

THE ALUMASC GROUP PLC

PROPOSED CANCELLATION OF THE COMPANY'S ORDINARY SHARES FROM THE OFFICIAL LIST, PROPOSED ADMISSION TO TRADING ON AIM AND NOTICE OF GENERAL MEETING

The Alumasc Group plc ("Alumasc", the "Group" or the "Company"), the premium building products, systems and solutions group, today announces that further to the statement in its full year results released on 11 September 2018, the Board is proposing to cancel the listing of the Company's ordinary shares of 12.5p each ("Ordinary Shares") from the premium segment of the Official List of the UK Listing Authority and from trading on the Main Market of London Stock Exchange plc ("LSE") (the "Delisting" or the "Cancellation") and to apply for admission for the Ordinary Shares to trading on AIM (the "Admission"). The Company has 36,133,558 Ordinary Shares in issue as at the date of this announcement. The ISIN is GB0000280353 and the TIDM is ALU.

A circular containing details of the proposed transaction together with a notice convening a General Meeting of shareholders (the "Circular") is expected to be posted to shareholders later today.

The Board considers that the move to AIM is in the best interests of the Company and its Shareholders. The Board has considered the structure of its businesses and operations with a view to identifying the most effective strategy to enable the Group to continue to deliver a quality service to its customers, whilst building a platform for more sustainable growth. This review has included consideration of the most appropriate trading platform for the Ordinary Shares on an ongoing basis. Certain Shareholders may also benefit from particular inheritance tax and stamp duty reserve tax exemptions in respect of their interests in the Company's Ordinary Shares which are not afforded to shares that are admitted to trading on the Official List. Further details of the rationale for the move to AIM are set out in the extracts from the Circular below.

Under the Listing Rules, the Delisting requires the prior approval of a resolution (the "Resolution") by Shareholders in a General Meeting, passed by not less than 75 per cent. of those Shareholders who vote in person or by proxy. If approved by Shareholders, it is anticipated that the effective date of the Admission to AIM will be 25 June 2019, being not less than 20 business days from the passing of the Resolution.

The Circular contains a notice of the General Meeting at which the Resolution will be proposed as a special resolution to approve the

Delisting and Admission. The General Meeting has been convened for 10.00am on 23 May 2019 and will take place at the Company's offices at Station Road, Burton Latimer, Kettering, Northamptonshire, NN15 5JP, United Kingdom.

The Circular will be made available shortly on the Company's website at www.alumasc.co.uk/investors/AIM and will be submitted to the National Storage Mechanism where it will shortly be available to view at www.morningstar.co.uk/uk/nsm.

Unless otherwise stated, capitalised terms in this announcement have the same meaning as in the Circular.

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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Notes to Editors:

Alumasc is a UK-based supplier of premium building products, systems and solutions. Almost 80% of group sales are driven by building regulations and specifications (architects and structural engineers) because of the performance characteristics offered.

The group has three business segments with strong positions and brands in their individual markets: Roofing & Water Management; Architectural Screening, Solar Shading & Balconies; and Housebuilding Products & Ancillaries.

Appendix 1 - Expected timetable of key events

Each of the times and dates in the table below is indicative only and may be subject to change:

Publication and posting of the Circular and the Forms of Proxy	26 April 2019
Latest time and date for receipt of Forms of Proxy, CREST proxy instructions and registration of online votes from Shareholders for the General Meeting	10.00 a.m. on 21 May 2019
Record date for voting at the General Meeting	6.30 p.m. on 21 May 2019

General Meeting	10.00 a.m. on 23 May 2019
Publication of Schedule One announcement	23 May 2019
Last day of dealings in the Company's Ordinary Shares on the Main Market	24 June 2019
Cancellation of listing of the Company's Ordinary Shares on the Official List	8.00 a.m. on 25 June 2019
Admission and commencement of dealings in the Company's Ordinary Shares on AIM	8.00 a.m. on 25 June 2019

Appendix 2 - Extracts from the Chairman's letter in the Circular

REASONS FOR AND POTENTIAL BENEFITS OF THE DELISTING AND ADMISSION

The Company's strategic objectives, as set out in its 2018 Annual Report, are to:

- Grow revenues faster than the UK construction market on average;
- Augment UK revenue growth through the development of selective export markets; and
- Seek to grow profit at a faster rate than revenue by improving operating margins thereby generating superior shareholder returns over the medium to longer term.

The Company's business model to achieve this is to:

- Build specialised positions in growth markets. Each group business has strategic focus on one or more of the following long-term growth drivers:
 - Water Management
 - Energy Management
 - Bespoke architectural solutions
 - Ease of construction
- Manage the following in order to maximise opportunities from our strategic positioning:
 - Employ talented people
 - Leverage our strong brands
 - Drive continuous innovation and development
 - Maximise commercial opportunities, for example, cross-selling systems and solutions across the Group
 - Invest in strategic priorities

In light of these growth objectives, the Board has carefully considered whether the listing of its Ordinary Shares on the premium listing segment of the Official List and the admission to trading of its Ordinary Shares on the Main Market continues to be in the best interests of Shareholders or whether a move from the Main Market to AIM would be advantageous to the Company and its Shareholders. As a result of this consideration and the consultation process undertaken with a number of Shareholders, the Board is now proposing the move to AIM and for the following reasons believes this to be in the best interests of the Company and its Shareholders as whole:

- the Board believes that admission to AIM could make the Company's shares more marketable to certain private investors and institutions, in part due to the tax benefits described below;
- shares traded on AIM can, in some cases, attract beneficial tax treatment and be treated as unlisted for the purposes of

certain areas of UK taxation. Following the Delisting and Admission individuals who hold Ordinary Shares may be eligible for relief from inheritance tax under the business property relief provisions. Given the make-up of the Company's register of members, the Board believe that this potential relief may be attractive for individuals who are Shareholders. Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the inheritance tax benefit referred to above is available to them;

- AIM will offer greater flexibility with regard to corporate transactions and should therefore enable the Company to agree and execute certain transactions more quickly and cost effectively than a company on the Official List;
- AIM, which is operated and regulated by the London Stock Exchange, has an established reputation with investors and analysts and is an internationally recognised market. It was launched in June 1995 as the London Stock Exchange's market specifically designed for smaller companies, with a more flexible regulatory regime. For smaller companies, such as Alumasc, AIM provides a more suitable market and environment that should simplify the ongoing administrative and regulatory requirements of the Company;
- the Company should continue to appeal to specialist institutional investors following the move to AIM (such as certain investors in AIM companies who might qualify for relief from inheritance tax under the business property relief provisions) and, in light of the possible tax benefits mentioned above, the Directors hope that being admitted to AIM will make the Company's shares more attractive to certain retail investors. Since 5 August 2013 shares traded on AIM can be held in ISAs; and
- the UK government's abolition of stamp duty on shares that are traded on AIM and not listed on any other market with effect from 28 April 2014 may help increase liquidity in the trading of the Company's Ordinary Shares.

In summary, if today Alumasc were considering a listing of its shares for the first time, the directors would now be opting for AIM. Consequently, the advantages outlined above make the proposed Delisting and Admission commercially attractive.

DETAILS OF THE DELISTING AND ADMISSION

In order to effect the Delisting and Admission, the Company will require, amongst other things, that the Resolution is passed by Shareholders at the General Meeting. The Resolution will authorise the Board to cancel the listing of the Company's Ordinary Shares on the Official List, remove the Company's Ordinary Shares from trading on the Main Market and to apply for admission of the Company's Ordinary Shares to trading on AIM.

Conditional on the Resolution having been approved by Shareholders at the General Meeting, the Company will apply to cancel the listing of the Company's Ordinary Shares on the Official List and trading on the Main Market and give 20 Business Days' notice to the London Stock Exchange of its intention to seek admission to trading on AIM under AIM's streamlined process for companies that have had their securities traded on an AIM Designated Market (which includes the Official List).

It is anticipated that:

- a) the last day of dealing in the Company's Ordinary Shares on the Main Market will be 24 June 2019;

- b) cancellation of the listing of Company's Ordinary Shares on the Official List will take effect at 8.00 a.m. on 25 June 2019; and
- c) admission will take place, and dealings in the Company's Ordinary Shares will commence on AIM, at 8.00 a.m. on 25 June 2019, being not less than 20 Business Days from the date of the General Meeting.

As the Company's Ordinary Shares have been listed on the premium segment of the Official List for more than 18 months, the AIM Rules do not require an admission document to be published by the Company in connection with the Company's admission to trading on AIM. However, subject to the passing of the Resolution at the General Meeting, the Company will, following the General Meeting, publish an announcement which complies with the requirements of Schedule One to the AIM Rules comprising information required to be disclosed by companies transferring their securities from the Official List, being an AIM Designated Market, to AIM.

Although the Company intends to seek admission of its Ordinary Shares to trading on AIM, there can be no guarantee that the Company will be successful in achieving admission of its Ordinary Shares to trading on AIM.

Shareholders should note that, unless the Resolution is passed by Shareholders at the General Meeting, the Delisting and Admission cannot be implemented. In such circumstances, the Ordinary Shares will not be admitted to AIM and will continue to be admitted to the premium segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange.

CONSEQUENCES OF THE MOVE TO AIM

Following Admission, the Company will be subject to the AIM Rules. Shareholders should note that AIM is self-regulated and that the protections afforded to investors in AIM companies are less rigorous than those afforded to investors in companies listed on the premium segment of the Official List.

Shareholders should further note that the share price of AIM companies can be highly volatile, which may prevent Shareholders from being able to sell their Ordinary Shares at or above the price they paid for them. The market price and the realisable value for the Ordinary Shares could fluctuate significantly for various reasons, many of which are outside the Company's control. Further, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, will be maintained following Admission. In addition, as the Ordinary Shares will no longer be admitted to the Official List, the Ordinary Shares may be more difficult to sell compared with the shares of companies listed on the Official List. Liquidity on AIM is in part provided by market makers, who are member firms of the London Stock Exchange and are obliged to quote a share price for each company for which they make a market between 8.00 a.m. and 4.30 p.m. on Business Days.

Whilst there are some similarities in the obligations of a company whose shares are traded on AIM to those of a company whose shares are listed on the premium segment of the Official List, there are also significant differences, including:

- a) Corporate transactions for companies whose shares are listed on the premium segment of the Official List often require shareholder approval and the engagement of a sponsor to oversee the process and liaise with the UKLA. In particular, on a

proposed acquisition, where the size of the target represents 25 per cent. or more of the listed company on the basis of certain comparative tests (for example, consideration for the acquisition as a percentage of market capitalisation of the listed company), a circular to shareholders approved by the UKLA is required explaining the transaction and seeking the approval of shareholders.

However, under the AIM Rules, prior shareholder approval is required only for transactions with a much larger size threshold, being:

- i. reverse takeovers, being an acquisition or acquisitions in a twelve-month period which would:
 1. exceed 100 per cent. in various comparative tests, such as the ratio of transaction consideration to the market capitalisation of the company; or
 2. result in a fundamental change in the Company's business, board or voting control; and
- ii. disposals which, when aggregated with any other disposals over the previous twelve months, would result in a fundamental change of business (being disposals that exceed 75 per cent. in various comparative tests, such as the ratio of transaction consideration to the market capitalisation of the company).

Under the Listing Rules, companies listed on the premium segment of the Official List also require shareholder approval for a broader range of transactions, including related party transactions.

- b) The regime in relation to dealing in own securities and treasury shares is less onerous under the AIM Rules which contain restrictions on the timing of dealings and notification requirements but not requirements as to price, shareholder approval or tender offers as is the case under Chapter 12 of the Listing Rules for companies with a listing on the premium segment of the Official List.
- c) There are no prescribed contents requirements for shareholder circulars or a requirement for such circulars to be approved by the FCA as is the case under Chapter 13 of the Listing Rules for companies with a listing on the premium segment of the Official List.
- d) There is no requirement under the AIM Rules for a prospectus or an admission document to be published for further issues of securities to institutional investors, except when seeking admission for a new class of securities or as otherwise required by law.
- e) Unlike the Listing Rules, the AIM Rules do not specify any required structures or discount limits in relation to further issues of securities.
- f) Compliance with the UK Corporate Governance Code is not mandatory for companies whose shares are admitted to trading on AIM. If Admission occurs, the Company intends to maintain robust governance standards and will adopt the QCA Corporate Governance Code. It will review its corporate governance procedures from time to time having regard to the size, nature and resources of the Company to ensure such procedures are appropriate.
- g) Institutional investor guidelines (such as those issued by the Investment Association, the Pensions and Lifetime Savings Association and the Pre-Emption Group), which provide guidance

on issues such as executive compensation and share-based remuneration, corporate governance, share capital management and the issue and allotment of shares on a pre-emptive or non-pre-emptive basis, do not directly apply to companies whose shares are admitted to trading on AIM. However, the Company intends to continue adopting good practice in relation to such matters.

- h) Under the Listing Rules, a company listed on the premium segment of the Official List is required to appoint a 'sponsor' for the purposes of certain corporate transactions, such as when undertaking a large transaction or capital raising. The responsibilities of the sponsor include providing assurance to the FCA when required that the responsibilities of the listed company have been met. Under the AIM Rules, a 'nominated adviser' and broker is required to be engaged by the Company at all times. The nominated adviser has ongoing responsibilities to both the Company and the London Stock Exchange. Conditional on Admission, the Company intends to appoint finnCap as the Company's Nominated Adviser. Peel Hunt will continue to act as the Company's broker.
- i) Where the Company has a controlling shareholder (as defined in the Listing Rules), it will no longer be required to enter into a relationship agreement with such controlling shareholder and to comply with the independence provision at all times as is required under the Listing Rules.
- j) Whilst a company's appropriateness for AIM is, in part, dependent on it having free float in order that there is a properly functioning market in the shares, there is no specified requirement for a minimum number of shares in an AIM company to be held in public hands, whereas a company listed on the Official List has to maintain a minimum of 25 per cent. of its issued ordinary share capital in public hands.
- k) Certain securities laws will no longer apply to the Company following Admission; for example, the Disclosure Guidance and Transparency Rules (save that Chapter 5 of the same in respect of significant shareholder notifications and MAR (relating to, inter alia, market abuse and insider dealing) will continue to apply to the Company) and certain of the Prospectus Rules. This is because AIM is not a regulated market for the purposes of the European Union's directives relating to securities.
- l) Companies with a listing on the premium segment of the Official List may only cancel their listing with the approval of 75 per cent. of the voted shares and, if the company has a controlling shareholder, must also secure the approval of a majority of the voting independent shareholders (other than in limited circumstances). Under the AIM Rules, an AIM company requires 75 per cent. shareholder approval in order to cancel admission of its securities to trading on AIM and, in certain limited circumstances, the London Stock Exchange may agree that shareholder consent is not required.
- m) Shares traded on AIM can, in some cases, attract beneficial treatment and be treated as unlisted for the purposes of certain areas of UK taxation. Following the Delisting and Admission, individuals who hold Ordinary Shares may be eligible for relief from inheritance tax under the business property relief provisions. Given the make-up of the Company's register of members, the Board believe that this potential relief may be attractive for

individuals who are Shareholders. Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the inheritance tax relief referred to above may be available to them.

- n) The Delisting may have implications for Shareholders holding shares in a Self-Invested Personal Pension ("SIPP"). For example, shares in unlisted companies may not qualify for certain SIPPs under the terms of that SIPP. Shareholders holding shares in a SIPP should therefore consult with their SIPP provider immediately. Following Admission, the Company will be categorised for these purposes as unlisted.
- o) The requirement under section 439A of the Companies Act 2006 to submit a remuneration policy for a binding vote by shareholders is only applicable to quoted companies listed on the Main Market. A company whose shares are traded on AIM is not subject to the same obligation to submit its remuneration policy to a binding vote of shareholders. However, the Directors do not currently intend to make any changes to the Company's general approach to executive remuneration.

The comments on the tax implications described in the Circular are based on the Directors' current understanding of tax law and practice, are not tailored to any individual circumstances and are primarily directed at individuals who are UK resident and domiciled. Tax rules can change and the precise tax implications for you will depend on your particular circumstances and you should consult your own independent professional adviser.

Following Admission, Ordinary Shares that are held in uncertificated form will continue to be held and settled through CREST. Share certificates representing those Ordinary Shares held in certificated form will continue to be valid and no new certificates will be issued in respect of such Ordinary Shares following a move to AIM. Accordingly, Shareholders should continue to be able to trade Ordinary Shares in the usual manner through their stockbroker or other suitable intermediary.

In addition, the Companies Act, FSMA, certain of the Prospectus Rules, MAR and the City Code on Takeovers and Mergers will continue to apply to the Company following Admission, as the Company is a public limited company incorporated in the UK.

The Board does not envisage that there will be any significant alteration to the standards of reporting and governance which the Company currently maintains and the Company will maintain its Audit, Remuneration and Nomination Committees.

CURRENT FINANCIAL YEAR TRADING AND OUTLOOK

Alumasc has been repositioned to become a dedicated supplier of premium building products to the UK construction industry and to seek opportunities to expand internationally. In the first half of the financial year ending 30 June 2019, management's focus was on accelerating delivery of the strategic objectives set out in our 2018 annual report and taking restorative action in those businesses that did not perform to expectations.

Trading in the first half of Alumasc's financial year reflected a lower than anticipated level of larger project activity, including exports, particularly in our Levelux and Gatic businesses mainly due to project delays. The Group also saw a lower level of commercial new build activity in the UK

construction market than in the first half of the prior year. This market sector represents circa 30 per cent. of Alumasc's business and is Levelux's principal market.

Trading to date in the second half of the financial year to 30 June 2019 has broadly followed the trends of the first half. The management action taken to improve performance outlined in the interim statement, including; profit margin improvement in Gatic; specification cross-selling initiatives across the Group's Roofing, Water Management, Solar Shading, Screening and Balconies businesses; and the £1.0 million overhead cost saving programme, are beginning to bear fruit and are expected to benefit the Group's 2019/20 financial year.

The Group merged its two legacy defined benefit pension schemes, as planned, in March 2019. In April 2019 the Group signed a new committed three year £20 million revolving credit banking facility on similar terms to the Group's previous facility.

For the most part, Alumasc continues to operate in an uncertain UK economic and political environment with the UK construction industry forecast to grow by only single digit percentages in the short term.

Following management actions taken this financial year to better leverage the strong strategic positioning of the Group's businesses and improve profit, the Board remains confident in the future.

RECOMMENDATION

The Board believes the Transaction and the Resolution to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as those Directors who hold Ordinary Shares have irrevocably undertaken to do in respect of their own beneficial holdings amounting, in aggregate, to 5,368,555 Ordinary Shares, representing approximately 14.86 per cent. of the issued capital of the Company as at the Latest Practicable Date.

IMPORTANT INFORMATION

The distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.

This announcement contains (or may contain) certain forward-looking statements with respect to the Company and certain of its goals and expectations relating to its future financial condition and performance which involve a number of risks and uncertainties. No forward-looking statement is a guarantee of future performance and actual results could differ materially from those contained in any forward-looking statements. All statements, other than statements of historical facts, contained in this announcement, including statements regarding the Group's future financial position, business strategy and plans, business model and approach and objectives of management for future operations, are forward-looking statements. Generally, the forward-looking statements in this announcement use words such as "aim", "anticipate", "target", "expect", "estimate", "plan", "goal", "believe", "will", "may", "could", "should", "future", "intend" "opportunity", "potential", "project", "seek" and other words having a similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of changes in interest rates and foreign exchange rates, changes in legislation, changes in customer

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PROPOSED ADMISSION TO TRADING ON AIM

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Company Announcement - General

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