neither the proxy solicitation rules nor the tender offer rules under the US Securities Exchange Act of 1934, as amended, will apply to the Acquisition. Moreover, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom and under the Code to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included in this announcement has been prepared, unless specifically stated otherwise, in accordance with accounting standards applicable in the UK and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

The information contained in this announcement has neither been approved or disapproved by the US Securities and Exchange Commission or any US state securities commission. Neither the US Securities and Exchange Commission, nor any state securities commission, has passed upon the fairness or merits of the proposal described in, nor upon the accuracy or adequacy of the information contained in, this announcement.

It may be difficult for US holders of Imagination Shares to enforce their rights and claims arising out of the US federal securities laws, since CBFI and Imagination are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders of Imagination Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Imagination Shareholder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him or her.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, CBFI or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Imagination Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition becomes Effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Forward looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by CBFi and Imagination contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of CBFi and Imagination about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on CBFi and Imagination, the expected timing and scope of the Acquisition and other statements other than historical facts. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "could", "would", "may", "anticipates", "estimates", "cost-saving", "projects", "goal", "strategy", "budget", "forecast" or "might" or, words or terms of similar substance or the negative thereof, are forward looking statements.

Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of CBFi's or Imagination's operations resulting from the Acquisition; and (iii) the effects of government regulation on CBFi's or Imagination's business.

These forward looking statements are not guarantees of future financial performance. Except as expressly provided in this announcement, they have not been reviewed by the auditors of CBFi or Imagination or their respective financial advisers. Such forward looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: fluctuations in the capital markets; fluctuations in interest and exchange rates; the occurrence of unforeseen disasters or catastrophes; political or economic instability in principal markets; adverse outcomes in litigation; and general, local and global economic, political, business and market conditions. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither CBFi nor Imagination, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements. All subsequent oral or written forward looking statements attributable to CBFi or Imagination or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. CBFi and Imagination disclaim any obligation to update or revise any forward looking or other statements contained herein, whether as a result of new information, future events, or otherwise, other than in accordance with their legal and regulatory obligations.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Imagination for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Imagination.

Publication on website and hard copies

A copy of this announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Canyon Bridge's website at www.canyonbridge.com/#in-the-news and Imagination's website at <https://www.imgtec.com/sales-process/> no later than 12 noon (London time) on the Business Day following this announcement up to and including the Effective Date. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.

Appendix

EXPECTED TIMETABLE OF PRINCIPAL EVENTS⁽¹⁾

Event	Time/date
Latest time for lodging Forms of Proxy for the:	
Court Meeting (BLUE Form of Proxy)	9.00 a.m. on 27 October 2017 ⁽²⁾
Imagination General Meeting (WHITE Form of Proxy)	9.15 a.m. on 27 October 2017 ⁽³⁾
Voting Record Time for Court Meeting and Imagination General Meeting	6.30 p.m. on 27 October 2017 ⁽⁴⁾
Court Meeting	9.00 a.m. on 31 October 2017
Imagination General Meeting	9.15 a.m. on 31 October 2017 ⁽⁵⁾
<i>Certain of the following dates are subject to change (please see Note (1) below):</i>	
Court hearing to sanction the Scheme	a date expected to be on or about 6 November 2017 ("D") ⁽¹⁾ (6)(7)
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, Imagination Shares	D ⁽¹⁾ (7)
Suspension of listing of, and dealings in, Imagination Shares	5.00 p.m. on D ⁽¹⁾ (7)
Scheme Record Time	6.00 p.m. on D ⁽¹⁾ (7)
Effective Date of the Scheme	D + 1 ⁽¹⁾ (7)
De-listing of Imagination Shares	8.00 a.m. on D + 2 ⁽¹⁾ (7)
Latest date for despatch of cheques in respect of cash consideration and for settlement of cash consideration through CREST or other form of payment	within 14 days of Effective Date
Longstop Date	5.00 p.m. on 22 July 2018 ⁽⁸⁾ (9)

The Court Meeting and the Imagination General Meeting will each be held at the offices of Clifford Chance LLP, 10 Upper Bank Street, London E14 5JJ.

- (1) These times and dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme and the date on which the Conditions are satisfied or, if capable of waiver, waived. The timetable is also dependent on when the Court Order sanctioning the Scheme is delivered to the Registrar of Companies. Imagination will give notice of any change(s) by issuing an announcement through a Regulatory Information Service and, if required by the Panel, post notice of the change(s) to Imagination Shareholders and persons with information rights.
- (2) It is requested that blue Forms of Proxy for the Court Meeting be lodged before 9.00 a.m. on Friday, 27 October 2017 or, if the Court Meeting is adjourned, not later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the holding of the adjourned meeting. However, blue Forms of Proxy not so lodged may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting.
- (3) White Forms of Proxy for the Imagination General Meeting must be lodged before 9:15 a.m. on Friday, 27 October 2017 in order to be valid or, if the Imagination General Meeting is adjourned, not later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the holding of the adjourned meeting. White Forms of Proxy cannot be handed to the Chairman of the Imagination General Meeting at that meeting.
- (4) If either of the Imagination General Meeting or the Court Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.30 p.m. on the date two working days before the date set for the adjourned meeting.
- (5) Or as soon thereafter as the Court Meeting has been concluded or adjourned.

- (6) Subject to satisfaction or waiver of all remaining Conditions of Part A of Part 3 of this document.
- (7) References to "D" or a day after "D" are references to a Business Day.
- (8) This date may be extended to such date as Imagination, Canyon Bridge and CBF I may, with the consent of the Panel, agree and the Court (if required) may allow.
- (9) These dates are indicative only and will depend, amongst other things, on the date upon which (i) the Conditions are satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) the Court Order is delivered to the Registrar of Companies.

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