Section 7
Pre-Listing Statements, Revised Listing Particulars and Circulars

**Version 2: September 2024**

**Scope of section**

This section deals with the requirements for a PLS, RLP and circulars.

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**Methods of Listing**

7.1 An applicant issuer can seek a listing on the JSE through:

 (a) an introduction;

 (b) an offer for sale and subscription; or

 (c) a placing.

**PLS, RLP and circulars**

7.1 An applicant seeking a listing on the JSE must prepare a PLS in terms of this Section, save for fast-track secondary listings in terms of Section [..].

7.2 An issuer must prepare RLP where in excess of 50% of the securities already listed are issued for an acquisition within any three-month period; and

7.3 Circulars for corporate actions in terms of Section [5] and transactions in terms of Section [9] and [10], must include the disclosures as referenced to this Section.

7.4 The provisions dealing with a PLS and circulars must be complied with in terms of Section [12][ (Minerals and Oil/Gas) Section [13] (Property Entities), and Section [14] (Weighted Vorting Shares and Preference Shares) and Section [15] (Investment Entities and SPACs).

7.4 An applicant issuer must have an operational website to comply with the disclosure obligations imposed by the Requirements.

7.5 The documents to be submitted to the JSE for a new listing are set out in Section 16.

7.6 Pre-issued trading and price stabilisation may only be undertaken in terms of Schedule […].

General: PLS, RLP and circulars

7.5 A PLS and circular must:

 (a) provide full information to holders of securities to allow them to make an informed investment decision;

 (b) not omit material information;

 (c) not include false or misleading statements; and

 (d) be approved by the JSE and comply with the corporate actions timetables.

7.6 The following applies to a PLS and circular:

 (a) must be prepared in English;

 (b) the information must be clear, factual and be presented in a chronological and easily understandable format;

 (c) pictures and graphs may be included provided they directly support the information presented;

 (d) the information must be current as at the issue date of the document or as near to such date as practicable. If not, an explanation must be provided;

 (e) the JSE may require that prominence be given to certain information;

 (f) the JSE may require disclosure of additional information it considers necessary for investors to make an informed investment decision;

 (g) the directors of the applicant issuer must take responsibility for the contents;

 (h) information prepared in terms of the Requirements may be incorporated by reference, provided the information:[[1]](#footnote-1)

 (i) is current, and if not, an explanation must be provided;

 (ii) must be disclosed under a heading identifying the information available on the applicant issuer’s website and made available through a secure electronic manner at the election of the person requesting inspection for a reasonable period of time (being not less than 14 days);

 (i) be distributed to all certificated holders, and to those dematerialised beneficial holders of its securities who have elected to receive such documents, at the cost of the issuer;

 (j) if voting or other action is required contain, a heading drawing attention to the importance of the document and advising holders of securities that are in any doubt as to what action to take, to consult appropriate independent advisers.

7.7 Disclosure in RLP and a circular can be substituted with the relevant information in the issuer’s current results provided the required information is incorporated by reference.

7.8 If a JSE circular is dispatched to the beneficial owners of any particular class of security, the issuer must make available a copy of such circular to the beneficial owners of all other listed classes of securities in such issuer (through a secure electronic manner at the election of the person requesting inspection for a reasonable period of time), unless the contents of such circular is considered irrelevant to them by the directors

Omission of information PLS and circular: General disclosure and material contracts

7.9 The JSE may on application allow for the omission of information or a material contract if:

 (a) the information is of minor importance and will not influence any assessment of the financial position, changes in equity, results of operations or cash flows;

 (b) disclosure would be contrary to the public interest and omission thereof is not likely to mislead investors about any important/material facts and/or circumstances; or

 (c) disclosure would be seriously detrimental to the applicant issuer or would constitute an invasion of the applicant issuer’s rights to privacy and omission is not likely to mislead investors about any important/material facts and/or circumstances.

7.10 The application to the JSE must:

 (a) identify the information concerned and/or provide a copy of the material contract, and the reasons for the omission; and

 (b) state why, in the opinion of the applicant issuer, it complies with the grounds above.

**PLS**

**Specific requirements**

**PLS disclosure**

7.11 A PLS must include the information contained in the Appendix to this Section.

7.12 Foreign applicants must comply with the required PLS disclosures. Although certain of the required disclosures emanate from the Regulations, the obligation of disclosure is imposed by the JSE.

7.13 The following requirements apply to a PLS:

 (a) the cover page must include the following:

 (i) details of the share capital in terms of A5 of the Appendix;

 (ii) details of the issue in terms of A15 – A18 of the Appendix;

 (iii) the responsibility statement in terms of B29 of the Appendix;

 (iv) the names of the applicant, sponsors, auditor and transaction adviser;

 (v) if also a prospectus, confirmation that approval from the Commission was granted and the date;

 (vi) if the PLS to be issued is made conditional upon shareholders’ approval, the following statement must be made:

“This pre-listing statement has been prepared on the assumption that the ordinary and special resolutions proposed in the Notice of General Meeting forming part of the circular to which this pre-listing statement is attached will be passed at the General Meeting of shareholders to be held on . . . and registered (if applicable).”

 (b) negative statements must be made for all required disclosures in terms of the Appendix that are not applicable or where no equivalent information is available. Where information required does not fit exactly due to applicant issuer’s sphere of activity or legal form, the information must be adapted so that equivalent information is disclosed;

 (c) where another company is to become or is proposed to become part of an applicant issuer’s group, that company and its subsidiaries must be treated as part of the applicant issuer’s group for the purpose of the PLS; and

 (d) if an offer to shareholders forms part of a transaction, which has been recommended by the board of the offeree, the issuer must include a working capital adequacy statement in respect of the proposed enlarged group in terms of B26 of the Appendix and details of material loans in terms of A10 of the Appendix as if the offer has become unconditional (“combined basis”). If not recommended by the directors, the information must be presented on the issuer’s group alone. The JSE will allow the statements on a combined basis to be provided in a later announcement, circular or supplementary PLS, within 28 days after the offer is declared unconditional;

**Introduction**

7.5 The PLS must state the following on the cover page:

 “*This PLS is not an invitation to the public to subscribe for securities, but is issued in compliance with the JSE Listings Requirements, for the purpose of providing information to the public with regard to the company*.”;

7.6 An applicant may not seek the listing of securities by way of an introduction if there are any pre-existing intentions by any holder(s) (other than public shareholders) to dispose of a material number of their securities at or immediately after listing. The applicant must satisfy the JSE in respect hereof in so far as it has knowledge of any such intention(s).

Supplementary PLS

7.14 The JSE must be notified immediately and a supplementary PLS published if, at any time after a PLS has been published and before dealings in securities commences, the applicant becomes aware that:

 (a) there has been a material change affecting any matter contained in the PLS; or

 (b) a material new matter has arisen which would have been required to be disclosed in the original PLS had such information been known at that time;

 (c) “material” for purposes of (a) and (b) above means:

 (i) a change of 10% or more to the pro forma financial effects; or

 (ii) any other matter that could influence an investor’s assessment of the applicant issuer.

7.15 Supplementary PLS must:

 (a) provide full details of the change or new matter;

 (b) contain the responsibility statement;

 (c) contain a statement that, save as disclosed, there has been no material change and no material new matter that has arisen since publication of the original PLS.

7.16 In relation to an acquisition issue, if the consideration for the acquisition or offer is revised, resulting in the issue of a greater number of shares than for which application for listing will be made, a supplementary PLS may be required.

7.17 In relation to an offer that involves the exchange of securities for securities of another company, and the offer consideration is revised to include a new class of security for which an application for listing is to be made, only additional information applicable to the issue of the new class of securities must be contained in a supplementary PLS.

Publication and announcement of a PLS

7.18 The PLS must be announced on SENS in terms of the corporate actions timetables after approval by the JSE and published in the press in full or abridged form. The supplementary PLS must be announced through SENS, as soon as possible after approval by the JSE.

7.19 Announcements relating to a PLS must state where copies of the PLS can be obtained.

Announcement: Introduction

7.7 The announcement must include the following:

 (a) the number and description of the securities to be listed;

 (b) the name, date of incorporation and registration number of the applicant;

 (c) the general nature of the main business or proposed main business carried on or to be carried on by the applicant and its subsidiaries;

 (d) the names and business addresses of the directors of the applicant;

 (e) a statement that the PLS can be inspected at its registered office, and in Johannesburg, and/or through a secure electronic manner at the election of the person requesting inspection for a reasonable period of time (being not less than 14 days);

 (f) if the press announcement is not a full PLS, a statement of such fact; and

 (g) a positive statement by the directors of the applicant issuer confirming that the level of free float has been achieved.

**Announcement: Offers for sale or subscription and placing**

7.8 The applicant must release an announcement in terms of 7.7, save that 7.77(g) is not applicable and must be replaced with the following:

 (a) where all the securities that are the subject of an offer are intended to be offered only to the holders of securities of the applicant, with or without the right to renounce in favour of other persons:

 (i) the issue price of such securities;

 (ii) the ratio in which such securities will be offered to the holders of securities entitled to accept the offer; and

 (iii) the last day to trade to ensure registration on the record date; and

 (b) the last day for subscribing.

7.9 The announcement dealing with the outcome of the offer, subscription or placing before the date of listing must include a positive statement by the directors of the applicant issuer that the required level of free float has been achieved.[[2]](#footnote-2)

**Material objections[[3]](#footnote-3)**

7.10 The sponsor and the applicant issuer must immediately inform the JSE in writing of any material objections which have been reported/notified to the sponsor or applicant issuer, regarding the listing of the applicant issuer during the period from the release date of the listing announcement and up to the submission of the Part II documents in terms of Section 16.[[4]](#footnote-4)

Appendix 1 to Section 7: Disclosure for a PLS:

Part A

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| --- | --- | --- |
| **Item** | **Disclosure mandated with reference to the Regulations** | **Regulation** |
| A1 | General statement of required information  | 54 |
| A2 | Name, address and incorporation | 57 |
| A3 | Directors, other office holders, or material third parties\* | 58 |
| A4 | History, state of affairs and prospects of company | 59, excluding 3(g) and (4)^ |
| A5 | Share capital of the company | 60 |
| A6 | Options or preferential rights in respect of shares | 61 |
| A7 | Commissions paid or payable in respect of underwriting | 62 |
| A8 | Material contracts# | 63 |
| A9 | Interest of directors and promoters | 64 |
| A10 | Material loans to the applicant issuer | 65(2)(a) |
| A11 | Material loans advanced by the applicant issuer  | 65(2)(b) |
| A12 | Shares issued or to be issued otherwise than for cash | 66 |
| A13 | Property acquired or to be acquired | 67 |
| A14 | Amounts paid or payable to promoters | 68 |
| A15 | Purpose of the offer | 70 |
| A16 | Time and date of the opening and of the closing of the offer | 71 |
| A17 | Particulars of the offer | 72 |
| A18 | Minimum subscription | 73 |
| A19 | Report by directors as to material changes | 75 |
| A20 | Statement as to listing on stock exchange | 76 |
| Notes:\* Remuneration disclosure in terms of 58(3)(b) must also be disclosed in terms of section 30(4)-(6) of the Act. ^ Financial information must be disclosed in terms of Section 8. # Includes restricted funding arrangementsThe meaning of “*material*” and “*promotor*” for purposes of the above disclosures have the meaning in terms of the Requirements and not the Act. Although prospectus disclosures relate to an offer, the above disclosure will equally apply to listing on the JSE without an offer.Compliance with the above does not make a PLS a prospectus, as a prospectus requires further adherence to the Act.The information provided must be current as at the last practicable date in relation to the preparation of the PLS or circular.  |

**[Please note that the paragraphs of the original Section 7 are in [] for ease of reference]**

**Part B**

**Financial information**

B1 Subject to B4, a report on historical financial information in terms of Section 8.

B2 Pro forma financial information, for post balance sheet events, in terms of Section 8.

B3 Profit forecasts and estimates, if applicable, in terms of Section 8.

[7.E.1 – 7.E.3, 7.E.11 and 7.E.12].

B4 In relation to a new listing, if there is no profit requirement in the listing criteria, inclusion of an audited statement of financial position.

B5 In relation to a new listing, details of any emphasis of matter contained in the auditor’s report.

**Corporate governance**

B4 Disclosure of the relevant corporate governance provisions in Section 4. The confirmation of application of the King Code in terms of Section [4] may be incorporated via a weblink to the applicant issuer’s website.

B5 A brief CV and the capacity classification for each director.

**Directors’ declarations**

B5 A statement dealing with all the items in directors’ declarations in relation to each director [7.B.2].

**Public shareholders**

B6 A positive statement by the directors of the applicant confirming that the condition of listing relating to free float has been achieved.[[5]](#footnote-5) [7.A.28]

**Controlling shareholders**

B7.1 The name/s of the controlling shareholder/s of the applicant known to the directors. [7.A.25]

B7.2 Details of any change in controlling shareholder/s of the applicant as a result of the issue. [7.A.26]

**Major shareholders other than directors**

B8 The name of any major shareholder/s (not being directors Where securities are issued, the disclosure must reflect the position before and after listing. [7.A.27]

**Directors’ interests in securities and transactions**

B9.1 Details of the direct and indirect beneficial interests of the directors (and associates), including a director who has resigned during the last 18 months, holdings in the share capital of the applicant. Any change in such interests occurring between the end of the preceding financial year and the date of the PLS must also be disclosed. Where securities are issued, the disclosure must reflect the position before and after listing. [7.B.21]

B9.2 Details regarding any material beneficial interests, whether direct or indirect, of directors of the group, including a director who has resigned during the last 18 months, in transactions that were undertaken by the applicant:[[6]](#footnote-6)

 (a) during the current or immediately preceding financial year; or

 (b) during an earlier financial year and remain in any respect outstanding or unperformed. [7 B.22]

**Authorisations and alteration to share capital**

B10.1 A statement advising who controls the issue or disposal of the authorised but unissued securities. [7.A.10]

B10.2 A statement of the resolutions, authorisations and approvals in relation to the securities to be listed. [7.C.10]

B10.3 A summary of any consolidations or sub-divisions of securities during the preceding three years. [7.A.9]

**Other Listings**

B11 A statement as to what other classes of securities are listed and on which stock exchange(s). [7.A.11]

**Dividends**

B12.1 The time limit (if any) after which entitlement to dividends lapses and an indication of the person in whose favour the lapse operates. [7.C.11]

B12.2 The fixed date\s (if any) on which entitlement to dividends arises. [7.C.12]

B12.3 Details of any arrangement under which future dividends are waived or agreed to be waived. [7.C.13]

**Market value of securities**

B13 Where the securities for which application is being made are of a class that is already listed, a table of the aggregate volumes and values traded and the highest and lowest prices traded in those securities for each month over the twelve months prior to the date of issue of the PLS/circular and for each day over the 30 days preceding the last practicable date prior to the date of issue of the PLS/circular.[[7]](#footnote-7) [7.C.14]

**Simultaneous issues**

B14 If, simultaneously or almost simultaneously with the issue of securities for which application is being made, securities of the same class are issued, or to be issued, details must be provided of such issues and the number of securities concerned. [7.C.17]

Underwriting and minimum subscription

B15 An offer for sale or subscription need not be underwritten.

B16 If an offer for subscription is not underwritten, for a new applicant, the offer must be conditional upon the minimum subscription being received that will fulfil the purpose of the offer. A statement to this effect must be made on the cover page of the PLS and in the section dealing with the minimum subscription required.

B17 In respect to existing issuers, if the offer is not underwritten, it must not be conditional on a minimum subscription being received.

B18 If the offer is underwritten the following must be complied with:[[8]](#footnote-8)

 (a) the issuer must ensure that the underwriter submits sworn affidavits, by at least two of its directors, confirming that it has the financial resources to meet its commitments of the underwriting; and

 (b) the PLS must include a statement by the directors of the applicant that they have made due and careful enquiry to confirm that the underwriter can meet its commitments in terms of the offer.

B19 Any underwriting commission paid to a holder/s of securities of the applicant issuer must not exceed the current market rate payable to independent underwriters. The applicant must present evidence to the JSE proving the reasonableness of such underwriting commission. [5.15.-5.17]

Over-subscriptions

B20 In the event of over subscription, details of any intention to grant any preference on allotment to any company or group. [7.C.18]

B21 In the event of an over-subscription, the formula for the basis of allotment must be calculated in such a way that a person will not, in respect of his application, receive an allocation of a lesser number of securities than any other subscriber applying for the same number or a lesser number of securities. Random allocations are allowed only where prior approval has been granted by the JSE. Where a listing is over-subscribed or cancelled and persons are owed subscription refunds in terms of applications made, the sponsor must ensure that the subscription monies are refunded to such persons on the day of listing or on the day following the decision to cancel the listing, together with all interest earned on such monies calculated from the date of receipt of such monies by the company concerned. [5.18]

**Social mandate, laws of incorporation and MOI[[9]](#footnote-9)**

B22 A statement by the social and ethics committee of the applicant that it has fulfilled its mandate in terms of the Regulations and that there are no instances of material non-compliance to disclose. Any material non-compliance must be disclosed. A foreign applicant must make a similar statement in respect of compliance with its corporation laws to the extent that similar obligations exist.[[10]](#footnote-10) [7.F.5]

B23 A statement must be made by the directors of the applicant that the applicant is –[[11]](#footnote-11)

 (a) in compliance with the provisions of the Act or relevant laws of incorporation. A foreign applicant, must refer to its relevant laws of incorporation; and

 (b) operating in conformity with its MOI and/or relevant constitutional documents. [7.F.6]

**Litigation**

B24 Details on any legal or arbitration proceedings in the previous 12 months, pending or threatened, of which the applicant issuer is aware, that may have or have had, a material effect on the group’s financial position. [7.D.11]

**Material risks[[12]](#footnote-12)**

B25 Details of all material risks specific to the applicant, its industry and/or its securities. Generic disclosure must be avoided and material risks must commence with the risks considered to be the most significant.[[13]](#footnote-13) [7.F.7]

*[Covered under material contracts above]*

Statement as to working capital

B27.1 A statement by the directors of the applicant issuer that, in their opinion, the working capital available to the applicant and its subsidiaries, if any, is sufficient for the group’s present requirements, that is, for at least the next 12 months from the date of issue of the listing particulars, or, if not and the issuer has securities already listed, how it is proposed to provide the additional working capital thought by the issuer to be necessary.

 The JSE will not require a working capital statement to be made by an issuer whose business is entirely or substantially that of banking, insurance or the provision of similar financial services, provided that the JSE is satisfied that:

 (a) the inclusion of such a statement would not provide significant information for investors; and

 (b) the issuer’s solvency and capital adequacy are suitably regulated by another regulatory body.

B27.2 The working capital statement should be prepared on the group, as enlarged by the acquisition of any assets.

B.27.3 Applicant issuer must comply with the requirements of Schedule […].[[14]](#footnote-14)

 [7.E.7 – 7.E.9]

**Material assets**

B28 Details of material assets acquired by the applicant issuer or any of its subsidiaries during the three years preceding the PLS/circular, including:

 (a) the names of the vendors and beneficial owners (only if known to the issuer and with permission of the party to disclose) [7.H.1];

 (b) the consideration paid (including goodwill) and whether settled in cash or securities [7.H.1];

 (c) details of the following:

 (i) whether any guarantees of book debts or other assets were provided by the vendor [7.H.2];

 (ii) whether warranties typical for sale transactions were provided by the vendor [7.H.2];

 (iii) restraint of trade terms, including any restraint payments and/or any other restrictions [7.H.3];

 (d) details how any accrued taxes prior to the date of acquisition will be settled [7.H.4]; and

 (e) confirmation whether the assets have been transferred to the applicant issue or not [7.H.8].Non-Property Entities

B.28 In relation to non-property entities, valuation report in terms of 13.13 on properties where, on an aggregated basis, they represent 50% or more of the total asset value of the applicant issuer measured against the pro forma statement of financial position, unless 13.12 applies.

Substantial mineral or oil/gas assets

B.28 In relation to applicant issuers with substantial mineral or oil/gas assets disclosure for a PLS and category 1 circular in terms of 12.3.

Responsibility statement

B29.1 A directors’ responsibility statement as follows: [7.B.22]

“The directors, whose names are given in paragraph . . . on page . . . of this document collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the PLS/circular contains all information required by law and the JSE Listings Requirements”.

B29.2 The JSE may require responsibility to be extended to additional persons that have made statements in, or have made contributions to, the PLS and circular, in which case the responsibility statement above must be amended accordingly. [6.4]

B29.3 The PLS and circular must be signed by every director of the applicant (or by his agent or attorney). If responsibility has been extended to other person/s , such person/s must also sign the responsibility statement and disclose which portions they take responsibility for. [6.5/7B.23]

B29.4 If the PLS relates to securities issued in connection with a recommended take-over of an issuer (offeree) and the directors accept responsibility for the information given on the issuer in the PLS, then the directors of the offeror may accept responsibility only for the rest of the information in the PLS (the responsibility statement in B29.1 must be amended accordingly). [6.3]

**Expenses**

B30 Details of expenses in relation to the preparation of the PLS/circular, paid to each party, the amount and services rendered. [7.B.17]

**Sponsors**

B31 Details of any conflicts of interest, along with the procedures to avoid/manage such conflicts.

B32 Disclosure of the number of securities, value and terms of securities held in the applicant issuer.

**Expert’s consents**

B33 Where a PLS/circular includes a report purporting to be made by an expert, a statement that the expert has given and has not withdrawn his written consent to the issue of the PLS/circular. [7.F.10]

**Documents available for inspection**

B34 Documents relating to the applicant and its major subsidiaries, as applicable, must be able to be inspected at its registered office, and in Johannesburg, and/or through a secure electronic manner at the election of the person requesting inspection for a reasonable period of time (being not less than 14 days), including: [7.G.1]

 (a) the MOI;[[15]](#footnote-15)

 (b) any trust deed or agreement affecting the governance of the applicant or the interests of shareholders;

 (c) all material contracts;

 (d) the latest CPR, for a mineral company and/or QRE report for oil/gas companies;

 (e) copies of service agreements with directors, managers or secretary/ies; underwriters, vendors and promoters entered into during the last three years;

 (f) all reports, letters, financial statements, valuations and statements by an expert, referred to in the PLS/circular; and[[16]](#footnote-16)

 (g) the audited annual financial statements since the incorporation of the applicant or for the preceding three years, whichever is the lesser, together with all notes, certificates, or information required by the Act.

1. [↑](#footnote-ref-1)
2. [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)
4. [↑](#footnote-ref-4)
5. [↑](#footnote-ref-5)
6. [↑](#footnote-ref-6)
7. [↑](#footnote-ref-7)
8. [↑](#footnote-ref-8)
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16. [↑](#footnote-ref-16)