

# INTRODUCTION

These rules govern the admission to listing of securities on the Cayman Islands Stock Exchange (“CSX”), the continuing obligations of issuers, the enforcement of those obligations, and suspension and cancellation of listing of securities on the Cayman Islands Stock Exchange. These rules are collectively known as the CSX listing rules.

The listing rules are divided into three sections. Section I contains the general provisions applicable to all issuers. Section II contains provisions covering specific types of securities: equity securities, secondary listings, specialist debt securities, investment funds, depositary receipts, derivative warrants, corporate and sovereign debt securities, and retail debt securities. The appendices contain forms and a schedule of class tests.

Day to day decisions on listing matters relating to applications for listing, continuing obligations or interpretation of the listing rules are made by the listing department of the CSX.

The CSX welcomes comments and suggestions for improvement to these listing rules from interested parties. Comments should be addressed to the Chief Executive Officer at the address shown below.

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# CHAPTER 1

## DEFINITIONS

1.1 The following terms have the following meaning when used in these listing rules unless the context otherwise requires:

<u>Term</u>	<u>Meaning</u>
acceptable electronic clearing and settlement system	a computer-based system, and procedures, acceptable to the Exchange (which will include Clearstream, Euroclear and The Depository Trust Company) which enable title to units of a security to be evidenced and transferred without a written instrument, and which facilitate supplementary and incidental matters
accountant	a person who is a current member in good standing of the Institute of Chartered Accountants or Certified Accountants in England and Wales, Ireland or Scotland or the Canadian Institute of Chartered Accountants or the American Institute of Certified Public Accountants and “reporting accountant” shall mean a firm employing such suitably qualified accountants
administrator	in relation to asset-backed securities, the agent appointed to service the assets
applicant	an issuer that is proposing to apply, or is applying, for listing of any of its securities on the Exchange
asset-backed securities	specialist debt securities secured on, backed by or with limited recourse to assets which, at the time of the relevant issue, are evidenced by agreements and intended to produce funds to be applied towards interest payments due on the securities and repayment of principal on maturity except those debt securities which are directly secured, in whole or in part, on real property or other physical assets
associate	<p>(a) in relation to an individual:</p> <ul style="list-style-type: none"> <li>(i) that individual’s spouse and children under eighteen;</li> <li>(ii) the trustees of any trust, acting in their capacity as such trustees, of which any such persons are beneficiaries or discretionary objects (or who would be rendered such consequent upon the exercise of any power); and</li> <li>(iii) any company of which the persons described in parts (i) and (ii) above and the individual himself, whether alone or together, are the controller or a substantial shareholder and any of its</li> </ul>

	subsidiaries, its holding company, or any subsidiaries of that holding company
	(b) in relation to a company:
	(i) that company's holding company, its subsidiary companies and any subsidiaries of its holding company; and
	(ii) any other company which controls it, is controlled by it, or is under common control with it; and
	(c) in relation to a partnership, trust or other entity, any entities related to each other in a manner comparable to the relationships set forth in part (b) above
attorney	a person who has been admitted to practise law in the Cayman Islands or in a jurisdiction defined in chapter 1 as being a low risk jurisdiction
auditor	an accountant or other person with accounting qualifications acceptable to the Exchange or a firm employing such professionally qualified persons
Authority	the Stock Exchange Authority, established under section 3 of the Stock Exchange Company Act (2014 Revision)
broker	a person which deals in, buys or sells or contracts to buy or sell securities, whether as a broker for the account of others or as a dealer for its own account
broker member	a person who has been admitted to membership in the Exchange pursuant to the applicable rules and whose membership has not been suspended or terminated
class tests	the class tests applicable to transactions undertaken by issuers of equity securities as set out in Appendix 6 to these rules
closed-ended fund	an investment fund the security interests of which may not be redeemed or repurchased at the option of the holder
Companies Law	the Companies Act 2022 (Revision) of the Cayman Islands
company	a body corporate constituted under the laws of the Cayman Islands or any other jurisdiction
constitution	all documents which individually or collectively govern and regulate the objects and internal conduct of an entity and the rights, powers, privileges and responsibilities of the shareholders, partners, beneficiaries, directors, officers, partners, trustees, managers or other persons associated with the entity or holding a financial interest in it. In the case of a company the constitution includes its memorandum of association, bye-laws and articles of association or comparable documents; in the case of a partnership the constitution includes its partnership agreement and any

	other document constituting the partnership certificate; and in the case of a unit trust its constitution includes its trust agreement or deed
control	(a) ownership, either direct or indirect, of more than one half of the voting power of an entity; or  (b) the right to control, either directly or indirectly, the financial and operating policies of the entity
convertible securities	securities which are convertible into or exchangeable for other securities or ownership interests, and “convertible” shall be construed accordingly
corporate adviser	a firm or company which specialises in corporate finance and is based in a low risk jurisdiction
corporate debt securities	debt securities which are by their nature usually bought and traded by a limited number of investors who are particularly knowledgeable in investment matters
Council	the Council of the Exchange as established under section 9 of the Stock Exchange Company Act (2014 Revision)
credit-linked securities	specialist debt securities, excluding equity securities, linked to other assets for principal and / or interest payments
custodial assets	assets invested in by a investment fund of a type that are normally held in custody including but not limited to transferable securities, money market instruments or units in collective investment undertakings
debt securities	securities the rights of repayment of which in the event of liquidation of the issuer are in priority to all equity securities of the issuer, including debentures, bonds, notes and other securities or instruments acknowledging, evidencing or creating indebtedness, whether secured or unsecured, and options, warrants or similar rights to subscribe or purchase any of the foregoing
depository receipts	instruments which confer a contractual right (other than an option) to acquire shares otherwise than by subscription and which, because of their nature, are normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters
derivative warrants	specialist securities which give the holder the right (but not the obligation) either to purchase from or sell to the issuer at a predetermined price a specified number of securities issued by an entity other than the issuer or any of its subsidiaries, or any other assets, indices or other specified variables or to receive a cash payment calculated by reference to the value of the securities, assets, indices or other specified variables

director	<p>in respect of an issuer:</p> <ul style="list-style-type: none"><li>(a) where the issuer is a unit trust, a trustee of that trust and, where appropriate in the discretion of the Exchange, a director of the investment manager or other appropriate company approved by the Exchange;</li><li>(b) where the issuer is a limited partnership, the general partner of that partnership;</li><li>(c) where the issuer is a company, a director of that company;</li><li>(d) where there is more than one director, each of them; and</li><li>(e) persons in accordance with whose directions or instructions the directors are accustomed to act (though a body corporate is not to be treated as a director of any of its subsidiary companies by reason only that the directors of the subsidiary are accustomed to act in accordance with its directions or instructions)</li></ul>
dissemination by the Exchange	the dissemination to the public of information given to the Exchange, by way of the Exchange's electronic information systems, newspapers, television, radio, facsimile, electronic broadcast or by such other mechanisms as the Exchange may select from time to time
distributed to the public	<p>made available free of charge for a period of not less than fourteen days to the public, in sufficient numbers to satisfy public demand, at:</p> <ul style="list-style-type: none"><li>(a) the issuer's registered office; and</li><li>(b) a specified location acceptable to the Exchange</li></ul>
entity	a company, partnership, unit trust or association or body of persons, whether corporate or unincorporated, or any other form of entity whether regarded as a separate entity for tax purposes in any jurisdiction or not
equity securities	shares, including preference or preferred shares, units or partnership interests of an issuer, including convertible equity securities and options, warrants or rights to subscribe or purchase the same, by whatever name called, but excluding debt securities
ETF or exchange traded fund	an investment fund at least one unit or share class of which is traded throughout the day on the Exchange with at least one market maker which takes action to ensure that the traded price of its units or shares does not significantly vary from its net asset value
Exchange	the Cayman Islands Stock Exchange and the securities market(s) operated by the Cayman Islands Stock Exchange

feeder fund	an investment fund that conducts more than 51% of its investing through another investment fund
fund of funds	an investment fund that conducts its investing through two or more investment funds
group	the issuer and its subsidiaries, if any
holding company	a company which has one or more subsidiaries
independent	free of any conflict between that party's duties to the holders of listed securities and its own interests or (if appropriate) the interests of any service providers and able to act independently of management and free from any business or other relationship that could materially interfere with the exercise of independent judgement
insider	(a) the directors and senior management of an issuer; (b) any substantial shareholder; (c) the staff of any broker member of the Exchange who, due to his position, is in possession of or has access to confidential information; and (d) any other individuals whose relationship with the issuer means that he is in possession of or has access to unpublished price sensitive information on the issuer
insider dealing	dealing in securities by an insider while in possession of unpublished price sensitive information with the intention of making a profit or avoiding a loss, and includes providing such information to another person for profit making or loss avoidance purposes and dealings in such securities by such other person if that other person obtained the price sensitive information knowing it to be unpublished
International Accounting Standards	the International Accounting Standards formulated by the International Accounting Standards Committee
International Standards on Auditing	the International Standards on Auditing formulated by the International Auditing Practices Committee of the International Federation of Accountants
investment adviser	any person responsible for advising in relation to the investment of the assets of an investment fund, whether appointed by the investment fund or the investment manager
investment fund	any company, unit trust, partnership or other entity which engages in the collective or other investment of its capital for the benefit of its investors

investment fund administrator	a person authorised and regulated by a regulatory authority from a low risk jurisdiction for investment fund incorporation and establishment which processes the subscription and redemption requests on behalf of the investment fund, or is responsible for the calculation of the net asset value of the investment fund
investment fund family	the investment fund, its directors and service providers and all associates of such persons
investment manager	any person with the authority to make discretionary investment decisions in relation to the assets of an issuer or an investment fund, as the case may be
ISIN	International Securities Identification Number
issuer	an entity, such as a company, limited partnership or unit trust, the securities of which are the subject of an application for listing, or any of the securities of which are already listed on the Exchange
issuer's declaration and undertaking	the undertaking in the form set out in the appendices to these listing rules given by an issuer to the Exchange specifying the continuing obligations with which the issuer undertakes to comply as a condition of being granted a listing
listing	the granting of a listing of, and permission to deal and trade in, securities on the Exchange and "listed" shall be construed accordingly
listing agent	the person appointed by the issuer in connection with the listing of securities on the Exchange who meets the qualifying criteria set out in these rules and who has been approved and registered by the Exchange to fulfil that function
listing committee	the listing committee of the Exchange as appointed by the Council
listing document	the document to be submitted to the Exchange in connection with an application for listing which complies with the applicable listing rules
listing rules	these rules govern the listing of securities on the Exchange
low risk jurisdiction	any jurisdiction assessed by the person carrying out relevant financial business as having a low degree of risk of money laundering and terrorist financing pursuant to the Anti-Money Laundering Regulations (2020 Revision) of the Cayman Islands
major subsidiary	a subsidiary which accounted for fifteen per cent. or more of the consolidated net tangible assets or pre-tax income of a group in the last financial year
master fund	an investment fund into which a feeder fund invests
members	in relation to an issuer, its shareholders, partners or unit holders

mineral asset	mineral reserves, resources and any plant and equipment of material value to the issuer's operations
mineral company	a company of which the principal objective is the commercial extraction of mineral resources (such company may also be engaged in the exploration for mineral resources)
mineral exploration company	a company of which the principal objective is the exploration for mineral resources (such company may also be engaged in the commercial extraction of mineral resources)
mineral reserve	a part of a mineral resource that is economically extractable
mineral resource	a concentration or occurrence with reasonable prospects of economic extraction of minerals including metallic ores, non-metallic industrial minerals, gemstones and hydrocarbons
Model Code	the Model Code of Conduct for Directors, Senior Managers and Employee Insiders, as published on the Exchange's website and updated from time to time
new applicant	in the case of equity securities, an applicant for listing, none of whose equity securities is already listed on the Exchange, and in the case of debt securities, means an applicant for listing, none of whose equity or debt securities are already listed on the Exchange
notification	in the context of notifying information to the Exchange, the delivery of an announcement in writing to the Exchange, and "notify" shall be construed accordingly
open-ended fund	an investment fund whose security interests may be redeemed or repurchased out of the assets of the investment fund at the option of the holder
particularly knowledgeable in investment matters	shall refer to investors who <ol style="list-style-type: none"><li>have the knowledge and experience in financial and business matters to enable them to evaluate the merits of a proposed transaction and investing in the issuer;</li><li>are aware of the risks inherent in investing in the securities; and</li><li>can afford the loss of their entire investment</li></ol>
partnership	a limited partnership registered under the Partnership Law (as revised), an exempted limited partnership registered under the Exempted Limited Partnership Law, (as revised), or a limited partnership constituted under the laws of any jurisdiction other than the Cayman Islands
person	a company or an individual or other legal entity

primary regulatory exchange	a stock exchange other than the Cayman Islands Stock Exchange and any statutory securities regulatory body in the same jurisdiction as that other stock exchange which the issuer and the Cayman Islands Stock Exchange have agreed shall have the primary responsibility for regulating the listing, trading and dealing in the issuer's securities and ensuring the observation by the issuer of its continuing obligations as an issuer of publicly traded securities
property fund	an investment fund the performance of which is primarily related to the value of real estate property
published in the newspapers	published in any newspaper published five days per week or more frequently which circulates generally in the Cayman Islands
qualified investor	an investor who is a qualified purchaser and represents in writing to the issuer that they are particularly knowledgeable in investment matters or is a director or manager of the issuer and is particularly knowledgeable in investment matters
qualified purchaser	any individual who owns not less than US\$1,000,000 in investments or any entity which in the aggregate owns not less than US\$5,000,000 in investments
low risk jurisdictions for investment fund incorporation or establishment	Bermuda, British Virgin Islands, Canada, European Union member states (all), Guernsey, Hong Kong, Isle of Man, Japan, Jersey, Malaysia, Singapore, Switzerland, the United States of America and other such jurisdictions as the Exchange may from time to time accept as low risk jurisdictions for investment fund incorporation or establishment or such jurisdictions as the Exchange may from time to time exclude
recognised mineral reporting standard	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC"); the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("SAMREC"); standards and guidelines published by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM Guidelines"); a Guide for Reporting Mineral Exploration Information, Mineral Resources and Mineral Reserves prepared by the US Society for Mining, Metallurgy and Exploration ("SME"); the Pan European Resources Code ("PERC"); the Certification Code for Exploration Prospects, Mineral Resources and Ore Reserves published by the Instituto de Ingenieros de Minas de Chile; the Petroleum Resources Management System ("PRMS"), issued by the Society of Petroleum Engineers, World Petroleum Council, American Association of Petroleum Geologists, and Society of Petroleum Evaluation Engineers; the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"), prepared by the Canadian Institute of Mining, Metallurgy and Petroleum and applied in Canadian National Instrument NI 51-101 or any other internationally accepted standard agreed in advance with the Exchange.
recognised stock exchanges	such bodies from a low risk jurisdiction as the Exchange may from time to time accept as a recognised stock exchange
registrar and transfer agent	the person responsible for maintaining the register of holders of the securities of a listed issuer

related party	(a) the directors of an issuer; (b) any substantial shareholder of an issuer; (c) any associates of (a) or (b); or (d) any other party which for any other reason is able to exert control or significant influence over the issuer or its directors
retail debt securities	debt securities which are, as determined from time to time by the Exchange, by their nature usually purchased and traded by investors without any restrictions as to their knowledge in investment matters
retail fund	an investment fund (other than an ETF) which is not restricted to qualified investors
securities	shall have the same meaning as in section 2 of the Stock Exchange Company Act (2014 Revision), and includes both debt and equity securities
segregated portfolio company	a company which under the laws of its country of incorporation is permitted to create one or more portfolios or cells in order to segregate the assets and liabilities of the company held within or on behalf of a portfolio or cell from the assets and liabilities of the company held within or on behalf of any other portfolio or cell of the company, or the general assets and liabilities of the company
series	a sub-set of a class of securities issued to one or more investors on a particular date
service provider	any investment manager, investment adviser, custodian, sub-custodian, broker, administrator or registrar and transfer agent of the investment fund
shipping company	a company of which the principal activities are managing, owning or leasing vessels operating on oceans, rivers, and other navigable waterways either directly or indirectly
sovereign debt securities	debt securities which are guaranteed or issued by a supranational body or which benefit from the guarantee of a government, which are by their nature usually bought and traded by a limited number of investors who are particularly knowledgeable in investment matters
special purpose vehicle or SPV	a company, unit trust or partnership formed for the specific purpose of issuing one or more classes or series of specialist debt securities
specialist company	a company of which the ownership and transfer of securities are restricted to qualified investors
specialist debt securities	debt securities which are, as determined from time to time by the Exchange, by their nature usually purchased and traded by a limited number of investors who are particularly knowledgeable in investment matters and which are credit-linked securities or are asset-backed securities

specialist securities	securities which, because of their nature, are normally purchased and traded by a limited number of investors who are particularly knowledgeable in investment matters
start-up	a company with a limited trading and financial record but with high growth potential, which may be involved in the development of innovative technology or products or the exploration for mineral resources
sub-fund	a separate class of shares or designation of units or limited partnership interests in an investment fund which invests in a separate pool or portfolio of investments
subsidiary	<p>a company is a subsidiary of a holding company only if:</p> <ul style="list-style-type: none"><li>(a) it is controlled by:<ul style="list-style-type: none"><li>(i) that holding company;</li><li>(ii) that holding company and one or more companies each of which is controlled by that holding company;</li><li>(iii) two or more companies each of which is controlled by that holding company; or</li></ul></li><li>(b) it is a subsidiary of a subsidiary of that holding company</li></ul>
substantial shareholder	a person who is entitled to exercise, or control the exercise of, ten per cent. or more of the voting power of an entity at any general meeting of the entity
supervision of financial services	shall include the supervision, regulation and enforcement in general by exchanges or any other markets that are listing or making markets in securities, commodities (including foreign exchange), futures, debt securities, derivatives and similar securities.
supranational body	African Development Bank, Asian Development Bank, Caribbean Development Bank, Council of Europe Development Bank, European Atomic Energy Community, European Bank for Reconstruction and Development, European Coal and Steel Community, European Company for the Financing of Railroad Rolling Stock, European Union, Inter-American Development Bank, International Finance Corporation, International Monetary Fund, Nordic Investment Bank, World Bank and such other bodies as the Exchange may from time to time accept as a supranational body
tracking error	the volatility of the difference between an index-tracking ETF and the return of the index or indices tracked
trust deed	an indenture or other document constituting the securities

umbrella fund	an investment fund (excluding segregated portfolio companies incorporated in a low risk jurisdiction for investment fund incorporation or establishment) with one or more sub-funds
unit trust	a trust which for valuable consideration issues units which evidence an undivided beneficial interest in the property held on trust
unpublished price sensitive information	any information in relation to securities which is not generally known to persons who are accustomed or would be likely to trade or deal in those securities, and which, if known, would be likely to have a material effect on the price or other trading aspects of the securities
unsponsored issue	an issue of depositary receipts which is undertaken without the specific agreement or support of the issuer of the underlying shares represented by the depositary receipts

Unless otherwise expressly indicated, terms defined in the Stock Exchange Company Act (2014 Revision) and the Companies Law have the same meaning when used in these listing rules.

- 1.1 In these listing rules, references to a document being certified means being certified to be a true copy or extract therefrom, as the case may be, by a director, the company secretary or other authorised officer of the issuer or by the issuer's auditors or legal advisers.
- 1.2 Words importing only the singular include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.
- 1.3 References to writing shall include typewriting, printing, photocopying and other modes of representing or reproducing words in a legible and non-transitory form, whether electronic or otherwise, and electronic mail received by the Exchange's electronic mail systems.
- 1.4 The headings are for convenience and ease of reference only and shall not affect the interpretation of these listing rules.
- 1.5 These listing rules shall be interpreted, administered and enforced by the Exchange. Any decision of the Exchange regarding the interpretation, administration or enforcement of these listing rules shall be final, conclusive and binding. The Exchange may issue policy notes or notes of interpretation, from time to time, to assist issuers or their advisers in interpreting and complying with these rules. The Exchange reserves the right to amend or add to these listing rules, from time to time, subject to the prior approval of the Authority.
- 1.6 References to statutes include references to such statutes as they may be amended or re-enacted from time to time.

# CHAPTER 2

## GENERAL LISTING REQUIREMENTS AND PROCEDURES

### Contents

The main headings of this chapter are:

- 2.1 introduction
- 2.7 general principles
- 2.8 appointment of a listing agent
- 2.10 listing documents
- 2.16 non-publication of certain information
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- 2.37 admission to listing
- 2.38 continuing obligations

### Introduction

- 2.1 These listing rules have been made by the Exchange pursuant to the authority vested in it under section 11 of the Stock Exchange Company Act (2014 Revision).
- 2.2 The principal function of the Exchange is to provide a fair, orderly and efficient market for the trading of securities issued by all types of issuers. In furtherance of these goals, these listing rules prescribe the requirements for obtaining and maintaining a place on the Exchange's official list of securities eligible for trading on the Exchange. These include the following:
  - (a) requirements which have to be met before securities may be granted a listing on the Exchange (such as the minimum requirements for listing, application procedures and fees payable, the contents of listing documents and the role of the listing agent);

- (b) the continuing obligations with which an issuer must comply once a listing has been granted; and
  - (c) the powers of the Exchange with respect to the suspension or cancellation of a listing and other disciplinary matters.
- 2.3 It is emphasised that the listing rules are not exhaustive. The Exchange may, where necessary, impose additional requirements or make listing subject to special conditions whenever that is considered appropriate. Issuers must satisfy any additional requirements and supply any further documents and information that the Exchange may require in any particular case. Conversely the Exchange may modify the application of the listing rules (either unconditionally or subject to conditions) in such cases and circumstances as it considers appropriate.
- 2.4 These listing rules may be amended or added to by the Exchange from time to time, subject to the prior approval of the Authority.
- 2.5 All issuers and their businesses must, in the opinion of the Exchange, be suitable for listing. Suitability for listing depends on many factors. Applicants for listing must appreciate that compliance with these listing rules may not of itself ensure an applicant's suitability for listing. The Exchange, the listing committee and the Council, as appropriate, retain absolute discretion to accept or reject applications and in reaching their decisions will pay particular regard to the general principles outlined below.
- 2.6 Compliance with these listing rules and other relevant conditions does not in and of itself ensure that any application for listing will be granted. Where there is any doubt as to the eligibility of a proposed application for listing prospective issuers and their listing agents are therefore encouraged to contact the Exchange staff to seek informal and confidential guidance at the earliest possible time. Requests for guidance should normally be made in writing, addressing each of the conditions for listing in the relevant chapter of Section II of these rules and providing relevant background information. Guidance provided will be non-binding on the Exchange and subject to successful completion of an application for listing in accordance with these rules. The Exchange reserves the right to charge an administrative fee in accordance with the schedule of fees published on its website for providing such guidance.

### **General principles**

- 2.7 These listing rules reflect currently accepted international standards and seek to achieve a sound balance between providing appropriate issuers with access to the capital market at the earliest possible opportunity, while providing investors with certain safeguards and with sufficient and timely information to enable them to make informed decisions as to the value and merits of listed securities. In particular, these listing rules are intended to ensure that investors have and can maintain confidence in the market and that:
  - (a) issuers and their businesses are suitable for listing;

- (b) the issue and marketing of securities is conducted in a fair, open and orderly manner and that potential investors are given sufficient information to enable them to make a properly informed assessment of the issuer, and of the securities for which listing is sought;
- (c) after listing, investors and the public are kept fully informed by the issuers of any new developments which are not of public knowledge and in particular that immediate disclosure is made to the Exchange of any information which might reasonably be expected to have a material effect on market activity in, and the prices of, the issuers' listed securities;
- (d) all holders of listed securities of the same class are treated fairly and equally; and
- (e) the directors of an issuer act in the interests of its shareholders as a whole, particularly where the public represents only a minority of the shareholders.

### **Appointment of a listing agent**

- 2.8 Except in the case of specialist debt securities, depositary receipts, derivative warrants, corporate and sovereign debt securities and debt securities of specialist companies listed under chapters 8, 10, 11, 12 and 14 respectively and in the case of securities which are the subject of a secondary listing under chapter 7, all issuers must appoint a listing agent registered on the approved list of listing agents maintained by the Exchange in connection with their application for listing. Issuers of equity securities under chapter 6 which are not specialist companies must have and maintain a listing agent on an ongoing basis unless otherwise agreed by the Exchange. A listing agent must also be appointed to liaise with the Exchange whenever an issuer is required under chapter 6 to submit a shareholder circular for approval by the Exchange. The Exchange retains the discretion to require the appointment of an adviser acceptable to the Exchange, and/or listing agent for applications for listing of specialist debt securities, depositary receipts, derivative warrants, corporate and sovereign debt securities and debt securities of specialist companies under chapters 8, 10, 11, 12 and 14 respectively. Any listing agent appointed must ensure that the issuer receives sound, fair and impartial guidance and advice as to the application of these listing rules and that all necessary documents supporting an application for listing are filed with the Exchange. Listing agents are responsible for communicating with the Exchange during the application process.
- 2.9 Following the granting of listing, every issuer must appoint either a listing agent or authorised representatives to act at all times as the issuer's principal channel of communication with the Exchange for all purposes and notify the Exchange of such appointment. If the issuer chooses to appoint authorised representatives, there must be at least two, being either the directors of the issuer (which for these purposes may include the company secretary), or a person acceptable to the Exchange.

**Listing documents**

- 2.10 Issuers seeking a listing for their securities on the Exchange must prepare a listing document or one or more such documents and or pricing supplements, which contains the information required by this chapter and the applicable chapter of section II of the listing rules.
- 2.11 In addition to the detailed requirements set out in the applicable chapter of section II, the listing document must, as an overriding principle, contain all information which, according to the particular nature of the issuer and the securities for which listing is sought, is necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the issuer and of its profits and losses and of the obligations of and rights, powers and privileges of such securities.
- 2.12 The listing document must not contain information which, in the opinion of the Exchange, is of a misleading nature. Any promotional statements in the listing document must be factually supportable.
- 2.13 The listing document must be submitted to the Exchange in draft in reasonable time for the Exchange to review it and for amendments to be made to it prior to the proposed publication date.
- 2.14 Where any document is annexed to the listing document, a statement must be included that such annex forms part of the listing document.
- 2.15 Information in the listing document and any document used by the issuer for the purposes of promoting the sale of the securities for which listing is sought must be consistent.

**Non-publication of certain information**

- 2.16 The Exchange may allow the non-publication of certain information, which would otherwise have been required to be published in accordance with the requirements set out in the applicable chapter of section II, provided the Exchange receives satisfactory written confirmation that its publication would be contrary to public interest or unduly detrimental to the issuer and the non-publication of such information would not be likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the assessment of the securities in question.

## **Financial information**

- 2.17 Any pro forma financial information included in a listing document must be derived from the latest available audited information and any adjustments must be clearly shown and explained. The pro forma information, must clearly state the following:
- (a) the purpose for which it has been prepared;
  - (b) the fact that it has been prepared for illustrative purposes only;
  - (c) the fact that because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the company's actual financial position or results.
- 2.18 Where historical performance data appears in a listing document, the source of such information and the basis of any calculations must be disclosed.
- 2.19 All unaudited financial information and hypothetical projections must be clearly marked as such.

## **Incorporation by reference**

- 2.20 Information may be incorporated in a listing document by reference to listing documents that have been previously approved by or financial statements filed with the Exchange, or in the case of a secondary listing under Chapter 7 with the issuer's primary exchange. The Exchange may allow incorporation by reference of documents which have been filed with another recognised stock exchange or statutory securities regulatory body otherwise acceptable to the Exchange.
- 2.21 A listing document must specify where investors can view any information incorporated by reference.
- 2.22 A copy of any information to be incorporated by reference must be submitted to the Exchange in reasonable time for the Exchange to review it prior to the proposed publication date of the listing document.

## **Documents approved by other exchanges**

- 2.23 Where a listing document has previously been approved by a recognised stock exchange or statutory securities regulatory body otherwise acceptable to the Exchange it may be used in connection with the issuer's application to list securities on the Exchange.

## English language

- 2.24 The listing document, documents for inspection and every other document submitted to the Exchange in support of an application for listing must be in the English language or accompanied by an English translation certified as being accurate by a party acceptable to the Exchange.

## Application for listing

- 2.25 The listing document must be formally approved by the Exchange before publication. Such approval will only be given if the Exchange considers that the information in the listing document is complete. The following documents must be submitted to the Exchange in either hardcopy or electronic format, together with the initial listing fee and, where applicable, the annual fee in respect of the first year, which is calculated in accordance with the schedule of fees published on the Exchange's website, before formal approval is given:
- (a) an application for admission to listing, in the form set out in the appendices to these listing rules;
  - (b) copy of the listing document in final form;
  - (c) a declaration by the issuer or, in the case of unsponsored depositary receipts to be listed under chapter 10, a declaration by the applicant, in the form set out in the appendices to these listing rules;
  - (d) except in the case of specialist debt securities to be listed under chapter 8, unsponsored depositary receipts to be listed under chapter 10, derivative warrants to be listed under chapter 11, corporate and sovereign debt securities to be listed under chapter 12, debt securities of specialist companies to be listed under chapter 14 and securities which are the subject of a secondary listing under Chapter 7, a declaration for each director and proposed director of the issuer, or in the case of an issuer which is a unit trust each trustee or proposed trustee, unless such a declaration has previously been filed with the Exchange in the form set out in the appendices to these listing rules;
  - (e) in the case of unsponsored depositary receipts to be listed under chapter 10, a depositary's undertaking, in the form set out in the appendices to these listing rules;
  - (f) where a listing agent has been appointed, a declaration by the listing agent, in the form set out in the appendices to these listing rules;
  - (g) a letter from the issuer or duly authorised representative confirming which of the listing requirements, if any, do not apply;
  - (h) a letter from the issuer or duly authorised representative requesting, where relevant, non-publication of certain information, giving reasons for such request;

- (i) where applicable, a shareholders' statement in the form set out in the appendices to these listing rules;
- (j) in the case of securities which are the subject of a secondary listing under Chapter 7, the most recent prospectus or comparable listing document filed with the issuer's primary regulatory exchange and the issuer's most recent audited annual financial statements and any subsequent interim financial statements; and
- (k) such other documents as may be required by the Exchange.

### **Supporting documents**

2.26 The Exchange may, at any time before or after the admission to listing, require the issuer to produce to the Exchange a copy of any of the following where applicable:

- (a) a copy of the issuer's constitutional documents and all amendments to date;
- (b) the audited annual financial statements of the issuer and of any guarantor for each of the periods which form part of the issuer's or guarantor's financial record contained in the listing document;
- (c) any interim financial statements made up since the date to which the last audited annual financial statements were made up and prior to admission;
- (d) in the case of specialist debt securities, a copy of the executed trust deed of the issuer, paying agency agreement, swap agreement, derivatives contract, repurchase agreement, security lending agreement, guarantee, surety, financial policy or any other material contracts pertaining to the issue;
- (e) in the case of depositary receipts, a copy of the executed deposit agreement and paying agency agreement (if any) and any other material contracts pertaining to the issue;
- (f) in the case of derivative warrants, a copy of the executed warrant agreement, warrant instrument, guarantee and any other material contracts pertaining to the issue;
- (g) in the case of corporate and sovereign debt securities and debt securities of specialist companies, a copy of the executed trust deed of the issuer, paying agency agreement, guarantee and any other material contracts pertaining to the issue;
- (h) a copy of any reports, letters, valuations, statements by experts, contracts or other documents referred to in the listing document;
- (i) a copy of any temporary and definitive document of title; and

- (j) a copy of any resolutions, authorisations or approvals by virtue of which the securities were created and/or issued and/or redeemed or cancelled.

The issuer must retain copies of such documents for a period of seven years so that it can comply with any request from the Exchange.

### **Further issues**

2.27 A listing document is not required in the case of an application by a listed issuer for a further issue of securities where:

- (a) the securities are of the same class as a class of securities already listed on the Exchange and the nominal value of securities to be issued does not exceed twenty per cent. of the nominal value of the securities of that class which are already listed;
- (b) the securities are allotted by way of a capitalisation or bonus issue to existing holders in proportion to their existing holdings out of the issuer's reserves or profits without payment of any kind to the issuer by the existing holders;
- (c) the securities result from the exercise of options, warrants or similar rights to subscribe or purchase securities which are already listed on the Exchange; or
- (d) the securities are of the same class as a class of securities already listed on the Exchange and the nominal value of securities to be issued does not exceed the maximum nominal amount of securities that may be in issue and listed at any one time previously approved by the Exchange.

In such cases, payment of the initial listing fee, which is calculated in accordance with the schedule of fees published on the Exchange's website, and application for admission to listing must be made to the Exchange at least forty-eight hours prior to the issue of such securities.

For issues of securities in excess of the threshold referred to in rule 2.27(a) or of the notified maximum referred to in rule 2.27(d) the initial application and publication procedures as set out in these rules must be followed.

## Supplementary listing document

- 2.28 A supplementary listing document must be prepared for approval by the Exchange if, during the relevant period, the issuer becomes aware that:
- (a) there has been a significant change in any matter contained in the listing document;  
or
  - (b) a significant new matter has arisen, the inclusion of information in respect of which would have been required to be mentioned in the listing document had it arisen at the time of its preparation.

The relevant period begins when the listing document is approved by the Exchange and ends with the closure of the offer of securities to which the listing document relates or where relevant when trading of the securities begins, whichever is later.

- 2.29 The supplementary listing document must be in the English language or accompanied by an English translation certified as being accurate by a party acceptable to the Exchange and must be submitted to the Exchange in draft in reasonable time for the Exchange to review it and for amendments to be made to it prior to the proposed publication date.
- 2.30 Where a supplementary listing document is submitted to the Exchange for approval the documents referred to in rule 2.25 need only be submitted insofar as there has been any material change to the documents submitted with the application for approval of the initial listing document.

## Publication and circulation of listing documents

- 2.31 A listing document and any supplementary listing document must not be published until it has been formally approved by the Exchange.
- 2.32 A listing document and any supplementary listing document must be published by the issuer by:
- (a) making it available to the public for inspection at:
    - (i) the Exchange for a period of time being not more than 14 days from the date of admission to listing; and
    - (ii) the issuer's registered office or such other place (including the issuer's website) acceptable to the Exchange for a reasonable period of time (being not less than fourteen days commencing on the date of the formal approval by the Exchange of the listing document or supplementary listing document); and
  - (b) circulating it to existing holders of listed securities.

- 2.33 Where a listing document is prepared by a listed issuer in respect of a further issue of shares and existing holders are being offered an opportunity to subscribe for or acquire the securities concerned, the listing document must be circulated to the holders of the securities of the relevant class. Where a supplementary listing document is published, it must also be circulated to such holders.
- 2.34 If the method of listing involves a public distribution or offering of securities then the issuer must ensure that a notice stating where members of the public may obtain a copy of the listing document free of charge is published in the newspapers at the start of the distribution or offering process.

### **Publication and circulation of financial statements**

- 2.35 Annual financial statements and any interim financial statements must be published by the issuer by:
- (a) making them available to the public for inspection at:
    - (i) the Exchange's website in respect of equity issuers; and
    - (ii) the issuer's registered office or such other place (including the issuer's website) acceptable to the Exchange for a period of at least one year; and
  - (b) circulating them to existing holders of the listed securities.

### **Publication, circulation and availability for inspection by electronic means**

- 2.36 Any requirement in these rules for issuers to publish, circulate, make available for inspection or otherwise distribute documents or information may be satisfied by the use of electronic means satisfactory to the Exchange provided that hardcopies are made available to existing holders of the listed securities free of charge upon request.

### **Admission to listing**

- 2.37 Where the application for listing is for securities of a class which has not previously been listed on the Exchange the securities will not be admitted to listing unless and until the issue of such securities has commenced.

### **Continuing obligations**

- 2.38 An issuer seeking a listing for its securities on the Exchange or, in the case of a listing of unsponsored depositary receipts under chapter 10, the depositary, is required to enter into an undertaking with the Exchange to comply with the continuing obligations of the Exchange as set out in the relevant chapters of these listing rules and (other than for open-ended investment funds and issuers of specialist securities) in the Code on Takeovers and Mergers, and Rules Governing Substantial Acquisitions of Shares. The form of undertaking required is set out in the appendices to these listing rules.

- 2.39 Generally and apart from compliance with the specific requirements of these listing rules, the issuer must keep the Exchange, the members of the issuer and other holders of its listed securities informed as soon as reasonably practicable, by way of public announcements or circulars, of any information relating to the group that:
- (a) is necessary to enable them and the public to appraise the financial position of the group;
  - (b) is necessary to avoid the establishment of a false market in its securities; or
  - (c) might reasonably be expected materially to affect market activity in and the price of its securities.
- 2.40 The Exchange shall be entitled to require the publication of further information by, and impose additional continuing obligations on, the issuer, or require the issuer to produce to the Exchange further documents and information, where it considers that circumstances so justify. However, the Exchange will notify the issuer of its intention to do so and will allow representations by the issuer before imposing any additional obligations on it which are not imposed generally by the Exchange on issuers of the same type of listed security.
- 2.41 The Exchange requires that each set of annual audited accounts, once submitted and published, is accompanied by the completed and signed continuing obligations self-assessment form.
- 2.42 All issuers must respond promptly to any enquiries made by the Exchange concerning unusual movements in the price or trading volume of its listed securities, or any other matters, by giving such relevant information as is available to the issuer or, if appropriate, by issuing a statement to the effect that the issuer is not aware of any matter or development that may be relevant to the unusual price movement or trading volume of its listed securities.
- 2.43 Insiders of the issuer must not trade on the basis of unpublished price sensitive information. Furthermore, insiders should refrain from trading, even after price sensitive information has been released to the press, for a period sufficient to permit thorough public dissemination and evaluation of the information.

# CHAPTER 3

## ENFORCEMENT

### Contents

The main headings of this chapter are:

- 3.1 power to suspend or cancel a listing
- 3.6 imposition of sanctions
- 3.8 voluntary withdrawal of a listing

### Power to suspend or cancel a listing

- 3.1 Listing is granted subject to the condition that where the Exchange considers it necessary for the protection of investors or the maintenance of an orderly market, it may at any time suspend trading in any securities or cancel the listing of any securities in such circumstances and subject to such conditions as it thinks fit, whether requested by the issuer or not. The Exchange may do so where:
- (a) an issuer fails, in a manner which the Exchange considers material, to comply with these listing rules or its issuer's undertaking (including a failure to pay on time any fees or levies due to the Exchange);
  - (b) the Exchange considers there are insufficient securities of the issuer in the hands of the public;
  - (c) the Exchange considers that the issuer does not have a sufficient level of operations or sufficient assets to warrant the continued listing of its securities on the Exchange; or
  - (d) the Exchange considers that the issuer or its business to be no longer suitable for listing.
- 3.2 A short suspension of trading may be requested by an issuer upon the occurrence of a material event which requires immediate disclosure under these listing rules, provided that an announcement of the material information is made as soon as practicable following the suspension. The Exchange may accept or reject the request for suspension in its absolute discretion and may from time to time issue policy statements regarding the circumstances in which the Exchange is prepared to suspend trading at the request of the issuer.
- 3.3 Where an issuer itself seeks a suspension, the request for suspension must be made to the Exchange by the issuer's authorised representatives or listing agent and must be confirmed in writing. In all cases the request must be supported by specific reasons for the request for suspension, the requested duration of the suspension, the nature of the event affecting the issuer's activities which will be announced and the current state of events with respect to

- the issuer's activities, all of which must be disclosed to the Exchange, so that the Exchange can assess the need for and appropriate duration of the suspension.
- 3.4 Where trading has been suspended, the procedure for lifting the suspension will depend on the circumstances and the Exchange reserves the right to impose such conditions as it considers appropriate. Where a suspension is made at the issuer's request, the issuer will be required to announce the reason for the suspension and, where appropriate, the anticipated timing of the lifting of the suspension. In some cases (for example a short suspension pending an announcement) the suspension will be lifted as soon as possible after the announcement is made. In other cases the suspension will be continued until any relevant requirements have been met. The continuation of a suspension for a prolonged period without the issuer taking appropriate action to obtain restoration of trading may lead to the Exchange cancelling the listing.
- 3.5 There may be cases where a listing is cancelled without first being suspended. Where the Exchange considers that an issuer or its business is no longer suitable for a listing, after notification to the issuer, the Exchange will issue an announcement naming the issuer and specifying the period within which the issuer must have remedied those matters which have rendered it unsuitable for a listing. Where appropriate the Exchange may suspend trading in the securities of the issuer. If the issuer fails to remedy those matters within the period set out in the announcement, the Exchange will cancel the listing.

### **Imposition of sanctions**

- 3.6 If the Exchange considers that an issuer has contravened these listing rules it may, in addition to, or instead of, a suspension in trading or cancellation of a listing:
- (a) censure the issuer; and
  - (b) publish the fact that the issuer has been censured.
- 3.7 If the Exchange considers that a contravention of these listing rules by an issuer is due to a failure by all or any of its directors to discharge their responsibilities it may do one or more of the following:
- (a) censure the relevant directors;
  - (b) publish the fact that the directors have been censured; and
  - (c) state publicly that in its opinion the retention of office by or appointment of certain directors is prejudicial to the interests of investors.

### **Voluntary withdrawal of a listing**

- 3.8 An issuer whose primary listing is on the Exchange may voluntarily withdraw its listing only if it gives the holders of the affected class, and the holders of any securities convertible into the affected class, of its listed securities and the Exchange at least ninety days' advance written notice providing a clear and adequate explanation of its decision to withdraw listing and if either:
- (a) the issuer has or will have at the time of delisting an alternate listing on another stock exchange acceptable to the Exchange; or
  - (b) the issuer has obtained the approval of the holders of the affected class, and the holders of any securities convertible into the affected class, of its listed securities by way of a three quarters majority vote at duly convened meetings of such holders.
- 3.9 An issuer may also withdraw its listing if it notifies the Exchange that the interests of the holders of all of its listed securities have been redeemed or, where an issuer is in liquidation or other winding up proceedings, the Exchange receives a written request from the liquidator or other insolvency practitioner to withdraw listing. In such cases the issuer, liquidator or insolvency practitioner must provide without delay to the Exchange, for dissemination, written notice and an explanation of the decision to withdraw listing.
- 3.10 An issuer whose primary regulatory exchange is another stock exchange may voluntarily withdraw its listing on the Exchange if it notifies in writing the Exchange, for dissemination by the Exchange, at least sixty days' in advance of the intended withdrawal of listing.

# **CHAPTER 4**

## **COUNCIL AND LISTING COMMITTEE**

### **Contents**

The main headings of this chapter are:

- 4.1 delegation of powers by the Council
- 4.2 listing committee
- 4.5 meetings
- 4.10 disclosure of interests
- 4.13 confidentiality
- 4.14 appeals

### **Delegation of powers by the Council**

- 4.1 The Council may delegate its powers and functions in respect of listing matters to the listing committee, the Chief Executive Officer of the Exchange and the staff of the Exchange, subject to the appeals procedures set out in this chapter. In the first instance all matters concerning these listing rules and an application for listing will be dealt with by the staff of the Exchange.

### **Listing committee**

- 4.2 The listing committee shall consist of at least six members and shall include the Chief Executive Officer of the Exchange. The remaining members shall be appointed by the Council. Of those other members, at least one shall be a representative of a listing agent and at least one shall be a representative of lawyers or accountants or other professional advisers who provide advice in connection with applications for listing on the Exchange. The Council shall appoint the chairman of the listing committee from among the listing committee's members. The Council may appoint alternates to stand in for a member of the listing committee who has a disclosable interest in any application coming before the listing committee.
- 4.3 All members of the listing committee shall retain their offices until the appointment of their successors.
- 4.4 The listing committee shall have the following functions which may be further delegated to the staff of the Exchange:
  - (a) to examine the eligibility and suitability of applications made to the Exchange for a listing and to approve or reject such applications;
  - (b) to apply, interpret, waive, derogate from and enforce these listing rules;
  - (c) to recommend changes to these listing rules (including the listing fees) to the Council;
  - (d) to decide on the suspension of trading on the Exchange or cancellation of a listing;  
and
  - (e) to recommend admission of persons as listing agents.

## **Meetings**

- 4.5 Meetings of the listing committee shall be held as often as may be considered necessary by the chairman and at such times and places as the chairman may determine. Meetings may be held by means of a conference telephone call and written resolutions signed by all the members of the listing committee are as valid and effective as if the resolution had been passed at a duly constituted meeting held in the Cayman Islands.
- 4.6 The quorum for a meeting of the listing committee shall be three members.
- 4.7 Each member of the listing committee present at a meeting shall have one vote.
- 4.8 Every question for decision at meetings of the listing committee shall be determined by a majority of votes of the members present and, in the event that voting is equally divided, the chairman of the meeting shall have a second and deciding vote.
- 4.9 The listing committee may act notwithstanding any vacancy among its members.

## **Disclosure of interests**

- 4.10 A member of the listing committee who has any direct or indirect personal or financial interest in any application coming before the listing committee shall on each and every such occasion declare his interest and thereafter, unless otherwise directed by the chairman of the meeting, shall withdraw from the meeting, take no further part in the proceedings of the listing committee in relation to that application or any vote in respect of it. A declaration, withdrawal or direction referred to in this rule shall be recorded in the minutes.
- 4.11 Without prejudice to the generality of the preceding rule, a member of the listing committee has an interest that must be disclosed if he is:
- (a) a director, officer, employee or substantial shareholder of the applicant or any associate of the applicant;
  - (b) a director, officer, employee, partner, or substantial shareholder of any of the applicant's listing agent, attorneys, accountants, auditors, mutual fund administrator, director, underwriter or their associates;
  - (c) a director, officer, employee, partner or substantial shareholder of a competitor of the applicant;
  - (d) a major customer or major supplier of the applicant;
  - (e) a material creditor or debtor of the applicant; or
  - (f) a landlord or a tenant of the applicant.
- 4.12 If a quorum cannot be formed in respect of an application due to the disclosure of interests, the application will be dealt with by the Council or such persons as the Council may designate.

## **Confidentiality**

- 4.13 No member of the listing committee shall disclose, except to the extent that its disclosure is strictly necessary for the proper discharge of his functions as a member of the listing committee, any information which is not generally known to the public and which has come to his knowledge in the performance of his functions as a member of the listing committee.

## **Appeals**

- 4.14 A decision of the listing committee to:
- (a) reject an application for listing on the grounds of the issuer's suitability or the suitability of its business for listing;
  - (b) reject an application by a listed issuer to lift a suspension of trading which has been in effect for more than thirty days;
  - (c) cancel a listing; or
  - (d) reject or disapprove an application for registration as a listing agent may be appealed to the Council or a duly appointed committee of the Council. The decision of the Council or committee in any such matter shall be final and binding on all parties and the Council or committee shall not be required to disclose the reason for its decision.
- 4.15 In every appeal an appellant must give written notice of the appeal to the Exchange within thirty days of the date of notification of the listing committee's decision. In making its determination, the Council or committee may confirm or reverse the Exchange's earlier decision or, in the case of a rejection of an application for listing, may approve the application subject to the applicant complying with such conditions as the Council or committee may see fit to impose. As part of any appeal the issuer shall be given an opportunity, by means of written representation to the Council or committee, to set out the grounds for its appeal.

# CHAPTER 5

## LISTING AGENTS

### Contents

The main headings of this chapter are:

- 5.1 appointment of a listing agent
- 5.7 qualifications
- 5.11 responsibilities
- 5.12 appointment of an agent by a listing agent
- 5.13 direct communication with the issuer
- 5.15 imposition of sanctions

### Appointment of a listing agent

- 5.1 Except in the case of specialist debt securities listed pursuant to chapter 8, depositary receipts listed under chapter 10, derivative warrants listed pursuant to chapter 11, corporate and sovereign debt securities listed pursuant to chapter 12, debt securities of specialist companies listed pursuant to chapter 14 and securities which are the subject of a secondary listing under chapter 7, a listing agent must be appointed in connection with any application for the listing of securities on the Exchange. The Exchange retains a discretion to require the appointment of an adviser acceptable to the Exchange and/or a listing agent with respect to applications for listing under chapters 8, 10, 11, 12 or 14.
- 5.2 Issuers of equity securities under chapter 6 which are not specialist companies must have and maintain a listing agent on an ongoing basis unless otherwise agreed by the Exchange. The listing agent will be expected to provide ongoing guidance to issuers regarding their compliance with continuing obligations and will act at all times as the issuer's principal channel of communication with the Exchange for all purposes. A listing agent must also be appointed to liaise with the Exchange whenever an issuer is required under chapter 6 to submit a shareholder circular for approval by the Exchange.
- 5.3 After a listing has been granted, an issuer must also have and maintain a listing agent if after a breach of these listing rules the Exchange notifies the issuer that the appointment of a listing agent is required to give advice on the application of the listing rules in order to continue the listing in force.
- 5.4 A listing agent undertakes to the Exchange to discharge certain responsibilities. If the listing agent fails to carry out these responsibilities, the Exchange may refer the matter to the listing committee or such other committee as the Council may designate which may impose sanctions on the listing agent.
- 5.5 Details of the application process for listing agents to be entered on the Exchange's register of listing agents may be obtained from the listing department of the Exchange.

- 5.6 Every issuer must advise the Exchange in writing (simultaneously providing a copy to the listing agent) of the resignation or dismissal of any listing agent. It must also, where a listing agent is dismissed, inform the Exchange in writing immediately of the reason for the dismissal.

## **Qualifications**

- 5.7 A listing agent must:
- (a) be a person who or which:
    - (i) holds an unrestricted mutual fund administrator's licence under the Mutual Funds Act (2021 Revision);
    - (ii) holds a licence under the Banks and Trust Companies Act (2021 Revision);
    - (iii) holds a licence under the Companies Management Act (2021 Revision);
    - (iv) holds a licence substantially equivalent to any of those set out in rules 5.7 (a) (i) to (iii) in an equivalent jurisdiction; or
    - (v) practises as an attorney or an accountant, or firm of attorneys or accountants (including the overseas offices of any such firm), in the Cayman Islands or in a jurisdiction defined in chapter 1 as being an equivalent jurisdiction;
  - (b) meet the eligibility criteria set out below; and
  - (c) be entered on the Exchange's register of listing agents, after having completed all the necessary application forms required by the Exchange, having been approved by the listing committee and having paid the necessary fee.
- 5.8 In the case of a listing agent appointed by an issuer listing equity or publishing a circular under chapter 6, the requirements of rule 5.7 (a) are varied so that the listing agent may (and where the issuer is not a specialist company must) be a suitably qualified corporate adviser as defined in chapter 1. Such corporate adviser may be based outside the Cayman Islands but must be sufficiently prepared to deal with the Exchange during its normal business hours. The corporate adviser must:
- (a) have acted on at least three equity securities listings on a recognised stock exchange during the last two years or employ staff who have experience of managing such transactions; and
  - (b) have, as appropriate, regulatory authorisation to conduct its business.

Where the issuer is a specialist company any listing agent entered on the Exchange's register of listing agents may act on its behalf.

- 5.9 The eligibility criteria referred to in rule 5.7 are that listing agents must in the opinion of the Exchange:
- (a) as an overriding principle, be competent, fit and proper and have sufficient expertise to discharge the responsibilities of a listing agent and have and maintain a good reputation;
  - (b) employ suitably qualified staff with relevant experience to undertake its activities as a listing agent;
  - (c) maintain an active office with a sufficient number of staff there to ensure that it can discharge its responsibilities as a listing agent at all times;
  - (d) not act as a listing agent for an organisation of which it is an associate or in which it otherwise has a material interest, except with the express permission of the Exchange after full disclosure of the relationship;
  - (e) maintain a level of professional liability insurance or financial strength satisfactory to the Exchange;
  - (f) immediately report to the Exchange any act or omission which causes the listing agent to fail to continue to meet the qualifications of a listing agent; and
  - (g) on each anniversary of its admission to the register of listing agents maintained by the Exchange, confirm to the Exchange that it is still eligible to act as a listing agent.
- 5.10 Where the listing committee notifies an applicant to become a listing agent that it does not intend to recommend approval of the application, the applicant may appeal against the listing committee's decision to the Council or a committee designated by the Council using the same procedures as set forth in chapter 4. The decision of the Council or committee is final.

## **Responsibilities**

- 5.11 The responsibilities of a listing agent set out in this rule are owed solely to the Exchange. Failure to carry out these responsibilities may result in the imposition of sanctions by the Exchange. These responsibilities are:
- (a) to ensure that the issuer and its directors are properly guided and advised on the application of the listing rules;
  - (b) to complete the listing agent's declaration in the form set out in the appendices to these listing rules, and in particular to ensure that all the documents required by the listing rules to be included in the application for listing have been supplied to the Exchange, and that all other relevant requirements of the listing rules have been complied with;

- (c) to respond to and make all communications with the Exchange in an open and co-operative way;
- (d) to seek the Exchange's approval of listing documents; and
- (e) where applicable, to act as a contact point with the Exchange where an issuer has not appointed authorised representatives.

### **Appointment of an agent by a listing agent**

- 5.12 A listing agent may, in its discretion, appoint an agent to discharge on its behalf all or any of its responsibilities, provided that the listing agent advises the Exchange in writing, and gains the Exchange's prior written approval, for the agent so appointed. Such an agent must have sufficient experience to be able to discharge properly the functions for which it has been appointed, final responsibility for which will remain with the listing agent.

### **Direct communication with the issuer**

- 5.13 Notwithstanding the other rules of this chapter, in appropriate circumstances the Exchange is willing to communicate directly with the issuer, or with an adviser of the issuer other than the listing agent, to discuss either matters of principle, which may arise prior to the submission of draft documents, or the interpretation of the Exchange's requirements.
- 5.14 Where such a discussion takes place without the listing agent or its agent being involved, the issuer must ensure that the listing agent is informed in writing of the matters discussed as soon as practicable, and a copy of all such communications must be sent to the Exchange by the issuer at the same time.

### **Imposition of sanctions**

- 5.15 If the Exchange considers that a listing agent has breached any of its responsibilities under the listing rules and considers it appropriate to impose any sanction it will refer the matter to the listing committee, save where the listing agent agrees to a private censure by the Exchange and the Exchange considers that to be the appropriate sanction.
- 5.16 If the listing committee finds that the listing agent has been in breach of its responsibilities under the listing rules, or no longer meets the qualifications to serve as a listing agent it may do one or more of the following:
- (a) censure the listing agent, and publish such censure; and
  - (b) remove the listing agent from the register of listing agents maintained by the Exchange and publish notice of its action.
- 5.17 Upon a referral under this section, the listing committee shall state the reasons for its decision in writing. Such a decision may be appealed to by the listing agent or the Exchange to the Council, or to a committee appointed by the Council, and will be heard by the Council or committee using the same procedures as set forth in chapter 4. The Council or committee shall state the reasons for its decision in writing and its decision is final and not subject to any further appeal.

# CHAPTER 6

## EQUITY SECURITIES

### Contents

This chapter sets out the procedures and requirements for applications for the listing on the Exchange of equity securities. All issuers whose equity securities are listed pursuant to this chapter must, unless otherwise agreed by the Exchange, also comply with all relevant provisions of section I of the listing rules.

The provisions of this chapter do not apply to secondary listings of equity securities, which are regulated by chapter 7, or listings of investment funds, which are covered by chapter 9, or equity securities of specialist companies, which are covered by chapter 14. The main headings are:

6.1	conditions for listing
6.21	contents of listing document
6.80	listing application procedures
6.83	continuing obligations
schedule 6A	matters to be provided for in the constitution of a company issuing equity securities
schedule 6B	accountants' reports

## CONDITIONS FOR LISTING

### Incorporation

- 6.1 An issuer must be duly incorporated or otherwise validly established in a recognised jurisdiction according to the relevant laws of its place of incorporation or establishment and be operating in conformity with its memorandum and articles of association or other constitutional documents.

### Sufficiently liquid market

- 6.2 There must be a sufficiently liquid and open market in the equity securities for which listing is sought, which means:
- (a) a new applicant for listing equity securities must normally have an expected initial market capitalisation for all the securities to be listed of at least C\$4,100,000 (US\$5,000,000) but further issues of securities of a class of securities already listed are not subject to this limit; and
  - (b) the minimum percentage of equity securities in public hands, (persons who are not directors or substantial shareholders of the issuer or directors of a substantial shareholder of the issuer or an associate of any of them) must at all times be at least twenty-five per cent. of the class of shares listed, with a minimum of fifty

shareholders. A percentage lower than twenty-five per cent. may be acceptable to the Exchange if the market in the shares will be sufficiently liquid and will operate properly with a lower percentage in view of the large number of shares of the same class and the extent of the distribution to the public.

### **History of operations**

- 6.3 Issuers must have an adequate trading record under substantially the same management which must be of known character and integrity, and which collectively must have appropriate experience and technical expertise to manage the issuer's operations. For the purpose of this rule, an adequate trading record will normally be at least three financial years but the Exchange may accept a shorter period for issuers which meet the Exchange's definition of a start-up, mineral company or shipping company or in exceptional circumstances.

### **Directors**

- 6.4 The board of an issuer must have at least three directors, the majority of whom must be independent.

### **Financial information**

- 6.5 An applicant for listing must have published audited financial statements which cover the three financial years preceding the application for listing. In exceptional circumstances, or for issuers which meet the Exchange's definition of a start-up, mineral company or shipping company the Exchange may accept a shorter period.
- 6.6 In the case of a new applicant the latest financial statements required by the preceding rule must be in respect of a period ended not more than twelve months before the date of the listing document. If more than nine months have elapsed since the date to which the latest audited accounts of the issuer were made up, an interim financial statement made up to a date no earlier than three months prior to the date of the listing document must be included. If the interim financial statement is unaudited, that fact must be stated. The Exchange may, at its discretion, require issuers to have such interim financial statements audited.
- 6.7 In the case of a new applicant the financial statements must be unqualified, unless the qualification is acceptable to the Exchange and has been adequately explained so as to enable investors to make a properly informed assessment of the significance of the matter.
- 6.8 The financial statements referred to above must have been prepared in accordance with International Accounting Standards, United States, Canadian or, United Kingdom Generally Accepted Accounting Principles or other equivalent standard acceptable to the Exchange.

### **Working capital**

- 6.9 An issuer which is applying to list with less than three years trading record must demonstrate to the Exchange that the working capital available to the group, including guaranteed proceeds from any new securities offering, will be sufficient for at least 12 months from the date of listing.

**Independent auditor**

- 6.10 An applicant must appoint an independent auditor acceptable to the Exchange to carry out the audit of its financial statements.

**Transferability**

- 6.11 The securities for which listing is sought must be freely transferable except to the extent that any restriction on transferability is approved by the Exchange. Partly paid securities may be regarded as fulfilling this condition, provided that the Exchange is satisfied that their transferability is not restricted, or if it is then such restrictions are approved by the Exchange, and that investors have been provided with all appropriate information to enable dealings in such securities to take place on an open and proper basis.

**Whole class to be listed**

- 6.12 Where none of the securities of a particular class are listed on the Exchange, the application for listing must relate to all securities of that class, whether already issued or proposed to be issued.
- 6.13 Where the securities of that class are already listed on the Exchange, the application for listing must relate to all further securities of that class which are proposed to be issued.

**Convertible securities**

- 6.14 Convertible securities may be admitted to listing only if the Exchange is satisfied that investors will be able to obtain the information necessary to form a reasonable opinion as to the value of the securities into which they are convertible. This may require the securities into which they are convertible to be listed on the Exchange or listed on another stock exchange which is recognised for this purpose by the Exchange.

**Clearing and settlement**

- 6.15 To be admitted to listing on the Exchange, securities must have an ISIN and be eligible for deposit in an acceptable electronic clearing and settlement system including Clearstream, Euroclear, The Depository Trust Company or any acceptable alternative system agreed in advance with the Exchange.

**Registrar and paying agent**

- 6.16 The issuer must maintain a share transfer agent or registrar and paying agent in a financial centre acceptable to the Exchange. The issuer itself may perform these functions if it can demonstrate to the Exchange that it is capable of doing so.

**Constitution**

- 6.17 The constitution of the issuer must contain the provision set forth in schedule 6A to this chapter.

**Start-ups**

- 6.18 An issuer which is a start-up must be able to meet the following requirements:
- (a) Provide a detailed business plan which must identify, as appropriate:
    - (i) strategic objectives;
    - (ii) key products, services and markets;
    - (iii) development milestones;
    - (iv) current and expected market competitors;
    - (v) risks and assumptions upon which the plan is based; and
    - (vi) details of reliance upon any key individuals;
  - (b) Provide an explanation of capital expenditure plans and financial commitments together with the funding requirements of the business for a period of at least two years following the listing and a statement explaining how these requirements will be met from existing resources, any anticipated revenue, and the proceeds of any new securities offering at the time of listing;
  - (c) Where appropriate the Exchange may ask the issuer to provide a report by a suitably qualified independent expert assessing the viability of the issuer's commercial objectives and business plan;
  - (d) Provide a confirmation that the issuer's directors, senior managers and substantial shareholders will not dispose of the issuer's securities for at least 12 months following admission to listing, without the prior approval of the Exchange; and
  - (e) In addition, where the issuer's business relates to the development of innovative technology or products the issuer must demonstrate its ability to attract funds from qualified investors.

**Mineral companies**

- 6.19 An issuer which is a mineral company must be able to meet the following requirements:
- (a) Demonstrate that where it does not hold controlling interests in a majority of the properties, fields, mines or other assets in which it has invested the issuer has rights to participate actively in their extraction whether by voting or other rights which give it influence in the timing and extraction of resources.
  - (b) Provide a formal legal opinion confirming or otherwise demonstrate the title to or validity and enforceability of any assets, licences or concessions.
  - (c) Provide a confirmation that the issuer's directors, senior managers and substantial shareholders will not dispose of the company's securities for at least 12 months following admission to listing, without the prior approval of the Exchange.

## Shipping companies

6.20 An issuer which is a shipping company must be able to meet the following requirements:

- (a) Provide a formal legal opinion confirming or otherwise demonstrate the title to each material vessel directly or indirectly leased or owned.
- (b) Provide a confirmation that the issuer's directors, senior managers and substantial shareholders will not dispose of the company's securities for at least 12 months following admission to listing, without the prior approval of the Exchange.

## CONTENTS OF LISTING DOCUMENT

### The issuer, its advisers and the listing document

6.21 (a) On the inside cover page of the listing document:

- (i) the official name and jurisdiction of incorporation or other formation of the issuer;
- (ii) the name, number and class of securities being offered by the listing document and the offer price;
- (iii) a statement that application has been made to the Exchange for the securities to be admitted to the official list;
- (iv) a statement of the date on which the securities are expected to be admitted to listing, if known;
- (v) the name of the listing agent and underwriters or other distributors of the issue; and
- (vi) a declaration in the following form:

This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The directors collectively and individually accept full responsibility for the accuracy of the information contained in the listing document and confirm, having made reasonable enquiry, that to the best of their knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document;

- (b) the address of its principal or registered office;
- (c) the date of incorporation or other establishment of the issuer;
- (d) the names and addresses of the issuer's principal bankers, authorised representatives, stockbroker, attorneys, advisers and registrars and of the listing agent for the issue; and
- (e) the name, address and professional qualifications of the issuer's auditors.

6.22 The provisions, or a sufficient summary of the provisions, of the constitution with regard to:

- (a) any power enabling a director to vote on a proposal, arrangement or contract in which he or any of his associates is materially interested;
- (b) any power enabling the directors to vote remuneration (including pension or other benefits) to themselves or to any members of their body and any other provision as to the remuneration of the directors;
- (c) any power to borrow exercisable by the directors and how such borrowing powers can be varied;
- (d) any requirement for the retirement of directors over a specified age limit;
- (e) any requirement for directors' qualification shares;
- (f) changes in capital;
- (g) any time limit after which entitlement to dividend lapses and an indication of the party in whose favour the lapse operates; and
- (h) arrangements for transfer of the securities and (where permitted by the Exchange) any restrictions on their free transferability.

6.23 Where the listing document includes a statement made by an expert, a statement:

- (a) specifying the qualifications of such expert and whether the expert or any associate of the expert has any securities holding in any member of the group or any associate of the group or the right to subscribe for or to nominate persons to subscribe for securities in any member of the group or associate of the group, and, if so, a full description thereof;
- (b) that the expert has given and has not withdrawn his written consent to the inclusion in the listing document of the expert's statement included in the form and context in which it is included; and

- (c) of the date on which the expert's statement was made and whether or not it was made by the expert knowing it would be incorporated in the listing document.
- 6.24 Particulars of any other stock exchange on which any class or part of any equity or debt securities of the issuer is listed, traded or dealt in or on which listing or permission to deal is being or is proposed to be sought and particulars of the trading, dealing and settlement arrangements on each such exchange and between such exchanges, or an appropriate negative statement.
- 6.25 Particulars of any commissions, discounts, brokerages or other special terms granted within the two years immediately preceding the listing document in connection with the issue or sale of any security of any member of the group, together with the names of any directors, proposed directors, promoters or experts who received any such payment or benefit and the amount or rate of the payment or benefit they received, or an appropriate negative statement.

### **Risk factors**

- 6.26 All material risks associated with investing in the equity securities, including any risks specific to the issuer or its industry. An issuer which is applying to list with less than three years trading record must include on the cover page of the listing document a declaration in the following form:

The issuer is recently established and does not have a substantial trading record. There may be significant risks associated with an investment in the issuer. Investment should only be contemplated by those who are able to evaluate the risks and can afford the loss of their entire investment. Investors who are in any doubt should consult their professional advisers as to the suitability of an investment in the issuer.

### **Securities, issuance and distribution**

- 6.27 The following information, so far as is appropriate, concerning the terms and conditions of the issue of the securities in respect of which the application for listing is made:
- (a) the total amount of the issue and the number of securities offered;
  - (b) the ISIN for each class of security for which listing is sought;
  - (c) the issue or offer price of each security and its nominal value;
  - (d) the acceptable methods of payment of the issue or offer price;
  - (e) the procedure for the exercise of any pre-emptive rights and the transferability of any subscription rights;
  - (f) the period during which the issue or offer of securities will remain open after issue of the listing document, the date and time of opening of the subscription list, and the names of the receiving bankers;

- (g) the methods of and the time limits for delivery of the securities;
  - (h) the names, addresses and description of the persons underwriting the issue for the issuer;
  - (i) the names, addresses and descriptions of the vendors of the securities other than the issuer itself, or, if there are more than ten vendors, the same details for the ten principal vendors (and any interest of any director of the issuer or associate of a director of the issuer in any such vendor) and a statement of the number of other vendors; and
  - (j) if a public or private offer or placement has been or is being made simultaneously on the markets of one or more other countries, and if a tranche of securities has been or is being reserved for certain of these offerings, the details of any such tranche.
- 6.28 Where listing is sought for securities with a fixed dividend, particulars of the profits cover for dividends must be stated.
- 6.29 A statement of the net tangible asset backing for each class of security for which listing is sought, after making allowance for any new securities to be issued, pursuant to the listing document.
- 6.30 An estimate of the expenses and the net proceeds of the issue and a statement as to how such proceeds are intended to be used or applied.

### **Issuer's capital**

- 6.31 The authorised total share capital of the issuer, the amount issued or agreed to be issued pursuant to the listing document, the amount paid up and the nominal value of the shares.
- 6.32 The amount of any outstanding convertible securities and particulars of the conditions governing and the procedures for conversion, exchange or subscription of such securities.
- 6.33 As to the securities to be listed, a description of:
- (a) the voting rights, rights to dividends, rights to redemption or repurchase or to surplus assets on liquidation, winding up or otherwise, and all other significant rights of the holders of such securities;
  - (b) if there is more than one class of equity security, the rights of each class of share as regards the matters set forth above and the creation or issue of further shares of any class or category whatsoever; and
  - (c) a summary of the consents necessary for the variation of such rights.

- 6.34 Particulars of any alterations in the capital of any member of the group within the two years immediately preceding the issue of the listing document, including:
- (a) where any such capital has been issued or is proposed to be issued as fully or partly paid up other than in cash, particulars of the consideration for which the same has been or is proposed to be issued and in the latter case the extent to which they are so paid up; and
  - (b) where any such capital has been issued or is proposed to be issued for cash, particulars of the price and terms upon which the same has been or is proposed to be issued, details of any discounts or other special terms granted, or an appropriate negative statement.
- 6.35 A statement showing the name, so far as is known to the issuer or any director of the issuer, of each person who is, directly or indirectly, interested in five per cent. or more of the nominal value of any class of securities carrying rights to vote in all circumstances at general meetings of any member of the group and the amount of each person's interest in such securities, together with particulars of any options in respect of such capital, or, if there are no such persons, an appropriate negative statement.
- 6.36 Particulars of any capital of any member of the group which is under option, including the consideration for which the option was or will be granted, and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement. Where options have been granted to all the members or debenture holders or to any class thereof, or to employees under a share scheme, it shall be sufficient to state the details of the total grant without giving the names and addresses of the grantees.

### **The group's activities**

- 6.37 A brief history and the general nature of the business of the group and, in cases where two or more activities are carried on which are material in terms of profits or losses, the assets employed in each line of business or any other factors, figures and explanations as are necessary to demonstrate the relative importance of each such activity and details of the main categories of products sold or services performed and an indication of any significant new products or activities.
- 6.38 A geographical analysis of the group's trading operations and assets which are material in relation to its business.
- 6.39 If the issuer is a member of a group, a brief description of that group covering the issuer's position within that group, and, if a subsidiary, the names of and the number of shares held (directly or indirectly) by each holding company of the issuer.
- 6.40 Particulars of any trade marks, patents, copyrights or other intellectual or industrial property rights which are material in relation to the group's business and, where such factors are of fundamental importance to the group's business or profitability, a statement regarding the extent to which the group is dependent on such factors.

- 6.41 Information concerning the policy of the group on the research and development of new products and processes over the past three financial years where significant.
- 6.42 Particulars of any interruptions in the business of the group which may have or have had a significant effect on the financial position in the last twelve months.
- 6.43 The number of people employed by the group and changes therein in the last financial year, if such changes are material in the context of the group, with, if possible, a breakdown of persons employed by main categories of activity.
- 6.44 Particulars, including location, of the principal investments of the group, including such investments as new plant, factories and research and development, being made or planned by the group.
- 6.45 With regard to every material subsidiary, particulars of the name, date and country of incorporation, general nature of business, issued capital and the proportion thereof held or intended to be held.
- 6.46 Particulars of the location of the principal establishments of the group.

### **Financial and other information**

- 6.47 A statement as at the most recent practicable date (which must be stated) of the following on a consolidated basis:
- (a) the total amount of any debt securities of the group issued and outstanding, and authorised or otherwise created but unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) and unsecured loans, or an appropriate negative statement;
  - (b) the total amount of all other borrowing or indebtedness of the group including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowing and debt, or an appropriate negative statement;
  - (c) all mortgages and charges of the group, or an appropriate negative statement; and
  - (d) the total amount of any contingent liabilities or guarantees of the group, or an appropriate negative statement.
- 6.48 Unless an accountants' report is required pursuant to the following rule, a comparative table of financial information. The comparative table must:
- (a) be prepared on a consolidated basis;
  - (b) cover the three financial years immediately preceding the application for listing;

- (c) be extracted without material adjustment from audited financial statements;
- (d) include the following financial information, presented in a form consistent with that which would be adopted in the issuer's annual financial statements:
  - (i) income statement;
  - (ii) balance sheet;
  - (iii) cash flow statement;
  - (iv) accounting policies; and
  - (v) notes covering, as a minimum, the last two financial years;
- (e) be accompanied by a letter from the directors confirming that the financial information has been extracted without material adjustment from the audited financial statements, and that such financial statements have been independently audited and prepared in accordance with International Accounting Standards, United States, Canadian or United Kingdom Generally Accepted Accounting Principles or other equivalent standard acceptable to the Exchange.

6.49 A report by reporting accountants must be prepared in accordance with the requirements of schedule 6B in the following circumstances:

- (a) where any material change has taken place to the group structure or business in the three financial years immediately preceding the application for listing or during the period from the end of the period to which the last audited financial statements relate to the date of application for listing;
- (b) where any material change has been made to the accounting policies, or any material adjustment has been made or is required to be made to the published audited financial statements during the periods referred to in paragraph (a) above; or
- (c) where the auditors' report on the consolidated financial statements of the issuer for any of the last three financial years has been qualified.

The Exchange must be consulted in cases where the issuer is uncertain as to whether an accountants' report is required.

6.50 A statement showing the sales turnover figures or gross trading income of the group during the three financial years immediately preceding the issue of the listing document which should contain an explanation of the method used for computation of such turnover or income and a reasonable breakdown between the more important trading activities.

- 6.51 Where the issuer has, since the date to which the latest published annual financial statements have been made up, acquired or disposed of an undertaking or assets which would be classified as material by the Exchange, a pro forma net assets statement showing the effect of the acquisition or disposal on the net assets of the issuer is required.
- 6.52 A statement of any material adverse change in the financial or trading position of the group since the date to which the latest audited accounts of the issuer were made up, or since the end of the period reported on in the accountants' report, or since incorporation or an appropriate negative statement.
- 6.53 General information on the trend of the business of the group since the date to which the latest audited accounts of the issuer were made up or since incorporation.
- 6.54 A statement as to the financial and trading prospects of the group for at least the current financial year, together with any material information which may be relevant thereto, including all special trade factors or risks (if any) which are not mentioned elsewhere in the listing document and which are unlikely to be known or anticipated by the general public, and which could materially affect the profits.
- 6.55 Where a profit forecast appears in the listing document, a statement of the principal assumptions upon which it is based. The accounting policies and calculations for the forecast must be examined and reported on by the reporting accountants and their report must be set out. The reporting accountants and the listing agent must report in addition that they have satisfied themselves that the forecast has been stated by the directors after due and careful enquiry, and such reports must be set out.
- 6.56 A statement by the directors that in their opinion the working capital available to the group is sufficient for its present requirements (normally at least 12 months from the date of the listing document) or, if not, how it is proposed to provide the additional working capital considered by the directors to be necessary.

## **Management**

- 6.57 The full name, nationality, residential or business address and description (being his qualifications and area of expertise or responsibility) of every director or proposed director and of every general manager.
- 6.58 A statement as to whether each director is independent and details of any potential conflicts of interest which may arise.
- 6.59 The full name and professional qualification, if any, of the company secretary of the issuer.
- 6.60 The address of the registered office and, if different, the principal office of the issuer.
- 6.61 A statement showing the interest, whether legal, beneficial or both, of each director of the issuer in the equity or debt securities of the group.

- 6.62 Particulars of directors' existing or proposed service contracts with any member of the group (excluding contracts expiring or determinable by the employer within one year without payment of compensation), or an appropriate negative statement.
- 6.63 The aggregate of the remuneration paid and benefits in kind granted to the directors of the issuer by any member of the group in respect of the last completed financial year.
- 6.64 An estimate of the aggregate remuneration payable to, and benefits in kind receivable by, the directors or any proposed directors of the issuer by any member of the group in respect of the current financial year under the arrangements in force at the date of the listing document.
- 6.65 Full particulars of any contract or arrangement to which any member of the group is a party in effect at the date of the listing document in which any director of the issuer or any associate of that director is materially interested and which is significant in relation to the business of the group, or an appropriate negative statement.

### **Material contracts**

- 6.66 The dates of and parties to all material contracts (being contracts not entered into in the ordinary course of business) entered into by any member of the group within the two years immediately preceding the date of the listing document, together with a summary of the principal contents of such contracts and particulars of any consideration passing to or from any member of the group in connection with such contracts.

### **General information**

- 6.67 Particulars of any litigation or claims of material importance pending or threatened against any member of the group, or an appropriate negative statement.
- 6.68 The date of the issuer's financial year end and details of any arrangements for the preparation and distribution of its annual and interim financial statements.

### **Documents for inspection**

- 6.69 A statement that for a reasonable period of time (being not less than fourteen calendar days from the date of the listing document or the period during which the issue or offer of securities will remain open, whichever is longer) during which, at a place in the Cayman Islands or such other place as the Exchange may agree or require, the following documents (or copies thereof), where applicable, may be inspected, without charge:
- (a) the constitutional documents of the issuer;
  - (b) each contract disclosed pursuant to rules 6.62, 6.65 and 6.66 or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof;
  - (c) all reports, letters or other documents, balance sheets, valuations and statements by any expert or any part of which is referred to in the listing document; and

- (d) the audited statements of the issuer or, in the case of a group, the consolidated audited statements of the issuer and its subsidiaries for each of the three financial years immediately preceding the issue of the listing document, or since incorporation, if shorter, together with any interim financial statements published subsequently.

## **Rights issues**

6.70 In the case of a rights issue the listing document must also contain the following information:

- (a) the pro rata entitlement;
- (b) the last date on which transfers will be recognised for participation in the issue;
- (c) the rights, powers and privileges of the shares with respect to dividends, voting, repurchase, redemption and the right to surplus assets on liquidation or winding-up of the issuer;
- (d) whether the shares rank equally in all respects with any existing listed securities;
- (e) how any fractional shares will be treated; and
- (f) how shares not taken up will be dealt with and the time in which the offer may be accepted.

## **Start-ups**

6.71 An issuer which is a start-up must include in the listing document:

- (a) A summary of its business plan, including any key assumptions or sensitivities;
- (b) Any independent expert report prepared further to rule 6.18(c), and details of any material changes since its date of preparation; and
- (c) Details of the arrangements in place further to rule 6.18(d) to restrict the disposal of certain shareholdings.

6.72 Where the issuer's business relates to the development of innovative technology or products the listing document must include the following additional information:

- (a) Details of the technology or product being developed;
- (b) The expected advantages of the product being developed including any technical information;
- (c) The nature and effectiveness of any research and development being undertaken;

- (d) The development and status of the product including any internal or external validations including relevant academic studies in relation to the product or technology;
- (e) For products undergoing validation any material information relating to the prospects of the successful completion of such validation;
- (f) All material information regarding the registration and ownership of the intellectual property rights relating to the technology or products;
- (g) The current or expected market competitors;
- (h) The basis of any claimed market potential; and
- (i) The future strategy of the company regarding the generation of significant revenues from the product including whether the company intends to implement the strategy itself or with others; where the company intends to undertake such activities itself its plans in relation to manufacturing and marketing the product; where the company intends to collaborate with others details including the financial effects, and details of any geographical or segmental variations.

### **Mineral companies**

- 6.73 Issuers which are mineral companies must include the following information in the listing document:
- (a) Details of the mineral resources and (where applicable) mineral reserves;
  - (b) The expected period of working of the mineral reserves;
  - (c) An indication of the periods and main terms of any licences or concessions and the economic conditions for working those licences or concessions;
  - (d) Indications of the progress of actual workings and details of planned future workings;
  - (e) An explanation of any exceptional factors that have influenced (a) to (d) above;
  - (f) With regards to the requirement under rule 6.19(b) a summary of the legal opinion or other evidence confirming the title to or validity and enforceability of any assets, licences or concessions;
  - (g) A statement as to whether the issuer meets the minimum operating standards required by the jurisdiction(s) in which it operates;
  - (h) Details of certificates or other documents issued under any applicable codes required to be observed by the issuer in relation to its operations under any applicable law and a statement that such documents will be included with the documents made available for inspection under rule 6.69;

- (i) With regards to the statement required under rule 6.30 there must be a detailed explanation of the intended application of any proceeds to the issuer's business and development objectives.
- (j) Details of the arrangements in place further to rule 6.19(c) to restrict the disposal of certain shareholdings.

6.74 Except where such a report has been included in a previously published listing document the listing document must also contain a report from a suitably qualified independent mineral expert, prepared in accordance with a recognised mineral reporting standard, which will normally cover as a minimum:

- (a) The basis and assumptions on which the report and valuation have been prepared;
- (b) The valuation standards used;
- (c) Status, independence, knowledge and skills of the mineral expert;
- (d) Details of the work and any site inspections undertaken by the independent expert and limitations of available information or access;
- (e) The nature of the evidence used in the estimation of reserves including a detailed analysis of drilling and sampling and the names of the organisations that carried out the investigations and analysis.
- (f) The nature and extent of the rights of exploration and extraction and a description of the properties to which the rights attach with details of the duration and other principal terms and conditions of the concessions;
- (g) A detailed description of mineral resources and reserves (with reference to maps and plans) covering geological characteristics of the occurrence of reserves, the types of deposits, their dimensions and grade distribution, and an estimate of the volumes of reserves;
- (h) Commentary, where appropriate, on the issuer's methods of exploration and extraction, production schedules, progress of workings and forecast extraction rates;
- (i) Available and required plant and equipment (including an estimate of the maintenance, running and acquisition costs);
- (j) Any special factors that may affect exploration or extraction including environmental factors, accessibility and availability of utilities or other essential services; and
- (k) Valuation of mineral assets.

Such report must be dated within 6 months of the listing document and the listing document must include details of any material changes to the information contained in the report.

## Mineral exploration companies

- 6.75 Mineral exploration companies which also undertake the commercial extraction of mineral resources on a significant scale may also be required to comply with rules 6.73 and 6.74. The Exchange should be consulted at an early stage.

## Shipping companies

- 6.76 Issuers which are shipping companies must include the following information in the listing document:
- (a) An overview of the fleet (if appropriate) and a detailed summary of each material vessel directly or indirectly managed, leased, owned or to be acquired by the issuer including cost, individual value, vessel type, dimensions, capacity, place of registration, ship owning company (as appropriate), financing terms, insurance arrangements and any other relevant details such as costs of scheduled improvement works;
  - (b) With regards to the requirement under rule 6.20 (a) a summary of the legal opinion or other evidence confirming the title to each material vessel leased or owned;
  - (c) A statement as to whether the issuer and each material vessel owned, operated or leased (whether directly or indirectly) by the issuer, meet and will continue to meet the minimum standards required by the flag state of the vessel and under all international treaties, conventions and other laws applicable to the owner and/or the vessel (as relevant);
  - (d) Details of certificates or other documents issued under any applicable codes required to be observed by each material vessel or in relation to its operation under any applicable law and a statement that such documents will be included with the documents made available for inspection under rule 6.69;
  - (e) With regards to the disclosure required under rule 6.26 there must be disclosure of risks specifically relating to the redeployment of vessels, contract extensions, piracy on vessels' regular or proposed routes and taxation of vessels in foreign waters;
  - (f) Details of any external ship management company or entity managing its vessels (including details of its experience and the value of vessels under its management) and any representative agent or other maritime services provider; and
  - (g) With regards to the disclosure required under rule 6.66 there must be a summary of the principal contents of any ship management contract, crew management agreement and charter agreement or other contract for the use of material vessels.

- 6.77 The listing document must also contain a report and valuation from a suitably qualified independent valuation expert (which must be a member of the Institute of Chartered Shipbrokers or other body agreed in advance with the Exchange) of any material vessel directly or indirectly leased, owned or to be acquired. The report must detail separately any vessel to be financed through the issue of securities, and will normally cover as a minimum:
- (a) Status, independence, knowledge and skills of the valuation expert;
  - (b) The basis and assumptions on which the report and valuation have been prepared;
  - (c) The valuation method used;
  - (d) Details of the work and any physical inspections undertaken by the valuation expert, the dates of such inspections and limitations of available information or access;
  - (e) The effective date of valuation for each material vessel;
  - (f) Valuation of each material vessel; and
  - (g) An explanation of the differences between the valuation figure and the equivalent figure included in the issuer's latest audited annual financial statements.

Such report must be dated within 1 year of the listing document and the listing document must include details of any material changes to the information contained in the report.

- 6.78 A report and valuation is not required where such a report has been included in a previously published listing document provided there is disclosure in the listing document of any material changes to such report.

## EXCEPTIONS

- 6.79 Where an issuer is a start-up or mineral company such issuer need only include the information required by rules 6.47 to 6.51 insofar as it is available.

## LISTING APPLICATION PROCEDURES

- 6.80 The listing document must be formally approved by the Exchange before publication. Such approval will only be given if the Exchange considers that the information in the listing document is complete.

- 6.81 The following documents must be submitted to the Exchange in either hardcopy or electronic format, together with the initial listing fee and the annual fee in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange's website, before formal approval is given:
- (a) an application for admission to listing, in the form set out in Appendix 1A to these listing rules;
  - (b) copy of the listing document in final form;
  - (c) a declaration by the issuer in the form set out in Appendix 2A to these listing rules;
  - (d) a declaration for each director and proposed director of the issuer, unless such a declaration has previously been filed with the Exchange in the form set out in Appendix 3A to these listing rules;
  - (e) a declaration by the listing agent, in the form set out in Appendix 4 to these listing rules;
  - (f) a letter from the issuer or duly authorised representative confirming which of the listing requirements, if any, do not apply;
  - (g) a letter from the issuer or duly authorised representative requesting, where relevant, non-publication of certain information, giving reasons for such request;
  - (h) a shareholders' statement in the form set out in Appendix 5 to these listing rules; and
  - (i) such other documents as may be required by the Exchange.
- 6.82 The Exchange may, at any time before or after the admission to listing, require the issuer to produce to the Exchange a copy of any of the documents listed in rule 2.26 where applicable.

## CONTINUING OBLIGATIONS

### **Preliminary**

- 6.83 This chapter sets out the continuing obligations which each issuer, whose equity securities are the subject of an application for listing, or are already listed on the Exchange, must undertake to comply with as a condition of being granted, and of maintaining, a listing.

**Annual financial statements**

- 6.84 The issuer must prepare annual financial statements in accordance with International Accounting Standards or such other standards as may be acceptable to the Exchange. The financial statements must be independently audited and reported on in accordance with International Standards on Auditing or such other standards as may be acceptable to the Exchange. If the issuer has subsidiary undertakings the financial statements must be in consolidated form, unless the Exchange otherwise agrees. The issuer's own financial statements must be published if they contain significant additional information.
- 6.85 The issuer must make available to every member of the issuer a copy of its audited annual financial statements, as soon as possible after the financial statements have been approved and in any event within nine months of the end of the financial period to which they relate and not less than fourteen calendar days before the date of the issuer's annual general meeting. In exceptional circumstances the Exchange may grant an extension of this time limit. At the same time the issuer must send a copy to the Exchange.

**Information to accompany annual financial statements**

- 6.86 The issuer must include with its annual financial statements a report by the directors on the operations of the issuer and such directors' report must include:
- (a) a description of the principal activities of the group and, where two or more such activities are so described, a statement giving in respect of each such activity the turnover and contribution to trading results attributable to it;
  - (b) a geographical analysis of consolidated turnover;
  - (c) a statement showing:
    - (i) the name of every subsidiary, its principal country of operation, its country of incorporation and its main business; and
    - (ii) particulars of the issued share capital and debt securities of every subsidiary provided that if, in the opinion of the directors of the issuer and with approval of the Exchange, the number of them is such that compliance with this paragraph would result in particulars of excessive length being given, compliance with this paragraph shall not be required except in the case of subsidiaries carrying on a business the results of which, in the opinion of the directors, materially affected the amount of the profit or loss of the group or the amount of the assets of the group;
  - (d) a statement as at the end of the relevant financial year showing:
    - (i) the interests of each director of the issuer in the equity or debt securities of the group; and

- (ii) the details of any right to subscribe for equity or debt securities of the group granted to any director of the issuer, and of the exercise of any such right;
- (e) the statement required by paragraph (d) above must:
  - (i) distinguish between beneficial and non-beneficial interests; and
  - (ii) specify the company in which securities are held, the class to which those securities belong and the number of such securities held;
- (f) in the event the operating results shown by the financial statements for the period under review differ materially from any previously published forecast made by the issuer, an explanation for the difference;
- (g) a statement by the directors as to the reasons for any significant departure from standard accounting practices;
- (h) a statement as at the end of the financial year showing as regards bank loans, overdrafts and other borrowings of the group, the aggregate amounts repayable:
  - (i) on demand or within one year;
  - (ii) within more than one year but less than two years;
  - (iii) within two years but less than five years; and
  - (iv) within a period of more than five years;
- (i) in respect of the financial year, a statement of the amount of interest capitalised by the group during the year;
- (j) a statement as to the unexpired period of any service contract of any director proposed for election at the forthcoming annual general meeting or, if there are no service contracts, a statement of that fact;
- (k) particulars of any material contract in effect during or at the end of the financial year in which a director of the issuer or any associate of a director is or was materially interested, either directly or indirectly, or an appropriate negative statement;
- (l) particulars of any material contract between the issuer, or one of its subsidiary companies, and a controlling shareholder or any of its subsidiaries;
- (m) particulars of any contract of significance for the provision of services to the group by a controlling shareholder or any of its subsidiaries;
- (n) particulars of any arrangement under which a director has waived or agreed to waive any emoluments;

- (o) particulars of any arrangement under which a shareholder has waived or agreed to waive any dividends; and
  - (p) a summary, in the form of a comparative table, of the results and of the assets and liabilities of the group, for the last five financial years or since establishment, if later.
- 6.87 If the auditors' report on the relevant annual financial statements is qualified, the Exchange may require more detailed or additional information to be provided.

### **Interim reports**

- 6.88 An issuer must prepare in respect of the first six months of its financial year an interim financial report within three months of the end of the relevant six month period. A copy of such report must be sent to every member of the issuer. At the same time the issuer must send a copy to the Exchange.
- 6.89 Each interim report referred to above shall contain at least the following information stated in respect of the group:
- (a) operating revenue;
  - (b) profit or loss before extraordinary items, including the share of the profit or loss of associated companies with separate disclosure of any items included therein which are exceptional because of size and incidence;
  - (c) overseas taxation on profits indicating basis of computation, with separate disclosure of the taxation on share of associated companies' profits;
  - (d) profit or loss attributable to minority interests;
  - (e) profit or loss attributable to shareholders before extraordinary items;
  - (f) extraordinary items net of taxation;
  - (g) profit or loss attributable to shareholders;
  - (h) rates of dividend paid or proposed to be paid on each class of shares with particulars of each such class and the total amount to be paid or an appropriate negative statement;
  - (i) transfers to and from reserves;
  - (j) earnings per share calculated on the basis of profits before extraordinary items;
  - (k) comparative figures of the matters specified in paragraphs (a) to (j) above for the corresponding previous period;

- (l) a statement as at the end of the relevant period showing:
    - (i) the interest of each director of the issuer in the equity or debt securities of the group; and
    - (ii) the details of any right to subscribe for equity or debt securities of the group granted to any director of the issuer and of the exercise of such right, or if there is no such interest or no such right that has been granted or exercised, an appropriate negative statement;
  - (m) the statement required by paragraph (l) above must:
    - (i) distinguish between beneficial and non-beneficial interests; and
    - (ii) specify the company in which securities are held, the class to which those securities belong and the number of such securities held;
  - (n) an explanatory statement relating to the activities of the group and profit (or loss) during the relevant period, which must include any significant information enabling investors to make:
    - (i) an informed assessment of the trend of the activities and profit (or loss) of the group, together with an indication of any special factors which have influenced those activities and the profit (or loss) during the period in question;
    - (ii) a comparison with the corresponding period of the preceding financial year; and
    - (iii) an informed assessment of the prospects of the group for the current financial year;
  - (o) any supplementary information which in the opinion of the directors of the issuer is necessary for a reasonable understanding and assessment of the results for the period.
- 6.90 Where the accounting information given in an interim report has not been audited that fact must be stated. If the accounting information contained in an interim report has been audited by the issuer's auditors, their report including any qualifications must be set out therein.

### **Preliminary announcements of results**

- 6.91 As soon as practicable after its approval by or on behalf of the directors, and in any event within two months of the end of the period to which it relates, the issuer must deliver a preliminary announcement of the six month interim results to the Exchange, for dissemination by the Exchange.

- 6.92 As soon as practicable after approval by or on behalf of the directors, and in any event within four months of the financial year end, the issuer must deliver a preliminary announcement of the results for the full financial year to the Exchange, for dissemination by the Exchange.
- 6.93 Every preliminary announcement of results must contain at least the information specified in rule 6.89 except for that specified in (l), (m), (n) and (o).

### **New developments**

- 6.94 The issuer must notify the Exchange, for release, of any new developments or changes which are not public knowledge which may reasonably be expected to affect materially the market activity in or the price of the listed securities.
- 6.95 Where matters are in the course of negotiation and subject to strict confidentiality amongst insiders, the issuer must notify the Exchange once the negotiations have reached a state of reasonable certainty but may request that the Exchange delays announcement of the matters until conclusion of the negotiations or until the issuer or the Exchange has reason to believe there has been breach of such confidentiality.

### **Fundamental change of business**

- 6.96 Where an issuer proposes to enter into a transaction or series of transactions that may result in a fundamental change in its business including, but not limited to, a reverse takeover representing at least 100%, or a significant disposal representing at least 75% by reference to any of the class tests set out in the appendices to these rules, the issuer must send an explanatory circular to its shareholders and obtain their approval of the proposed transaction in a general meeting. The issuer must consult the Exchange in advance regarding the contents of the shareholder circular.
- 6.97 Transactions resulting in a fundamental change of business are likely to affect the issuer's suitability for listing and therefore the Exchange must be consulted at the earliest opportunity.

### **Transactions with related parties**

- 6.98 Where an issuer proposes to enter into a transaction or series of transactions with a related party and the transaction represents at least 5% by value with reference to any of the class tests set out in the appendices to these rules, the issuer must deliver to the Exchange an announcement containing details about the transaction(s), giving a confirmation from all directors who are not involved in the transaction that, based on the advice of the issuer's listing agent or another competent independent advisor, the terms of the transaction are fair and reasonable insofar as the issuer's shareholders are concerned.
- 6.99 Where the proposed transaction referred to in rule 6.98 represents at least 25% by value with reference to any of the class tests set out in the appendices to these rules, the issuer must send an explanatory circular to its shareholders and obtain their prior approval of the proposed

transaction in a general meeting. The issuer must consult the Exchange in advance regarding the contents of the shareholder circular.

### **Other disclosures**

- 6.100 In addition to any notification pursuant to the general requirement in rule 6.94 the issuer must notify the Exchange (as far in advance as practicable to allow for any necessary consultation with the Exchange) for announcement, of any of the following matters:
- (a) any changes in the composition of the board of directors or significant changes to the senior management personnel of the issuer (including any change in the chairmanship). The issuer must procure and lodge with the Exchange as soon as practicable after their appointment a signed declaration and undertaking for each new director in the form set out in the appendices to these listing rules;
  - (b) any change in the issuer's constitution or its registered or principal office;
  - (c) any change in the rights of any class of listed securities. Where the listed securities are convertible this requirement will also apply to any change in the rights of any class of securities into which the listed securities are convertible;
  - (d) any change in the capital structure of the issuer or group;
  - (e) any significant changes in the holdings or identity of those holders of equity securities holding in aggregate more than five per cent. of the issuer's shares, so far as the directors are aware;
  - (f) any new issues of equity or debt securities;
  - (g) any changes in the issuer's auditor. The issuer must not appoint a new auditor without seeking the Exchange's prior approval;
  - (h) the issuer's securities ceasing to be listed on another stock exchange or if it is the subject of disciplinary action by another stock exchange or any other securities regulatory body;
  - (i) any decision to declare, recommend or pay any dividend or to make any other distribution on the issuer's listed securities and the rate and amount thereof (the record date for such distribution should be at least seven days after such notification);
  - (j) any decision not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in the normal course of events; or
  - (k) any decision to call, repurchase, draw, redeem or offer to buy any of the issuer's securities and the total amount thereof.

## **Winding-up and liquidation**

- 6.101 The issuer must inform the Exchange, for dissemination by the Exchange, of any of the following events as soon as they come to the attention of the issuer:
- (a) the presentation of any winding-up petition, or the making of any winding-up order or the appointment of a provisional liquidator in respect of the issuer, its holding company or any major subsidiary;
  - (b) the passing of any resolution by the issuer, its holding company or any major subsidiary that it be wound up by way of members' or creditors' voluntary winding-up, or the occurrence of any event or termination of any period of time which would cause a winding-up;
  - (c) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets which in aggregate value represents an amount in excess of fifteen per cent. of the book value of the existing net assets of the group; or
  - (d) the making of any judgement, declaration or order by any court or tribunal of competent jurisdiction, whether on appeal or at first instance, which may adversely affect the issuer's enjoyment of any portion of its assets which in aggregate value represents an amount in excess of fifteen per cent. of the book value of the net assets of the group.

## **Minimum required public holdings**

- 6.102 The issuer must inform the Exchange immediately if it becomes aware that the percentage of listed securities which are in the hands of the public or the minimum number of shareholders required by these rules falls below the minimum levels required by these rules. The issuer must take steps to restore compliance at the earliest possible moment.

## **Sufficient operations**

- 6.103 The issuer must carry out, directly or indirectly, a sufficient level of operations or have tangible assets of sufficient value or intangible assets for which a sufficient potential value can be demonstrated to the Exchange to warrant the continued listing on the Exchange of the issuer's securities.

## **Distribution of documents**

- 6.104 The issuer must send a copy to the Exchange of every circular sent to shareholders and all documents relating to take-overs, mergers, consolidations and offers, notices of meetings, forms of proxy, reports, announcements or other similar documents, promptly after they are issued.

**Directors' service contracts**

- 6.105 The issuer must ensure that no service contract of ten years' duration or longer will be granted by the issuer or any of its subsidiaries to any director or proposed director of the issuer or to any director or proposed director of any subsidiary without the prior approval of the shareholders of the issuer in a general meeting at which the relevant director does not vote on the matter.

**Subsequent listings**

- 6.106 The issuer must apply to the Exchange for the listing of any further securities of the same classes as securities already listed on the Exchange prior to their issue, and must not issue such securities unless it has applied for the listing of those securities and the Exchange has approved the application.

**Annual fee**

- 6.107 Issuers whose securities are listed on the Exchange are required to pay an annual fee to the Exchange in accordance with the schedule of fees published on the Exchange's website, as updated from time to time.

**Equivalent information**

- 6.108 Where securities listed on the Exchange are also listed on another stock exchange, the issuer must ensure that copies of all documents required to be filed and information required to be notified to the Exchange are simultaneously made available to such other stock exchange.

**Start-ups**

- 6.109 Within the first two years following admission to listing, a company which has listed under the provisions of rule 6.18 must prepare and deliver to the Exchange, for dissemination, a quarterly update of its activities for each quarter of its financial year. The update must be delivered to the Exchange within one month of the end of each quarter and shall contain financial and non-financial operating data relating to the business operations of the issuer and progress made towards meeting its business objectives. Financial data need not be audited but any unaudited financial data must be clearly identified as such.

**Mineral Companies and Mineral Exploration Companies**

- 6.110 Where there is a material change to any of the matters referred to in the report described in rule 6.74 appropriate details must be delivered to the Exchange for dissemination.
- 6.111 A quarterly report prepared further to rule 6.109 by a mineral exploration company which is also a start-up should include a drilling update covering as appropriate:
- (a) depth of zones tested;
  - (b) drilling intervals;

- (c) rock formations encountered;
- (d) average grades of mineralisation; and
- (e) any gases or liquids recovered.

Drilling updates must make a distinction between any measured, indicated and inferred resources and proven and probable reserves. The drilling update must include a statement as to whether any information has been reviewed by an independent mineral expert.

### **Lock-up arrangements**

- 6.112 Issuers must notify the Exchange regarding any exemption or variation to share lock-up arrangements referred to in rules 6.18(d) or 6.19(c).

### **Model Code**

- 6.113 Issuers must require every person discharging managerial responsibilities, including directors to comply with the Model Code and to take all proper and reasonable steps to secure their compliance.
- 6.114 No dealings in any securities may be effected by or on behalf of an issuer or any other member in its group at a time when, under the provisions of the Model Code, a director of the company would be prohibited from dealing in its securities, unless such dealings are entered into:
- (a) in the ordinary course of business by a securities dealing business; or
  - (b) on behalf of third parties by the company or any other member of its group.

### **Exception**

- 6.115 Where in the opinion of any issuer, disclosure of any matter required by the listing rules would be unduly detrimental to the issuer, the issuer may apply for a waiver from the relevant requirement. The information together with a statement of the reasons why the issuer believes the information should not be disclosed at that time must be provided to the Exchange on a strictly confidential basis. The Exchange may at any time order that an announcement be delivered to it for dissemination by the Exchange.

## SCHEDULE 6A -

# MATTERS TO BE PROVIDED FOR IN THE CONSTITUTION OF A COMPANY ISSUING EQUITY SECURITIES

This schedule sets out the matters which must be provided for in the constitution of a company issuing equity securities.

### **Capital structure**

6A.1 Where there is more than one class of equity security, the articles must state the name of each class and the absolute, relative, contingent and other rights of the class as to voting, dividends, return of capital and other matters.

### **Non-voting equity securities**

6A.2 Where there are equity securities which do not carry voting rights, the words "non-voting" must appear in the designation of such equity securities.

### **Restricted voting equity securities**

6A.3 Where there are equity securities with different voting rights, the designation of each class of equity securities, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting".

### **Preference shares**

6A.4 Where preference shares are listed, they must carry voting rights in at least the following circumstances:

- (a) when dividends on such shares are more than six months in arrears; and
- (b) on any resolution for the winding-up of the company.

### **Restrictions on transfer**

6A.5 Fully paid equity securities must be free from all liens and from any restriction on the right of transfer, except those which have been subject to the prior agreement of the Exchange and which are disclosed.

### **Untraceable members**

6A.6 Where the constitution of a company gives it the power to cease sending dividend warrants by post if such warrants have been returned undelivered or left uncashed the power may not be exercised until either such warrants have been so returned or left uncashed on two consecutive

occasions or, following one such occasion, reasonable enquiries have failed to establish any new address of the registered holder.

6A.7 Where power is taken in the constitution to sell the equity securities of a member who is untraceable, the power may not be exercised unless:

- (a) during a period of six years at least three dividends in respect of the equity securities in question have become payable and no dividend during that period has been claimed; and
- (b) on or after expiry of the six years the company has given notice, by advertisement published in the newspapers and also in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected in the manner authorised by the articles is located, of its intention to sell the shares and has informed the Exchange of such intention.

### **Forfeiture**

6A.8 Where power is taken in the issuer's constitution to forfeit unclaimed dividends, the power must not be exercisable until six years or more after the date the dividend became due for payment to be forfeited.

### **Annual general meeting**

6A.9 The constitution must require an annual general meeting to be held in each calendar year with no longer than 15 months between such meetings.

### **Directors**

6A.10 The constitution must prohibit a director from voting on any contract or arrangement or any other proposal in which he has an interest which is a material interest and must state that such director may not be counted in the quorum present at the meeting. The constitution may provide for exceptions to the prohibition against voting on such matters where the interest arises in respect of a resolution on any of the following matters:

- (a) the giving of any security or indemnity either:
  - (i) to the director for money lent or obligations incurred or undertaken by him at the request of or for the benefit of the issuer or any associate of the issuer; or
  - (ii) to a third party for a debt or obligation of the issuer or any of its subsidiaries for which the director has himself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of securities of or by the issuer or any other company which the issuer may promote or be interested in for subscription or purchase where

- the director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (c) any proposal concerning dealings with any other company in which the director is interested, whether directly or indirectly, as an officer, executive or shareholder, or in which the director has a beneficial interest in shares of that company, provided that he, together with any of his associates, is not beneficially interested in five per cent. or more of the issued shares of any class of such company or of any third company through which his interest is derived;
  - (d) any proposal or arrangement concerning the benefit of employees of the issuer or its subsidiaries including:
    - (i) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he may benefit; or
    - (ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the directors and employees of the issuer or any of its subsidiaries and does not provide in respect of any director any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
  - (e) any contract or arrangement in which the director is interested in the same manner as other holders of shares or debentures or other securities of the issuer by virtue only of his interest in shares or debentures or other securities of the issuer.

### **Casual vacancies**

6A.11 Any person appointed by the directors to fill a casual vacancy on, or as an addition to, the board must retire from office at, or at the end of, the next following annual general meeting of the company, and will then be eligible to stand for election.

### **Election of directors**

6A.12 Where any person, other than a director retiring at the meeting or a person recommended by the directors, is to be proposed for re-election or election as a director, notice (of a period specified by the constitution which must be not less than seven days and not more than forty-two days) must be given to the company of the intention to propose him and of his willingness to serve as a director.

## SCHEDULE 6B - ACCOUNTANTS' REPORTS

### Reporting accountants

6B.1 The accountants' reports must be prepared by independent accountants who are qualified to act as auditors.

### Contents of accountants' reports

6B.2 An accountants' report must:

- (a) cover the issuer and its subsidiary and associate undertakings;
- (b) be extracted from the audited financial statements and adjusted as considered necessary by the reporting accountants;
- (c) where the accounts have not been prepared in accordance with International Accounting Standards, United States, United Kingdom or Canadian generally accepted accounting principles or other standards acceptable to the Exchange, any significant departure from International Accounting Standards must be disclosed and explained and its financial effect quantified;
- (d) include the following financial information, presented in a form consistent with that which would be adopted in the issuer's annual financial statements, covering the three financial years immediately preceding the application for listing:
  - (i) income statement;
  - (ii) balance sheet;
  - (iii) cash flow statement;
  - (iv) accounting policies; and
  - (v) notes covering, as a minimum, the last two financial years;
- (e) contain an opinion by the accountants as to whether or not, for the purposes for which it was prepared, it gives a true and fair view of the financial matters set out therein;
- (f) if the opinion in paragraph (e) above is qualified, refer to all material matters about which the accountants have reservations, give all reasons for the qualifications and, if both relevant and practicable, quantify its effect; and
- (g) in the case of a new applicant, not contain a qualification unless the Exchange is satisfied that the qualification is acceptable to the Exchange and has been adequately

explained so as to enable the investors to make a properly informed assessment of the significance of the matter.

### **Statement of adjustments**

- 6B.3 The accountants' report must contain only such adjustments to the previously published figures as the accountants consider necessary. A written statement of the adjustments, signed by the accountants, must be prepared and submitted to the Exchange for each period to which the report relates, in such form and detail and with such explanation as will show how the reported figures reconcile to the corresponding information in the published accounts. The statement of adjustments must be made available for inspection in accordance with rule 6.69.

### **Material acquisitions and disposals made during the period under review**

- 6B.4 Where the issuer has acquired at any time during the three financial years immediately preceding the application for listing an undertaking or assets which would be classified as material by the Exchange, financial information on the undertaking or assets covering the last three years must be included in an accountants' report, although may be presented separately for the pre-acquisition period.

# CHAPTER 7

## SECONDARY LISTINGS

### Contents

This chapter sets out the conditions for listing and the information which is required to be included in the listing document for issuers whose securities are, or will be, listed on a recognised stock exchange and for which such stock exchange is designated as the issuer's primary regulatory exchange. All such issuers must also comply with all relevant provisions of section I of these listing rules. The main headings are:

- 7.1 conditions for listing
- 7.6 contents of listing document
- 7.7 listing application procedures
- 7.9 continuing obligations

## CONDITIONS FOR LISTING

### Primary listing on a recognised exchange

- 7.1 The securities for which listing on the Exchange is sought must have been previously admitted to listing on the main board of a recognised stock exchange. At the time of listing on the Exchange, the issuer must confirm that the primary regulation of its securities will be provided by such other stock exchange.

### The Exchange's absolute discretion

- 7.2 The Exchange reserves the right, in its absolute discretion, to refuse to grant a secondary listing, even if the issuer has a primary listing on a recognised exchange, if the Exchange believes that it is not in the public interest to grant such status. The Exchange reserves the right to cancel the issuer's listing if the Exchange, in its sole and absolute discretion, is not satisfied that the issuer continues to be subject to adequate regulation outside the Cayman Islands.

### Transferability

- 7.3 The securities for which listing is sought must be freely transferable but may be subject to certain transfer restrictions if they are approved by the Exchange. Partly paid securities may be regarded as fulfilling this condition, provided that the Exchange is satisfied that investors have been provided with all appropriate information to enable dealings in such securities to take place on an open and proper basis.

### Clearing and settlement

- 7.4 To be admitted to listing on the Exchange, securities must be eligible for deposit in an acceptable electronic clearing and settlement system including Clearstream, Euroclear, The Depository Trust Company or any acceptable alternative system agreed in advance with the Exchange.

**Whole class to be listed**

- 7.5 Where none of the securities of a particular class are listed on the Exchange, the application for listing must relate to all securities of that class, whether already issued or proposed to be issued. Where the securities of that class are already listed on the Exchange, the application for listing must relate to all further securities of that class which are proposed to be issued.

**CONTENTS OF LISTING DOCUMENT**

- 7.6 The listing document must consist of:

- (a) the issuer's most recent audited annual financial statements;
- (b) any subsequent interim financial statements;
- (c) a separate document which must contain the following information:
  - (i) the official name and jurisdiction of incorporation or other formation of the issuer;
  - (ii) a declaration in the following form:

This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The directors collectively and individually accept full responsibility for the accuracy of the information contained in the listing document and confirm, having made reasonable enquiry, that to the best of their knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document;

- (iii) a statement that application has been made to the Exchange for the securities to be admitted to the official list;
- (iv) a description of the relevant securities, giving their exact designation or class;
- (v) the ISIN for each class of security for which listing is sought;
- (vi) a statement of the date on which the securities are expected to be admitted to listing, if known;

- (vii) the name of the issuer's primary regulatory exchange;
  - (viii) a statement that the primary regulation of the issuer's securities for which a secondary listing is sought on the Exchange is or is to be provided by such other stock exchange;
  - (ix) particulars of all other stock exchanges on which any part of the equity or debt securities of the issuer is listed or dealt in (or on which listing or permission to deal or trade is being or is proposed to be sought); and
  - (x) a statement that the issuer's securities for which a secondary listing is sought on the Exchange may be traded on the primary regulatory exchange and on any other exchange on which the issuer's securities are listed in accordance with the rules of those exchanges;
  - (xi) a statement that no significant change has been made in any matter contained in the most recent prospectus or comparable listing document filed with the issuer's primary regulatory exchange and that no significant new matter has arisen, the inclusion of information in respect of which would have been required to be mentioned in the most recent prospectus or comparable listing document filed with the issuer's primary regulatory exchange had it arisen at the time of its preparation;
- (d) a copy of the issuer's most recent prospectus or comparable listing document filed with the issuer's primary regulatory exchange; and
  - (e) any other circulars sent to holders of its listed securities since the date of the most recent prospectus or comparable listing document filed with the issuer's primary regulatory exchange.

## LISTING APPLICATION PROCEDURES

- 7.7 The listing document must be formally approved by the Exchange before publication.
- 7.8 The following documents must be submitted to the Exchange before formal approval is given:
- (a) an application for admission to listing, in the form set out in Appendix 1 to these listing rules;
  - (b) two copies of the listing document in final form;
  - (c) a declaration by the issuer in the form set out in Appendix 2 to these listing rules;
  - (d) a letter from the issuer confirming which of the listing requirements, if any, do not apply;

- (e) a letter from the issuer requesting, where relevant, non-publication of certain information, giving reasons for such request;
- (f) the most recent prospectus or comparable listing document filed with the issuer's primary regulatory exchange and the issuer's most recent audited annual financial statements and any subsequent interim financial statements;
- (g) such other documents as may be required by the Exchange; and
- (h) the initial listing fee and the annual fee, if applicable, in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange's website.

## CONTINUING OBLIGATIONS

The following listing rules set out the continuing obligations with which each issuer must undertake to comply as a condition of being granted, and of maintaining, a secondary listing on the Exchange. In the event of a conflict between the requirements of these rules and those of the issuer's primary listing exchange, the latter shall override the former. In such circumstances the issuer must immediately notify the Exchange of the conflict.

### **Equivalent information**

- 7.9 The issuer must make any information notified to or documents filed with the primary regulatory exchange simultaneously available to the Exchange.

### **Cancellation of listing or disciplinary action by primary regulatory exchange**

- 7.10 The issuer must advise the Exchange immediately if its securities cease to be listed on the primary regulatory exchange or it is the subject of disciplinary action by the primary regulatory exchange or any other securities regulatory body. The issuer must also advise the Exchange without delay of any material change in the listing rules of the primary regulatory exchange as they apply to the issuer.

### **Distribution of documents**

- 7.11 The issuer must send six copies to the Exchange of its annual financial statements, interim financial statements, prospectus or comparable listing document filed with the issuer's primary regulatory exchange and every circular sent to holders of its listed securities at the same time as they are issued.
- 7.12 The issuer must send to the Exchange six copies of all resolutions of holders of its listed securities, documents relating to take-overs, mergers and other notices of meetings, forms of proxy or other similar documents at the same time as they are issued.

### **Annual fee**

- 7.13 Issuers applying for a secondary listing are required to pay an annual fee to the Exchange in accordance with the schedule of fees which is published on the Exchange's website, as updated from time to time.

# CHAPTER 8

## SPECIALIST DEBT SECURITIES

### Contents

This chapter sets out the conditions for listing and the information which is required to be included in the listing document for specialist debt securities including specialist debt securities issued under a programme. It does not cover debt securities which are the subject of a secondary listing, which are covered by chapter 7, or corporate debt securities, which are covered by chapter 12, or retail debt securities, which are covered by chapter 13, or debt securities of specialist companies, which are covered by chapter 14. All issuers whose specialist debt securities are listed pursuant to this chapter must, unless otherwise agreed by the Exchange, also comply with all relevant provisions of section I of the listing rules. The main headings of this chapter are:

8.1	conditions for listing
8.24	contents of listing document
8.71	modifications, exceptions and additions
8.85	listing application procedures
8.87	continuing obligations

## CONDITIONS FOR LISTING

### Incorporation

- 8.1 An issuer must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment and be operating in conformity with its memorandum and articles of association or other constitutional documents.

### Financial information

- 8.2 Except as set out in rule 8.6, an applicant must have published independently audited financial statements which cover at least the last two financial years preceding the application for listing.
- 8.3 Where the issuer has been incorporated for less than two years, the Exchange may accept financial statements covering a shorter period.
- 8.4 The financial statements must have been prepared:
- (a) in accordance with the issuer's national laws; and
  - (b) in accordance with International Accounting Standards, United States, Canadian or United Kingdom Generally Accepted Accounting Principles, or other equivalent standard acceptable to the Exchange.

- 8.5 The latest audited financial statements of the issuer must be in respect of a period ended not more than eighteen months prior to the date of the listing document.
- 8.6 The Exchange will waive the requirements of rules 8.2 to 8.5, and 8.90 to 8.91 for an issuer which is an SPV or where the debt securities benefit from an unconditional and irrevocable guarantee of another company or equivalent arrangements, provided the Exchange receives written confirmation from the issuer that the non-publication of such information would not be likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the assessment of the securities in question.

### **Transferability**

- 8.7 The debt securities for which listing is sought must be freely transferable except to the extent that any restrictions on transferability are approved by the Exchange. The Exchange will approve transfer restrictions that result from the securities not being registered under certain securities laws provided such restrictions are adequately disclosed.

### **Whole class to be listed**

- 8.8 Where none of the debt securities of a particular class are listed on the Exchange, the application for listing must relate to all debt securities of that class, whether already issued or proposed to be issued. Where the debt securities of that class are already listed on the Exchange, the application for listing must relate to all further securities of that class which are proposed to be issued.

### **Convertible securities**

- 8.9 Convertible securities may be admitted to listing only if the Exchange is satisfied that investors will be able to obtain the information necessary to form a reasonable opinion as to the value of the securities into which they are convertible. This may require the securities into which they are convertible to be listed on the Exchange or listed on another stock exchange which is recognised for this purpose by the Exchange.

### **Credit-linked securities**

- 8.10 Issuers of credit-linked securities should note that permission may be required from the owner or publisher for the use of indices and prices on which the valuation of the securities is based.
- 8.11 Credit-linked securities which are linked directly or indirectly to specified equity or debt securities, indices, currencies, interest rates, swap rates, exchange rates and certain commodities such as oil, gold and silver may be admitted to listing.
- 8.12 The Exchange must be satisfied that investors will be able to obtain the information necessary to enable them to form a reasonable opinion as to the value of the underlying assets. The Exchange will generally require the underlying assets to be listed and/or traded

on the Exchange or another regulated, regularly operating open market recognised for this purpose by the Exchange.

- 8.13 Applications to list types of credit-linked securities other than those mentioned above may be permitted with the specific approval of the Exchange. In such cases, issuers are advised to consult the Exchange at an early stage so as to establish whether the credit-linked securities are suitable for listing and what requirements will be imposed by the Exchange.
- 8.14 Where an issue of credit-linked securities relates to equity securities, the equity securities must represent minority interests in, and must not confer legal or management control of the companies issuing them.

### **Clearing and settlement**

- 8.15 To be admitted to listing on the Exchange, securities must have an ISIN and be eligible for deposit in an acceptable electronic clearing and settlement system including Clearstream, Euroclear, The Depository Trust Company or any acceptable alternative system agreed in advance with the Exchange. Where the debt securities are to be privately placed with a small number of institutions or qualified purchasers, the Exchange may accept alternative arrangements provided they facilitate the efficient clearance and settlement of all trades.

### **Paying agent**

- 8.16 The issuer must appoint a paying agent in the Cayman Islands or other financial centre acceptable to the Exchange. The issuer itself may perform this function if it can demonstrate to the Exchange that it is capable of doing so.

### **Asset-backed securities**

- 8.17 A trustee or other appropriate independent representative must be appointed to represent the interests of the holders of asset-backed securities and that representative must have the right of access to appropriate information relating to the assets.
- 8.18 The Exchange must be satisfied that investors will be able to obtain the necessary information on the underlying assets to enable them to form a reasonable opinion as to the value of such assets. Issuers are advised to consult the Exchange at an early stage so as to establish what requirements will be imposed by the Exchange. Where the debt securities are secured on a managed pool of assets disclosure of factors such as credit enhancements, the securities eligible for purchase and any investment criteria which must be satisfied may be sufficient to satisfy this requirement. Where the securities are secured on specific assets, then depending on the nature of the transaction and the assets, the Exchange may (but is not obliged to) require the underlying assets to be listed and/or traded on the Exchange or another stock exchange or other regulated, regularly operating open market recognised for this purpose by the Exchange.

- 8.19 Where an issue of asset-backed securities is secured by equity securities, the equity securities must normally represent minority interests in, and must not confer legal or management control of the companies issuing them, save with the specific approval of the Exchange and subject to such conditions as the Exchange may impose.
- 8.20 Where options or conversion rights relating to equity securities are used to back an issue of debt securities, rule 8.19 shall apply to the securities resulting from the exercise of those options or rights.
- 8.21 Where an issue of asset-backed securities is secured on debt obligations or other receivables from a managed pool of assets, the entity appointed to manage/service the portfolio of assets must have, in the opinion of the Exchange, adequate experience and expertise.
- 8.22 The entity appointed pursuant to rule 8.21 must be required to provide periodic financial reports on the performance and credit quality of the underlying portfolio for the benefit of the trustee.
- 8.23 The issuer must appoint a custodian acceptable to the Exchange or make the trustee referred to in rule 8.17 responsible for holding the underlying assets and having custody, possession or control of any funds flowing from the assets to the issuer or to the holders of the debt securities. Any custodian must be a separate legal entity from the issuer, its directors and the entity appointed to manage or service the portfolio of assets, but may be an associate of any of them.

## CONTENTS OF LISTING DOCUMENT

The information which is required to be included in the listing document is set out below. The requirements may be subject to the modifications, exceptions and additions described in rules 8.71 to 8.85 depending on the circumstances of the issuer and the type of security for which application is being made.

### **Preliminary information**

- 8.24 The name and country of incorporation of the issuer.
- 8.25 The number and description of the debt securities for which application for listing is being made.
- 8.26 The address of the principal or registered office of the issuer.
- 8.27 The names and addresses of the arranger(s), distributor(s), auditor, trustee or other representative for the holders of the debt securities, paying agent, custodian, registrar or transfer agent and legal advisers, where applicable.

- 8.28 A statement that application has been made for the relevant debt securities to be admitted to the official list of the Cayman Islands Stock Exchange, giving the exact designation and class of the securities.
- 8.29 A declaration in the following form:

This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The issuer accepts full responsibility for the accuracy of the information contained in the listing document and confirms, having made reasonable enquiry, that to the best of its knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.

This declaration should be appropriately adapted where persons other than the issuer are responsible for part of the listing document or where certain information has been reproduced from information published by a third party who has not participated in the preparation of the listing document. In the latter circumstance the issuer must accept responsibility for accurately reproducing such information but need not accept any other responsibility in respect of such information.

### **Risk factors**

- 8.30 All material risks associated with investing in the debt securities, including any risks associated with the nature of the security, the status of the debt securities, the nature of the collateral, credit ratings, any credit enhancements, any material counterparty risks and the risk of limited liquidity in the securities in any secondary market that may develop.

### **Terms of the debt securities to be listed**

- 8.31 A description of the debt securities, including:
- (a) the currency of the issue;
  - (b) the aggregate principal amount of the issue or, if this amount is not fixed, a statement to that effect;
  - (c) details of whether the debt securities are guaranteed, and if so, the nature of the guarantee;
  - (d) the status of the debt securities (i.e. whether they are subordinated to any other debts of the issuer, whether already incurred or to be incurred);

- (e) details of whether the debt securities are interest bearing and if so, whether the interest rate is fixed, floating or variable;
  - (f) the redemption price;
  - (g) the final principal repayment date;
  - (h) the series designation, if applicable; and
  - (i) the offer price, or, where debt securities are to be purchased by the arranger or another party and offered for sale in negotiated transactions at varying prices to be determined at the time of sale, a statement to that effect.
- 8.32 Details of any issue discount or premium payable, or of any expenses of the issue which are to be charged to subscribers or purchasers.
- 8.33 The method of payment for the debt securities, if payment is to be made in instalments.
- 8.34 Details of the dealing and settlement arrangements for the debt securities.
- 8.35 A description of the resolutions, authorisations and approvals by virtue of which the debt securities have been or will be created and/or issued.

### Rating

- 8.36 Where the debt securities are rated or are to be rated on issue as a result of the engagement by the issuer with a rating agency in respect of the securities, the credit rating assigned or expected to be assigned on issue to the debt securities and the name of the rating agency responsible for such rating.

### Form, denomination and title

- 8.37 The form and denomination of the debt securities.
- 8.38 The procedures and time limits for delivery of the debt securities, whether there will be any temporary documents of title and, if so, the procedures for the delivery and exchange thereof.
- 8.39 The details of the arrangements for transfer of the debt securities.

### Interest

- 8.40 The interest rate on the outstanding principal amount or, if the interest rate is not fixed, the basis of its calculation. If several interest rates are provided for, an explanation of the conditions for changes in the rate.
- 8.41 The date from which interest accrues.
- 8.42 The due dates for interest payments.

### Redemption

- 8.43 If the debt securities will be redeemed or may be redeemed at the option of the issuer or the holder prior to their stated maturity, the terms applicable to such redemption including any early repayment dates, the basis of calculation of the redemption price and the redemption procedure.

### Payment

- 8.44 The method of payment of the principal and interest on the debt securities.

### Prescription

- 8.45 The prescription period for claims to interest and repayment of principal, if applicable.

### Taxation

- 8.46 The details of any taxes on the payment of principal and interest on the debt securities which is withheld at source in the country of origin and a statement as to whether the issuer assumes responsibility for the withholding of tax at source.

### Provisions of the trust deed or such other similar document

- 8.47 A summary of the following:
- (a) the principal duties, rights and obligations of the trustee under the trust deed;
  - (b) the principal rights of the holders of the debt securities under the trust deed;
  - (c) the events of default and the remedies available under the trust deed; and
  - (d) any provisions for the indemnification or restriction of liability of the trustee.

### Notices

- 8.48 The method by which notices shall be or shall be deemed to have been given to holders of the debt securities.

### Governing law

- 8.49 The laws by which the debt securities are governed and the jurisdiction to which the parties will submit in the event of any disputes.

### Transfer restrictions

- 8.50 If permitted by the Exchange, details of any restrictions on the free transferability of the securities.

### **Structure and cash flow**

- 8.51 A description of the structure of the transaction, the nature of the security and an explanation of how the cash flows are expected to meet the issuer's obligations to the holders of the class of debt securities in question, including, where applicable:

- (a) a description of the arrangements relating to the sale, transfer or other assignment of the assets or of any rights in the assets to the issuer;
- (b) a summary of the terms and conditions of any swap or derivatives contract entered into by the issuer;
- (c) a summary of the terms and conditions of any repurchase or security lending agreement entered into by the issuer;
- (d) the nature and scope of any letter of credit, guarantee, surety, financial policy or other credit support or credit enhancement;
- (e) the name, address and a brief description of any counterparty or any provider of a material form of credit support or credit enhancement including:
  - (i) the nature of such entity's business;
  - (ii) the name of any stock exchange on which such entity's securities are listed or a place where information on such entity is publicly available; and
  - (iii) where the entity has been rated by one of the major public rating agencies, its credit rating and the name of the rating agency responsible for such rating; or
  - (iv) where the debt securities are rated and the rating agency has established minimum credit quality guidelines for any counterparty that may enter into a swap, derivatives contract, repurchase or securities lending agreement or other hedging arrangement with the issuer, it will be sufficient to provide a description of such credit quality guidelines;
- (f) an indication of the availability of any liquidity supports;

- (g) the details of any other conditions upon which payments of interest and principal on the listed debt securities are dependent;
- (h) the order of priority of payments made by the issuer to the holders of the class of debt securities in question;
- (i) details of all material fees or other charges payable by the issuer out of cash flow received; and
- (j) information on whether there is any intention to accumulate surpluses in the issuer.

### **The issuer**

- 8.52 The date of incorporation or other formation of the issuer.
- 8.53 A description of the business of the issuer and any limitations on its business activities.
- 8.54 If the issuer is a member of a group:
- (a) a brief description of that group covering the issuer's position within that group and, if a subsidiary, the names of and the number of shares held, directly or indirectly, by each holding company of the issuer; and
  - (b) the general nature of the business of the group including details of the main categories of products sold or services performed.
- 8.55 The full name and address of every director or proposed director of the issuer.

### **Financial and other information**

- 8.56 A capitalisation and indebtedness statement for the issuer as at the most recent practicable date (which must be stated) together with a statement of any material changes since that date, or a negative statement, showing separately:
- (a) the amount of the issuer's authorised and issued capital, including the number and classes of the securities it comprises and the amount paid up; and
  - (b) the total amount of all short and long term borrowings or indebtedness of the issuer. If such information is unaudited, that fact must be stated.

- 8.57 The capitalisation and indebtedness statement referred to in rule 8.56 must be prepared on a consolidated basis unless the issuer has not published its financial statements on this basis. Where a statement is prepared on a consolidated basis, a statement on a non-consolidated basis must also be included if it would provide any significant additional information. As a general rule, no account should be taken of liabilities or guarantees between undertakings within the same group.
- 8.58 A table showing the profit and loss accounts and balance sheets for the issuer or, if the issuer is a member of a group, the group for the two financial years immediately preceding the issuance of the listing document, including any explanatory notes to the latest annual financial statements, a statement as to the accounting principles applied and the names and addresses of the auditors who have audited the annual financial statements. If the auditors' report is qualified or includes any emphasis of matter, such qualifications or emphasis of matter must be reproduced in full and the reasons given.
- 8.59 If the issuer prepares consolidated financial statements, the financial information must be derived from the consolidated financial statements. Financial information from the issuer's own financial statements must also be included if it provides significant additional information.
- 8.60 A copy of any interim financial statements published subsequent to the latest annual financial statements.
- 8.61 A statement of any material adverse change in the financial or trading position or prospects of the issuer or, if the issuer is a member of a group, of the group since the end of the period for which audited annual financial statements have been published or since incorporation, or an appropriate negative statement.
- 8.62 Where historical performance data appears in the listing document, the source of such information and the basis of any calculations must be disclosed.
- 8.63 Where a profit forecast appears in the listing document, a statement of the principal assumptions upon which it is based, whether it is audited or unaudited and the date at which the profit forecast was prepared.

### **Material contracts**

- 8.64 To the extent not already disclosed in the listing document, a summary of the principal contents of all material contracts pertaining to the issue entered into by the issuer or, if the issuer is a member of the group, by any member of the group, including particulars of the dates, parties and a summary of terms and conditions of such contracts.

## General information

- 8.65 If the issuer is required to publish independently audited financial statements, details of where annual and interim financial statements will be made available.
- 8.66 The names of any other stock exchanges on which a listing has been, is being or will be sought for the debt securities.
- 8.67 If an offer or placement has been or is being made simultaneously on the market of one or more other countries, and if a tranche of securities has been or is being reserved for certain of these offerings, details of any such tranche.
- 8.68 The intended application of the proceeds of the issue.
- 8.69 Particulars of any litigation or claims of material importance pending or threatened against the issuer or any member of the group, or an appropriate negative statement.

## Documents for inspection

- 8.70 A statement that the listing document and any supplementary listing documents are available to the public for inspection at:
- (i) the Exchange for a period of time being not more than 14 days from the date of admission to listing; and
  - (ii) the issuer's registered office or such other place (including the issuer's website) acceptable to the Exchange for the entire duration of the listing.
- (a) the constitutional documents of the issuer;
  - (b) any trust deed of the issuer, paying agency agreement, swap agreement, derivatives contract, repurchase agreement, security lending agreement, guarantee, surety, financial policy or any other material contracts pertaining to the issue;
  - (c) all reports, letters, valuations or other documents any part of which is included or referred to in the listing document;
  - (d) where the issuer has published independently audited financial statements, the audited financial statements of the issuer or, in the case of a group which has produced consolidated financial statements, the consolidated audited financial statements of the issuer and its subsidiaries for each of the two financial years immediately preceding the issue of the listing document, together with any interim financial statements published subsequently; and
  - (e) in the case of securities issued under a programme, the current programme memorandum, any supplementary programme memorandum or any pricing supplements issued (relating to outstanding and listed issues) since the current programme memorandum was published.

## MODIFICATIONS, EXCEPTIONS AND ADDITIONS

### **Debt securities which benefit from the guarantee of another company**

- 8.71 Where the debt securities benefit from the guarantee of another company, the information required in respect of the guarantor will be such information as the Exchange determines, not exceeding that which would be required if it were the issuer.
- 8.72 Where the debt securities benefit from an unconditional and irrevocable guarantee of another company or equivalent arrangements the information required by rules 8.58 to 8.61 need not be included.

### **Issuers which are SPVs**

- 8.73 The information required by rules 8.58 to 8.61 need not be included where an issuer is an SPV.

### **Listed issuers**

- 8.74 Where the issuer's or, where relevant, the guarantor's debt or equity securities are listed on the Exchange or on another stock exchange recognised by the Exchange for this purpose, the Exchange may, if it considers it appropriate, treat it as a listed issuer. In such cases, the issuer need not include the information required by rules 8.58 to 8.61, provided the name of the stock exchange on which such issuer's or guarantor's securities are listed is disclosed in the listing document.

### **Issuers of convertible securities**

- 8.75 An issuer of convertible securities must include the following additional information in the listing document with respect to the securities into which the convertible securities are convertible into, whether directly or by reference to other publicly available documentation:
- (a) details satisfactory to the Exchange of the shares or other securities offered by way of conversion, exchange or for subscription, and the rights attaching thereto including details of arrangements for transfer of such securities and any restrictions on their free transferability;
  - (b) conditions of and procedures for conversion, exchange or subscription and details of the circumstances in which they may be amended;
  - (c) the name of the issuer of the securities;
  - (d) its registered office;
  - (e) its country of incorporation;

- (f) the nature of its business;
- (g) the name of any stock exchange on which the relevant securities are listed;
- (h) the place where financial and other information on the issuer and the relevant securities is publicly available;
- (i) where the issuer of the securities and/or the issuer's short term or long term credit has been rated by any of the major public rating agencies, the ratings and the name of the rating agency responsible for such rating;
- (j) the name of the registrar and /or paying agent for the relevant securities; and
- (k) details of any taxes on the payment of principal and interest on the relevant securities at source.

### **Issuers of asset-backed securities**

8.76 An issuer of asset-backed securities must include the following additional information in the listing document with respect to the specific assets:

- (a) a statement of the laws by which the underlying assets are governed, and the jurisdiction to which the parties will submit in the event of any disputes;
- (b) the nature of the assets;
- (c) the maturity date(s) of the assets;
- (d) the currency and amount of the assets;
- (e) where the assets are themselves secured or backed by other assets, details of such other assets including, where such assets are subordinated, details of the subordination provisions;
- (f) a description of any significant representations and warranties given to the issuer relating to the assets;
- (g) any collateral substitution rights;
- (h) where the assets consist of equity securities:
  - (i) the name of the issuer of such equity securities;
  - (ii) its registered office;
  - (iii) its country of incorporation;

- (iv) the nature of its business;
  - (v) a description of the securities and the rights attached thereto; and
  - (vi) the name of any stock exchange or other regulated, regularly operating open market on which such equity securities are listed and /or traded or a place where financial and other information on the issuer of the equity securities and such securities is publicly available.
- (i) where the assets consist of debt obligations, the general characteristics of the borrower(s) and a description of their credit quality. Where there are ten or fewer borrowers, or where a single borrower accounts for ten per cent. or more of the assets, the description of the borrower(s) must include:
- (i) the name of the borrower;
  - (ii) its registered office;
  - (iii) its country of incorporation;
  - (iv) the nature of its business;
  - (v) a summary of the principal terms and conditions of the debt obligations, or, where the debt obligations are listed on a stock exchange, a brief description of such debt obligations;
  - (vi) the name of any stock exchange on which the borrower's debt obligations are listed or a place where financial and other information on the borrower and its debt obligations is publicly available;
  - (vii) where the debt obligations and/or the borrower have been rated by any of the major public rating agencies, the ratings and the name of the rating agency responsible for such rating; and
  - (viii) details of any relationship between the issuer, guarantor and any borrower.
- 8.77 Where the assets comprise equity securities, debt obligations or other receivables from a managed pool of assets, the issuer must include the following additional information:
- (a) any specific minimum or maximum pool size;
  - (b) the name and address of the entity appointed to manage or service the assets, specifying whether such entity is an investment manager or an administrator;

- (c) a description of such entity including, in the case of an investment manager, an indication of the value of assets under the investment manager's discretionary management, the names of its key personnel and details of their qualifications and experience in the management of such assets;
- (d) a summary of the principal contents of the contract with such entity, including particulars of the date, parties, terms and conditions, the basis for their remuneration and details of how this may be altered and a description of how their appointment may be terminated;
- (e) details of any provisions indemnifying or restricting the liability of the entity;
- (f) a description of the assets eligible for purchase by the issuer, any restricted assets and any investment or lending criteria which must be satisfied including, where applicable, any collateral coverage tests, minimum weighted average portfolio ratings, asset diversification criteria or guidelines relating to the maturity profile;
- (g) the circumstances in which the composition of the assets may change or in which further advances may be made on such assets and, where the purchase and substitution of assets is permitted, details of the reinvestment criteria;
- (h) a statement as to whether any swaps, derivatives or other financial techniques will be used by the investment manager;
- (i) the method of origination or creation of the assets, the name, address and a brief description of the originator of the assets;
- (j) how payments in respect of the underlying assets are collected; and
- (k) an indication of the investment policy for the investment of temporary funds.

### **Issuers of credit-linked securities**

8.78 Where the debt securities for which listing is sought are credit-linked, the following additional information must be included in the listing document with respect to the assets to which the debt securities are linked:

- (a) where the debt securities are linked to equity securities:
  - (i) the name of the issuer of the equity securities;
  - (ii) its registered office;
  - (iii) its country of incorporation;
  - (iv) the nature of its business;

- (v) a description of the securities and the rights attached thereto; and
  - (vi) the name of any stock exchange or other regulated, regularly operating open market on which such equity securities are listed and/or traded or a place where financial and other information on the issuer and such securities is publicly available.
- (b) where the debt securities are linked to debt obligations:
- (i) the name of the issuer of the debt obligations;
  - (ii) its registered office;
  - (iii) its country of incorporation;
  - (iv) the nature of its business;
  - (v) a summary of the principal terms and conditions of the debt obligations, or, where the debt obligations are listed on a stock exchange a brief description of such debt obligations;
  - (vi) the name of any stock exchange on which such debt obligations are listed or a place where financial and other information on the issuer and the debt obligations is publicly available; and
  - (vii) where the debt securities and/or the issuer of the debt obligations and/or the issuer's short term or long term credit has been rated by any of the major public rating agencies, the ratings and the name of the rating agency responsible for such rating.
- (c) where the debt securities are linked to indices:
- (i) a description of the index;
  - (ii) the name of the sponsor responsible for calculating and disseminating information with respect to the index;
  - (iii) a description of the method of calculation of the value of the index;
  - (iv) the frequency with which the index is calculated and published and the method of publication; and
  - (v) a summary of the provisions which apply in the event of the modification or discontinuance of the index.

- (d) where the debt securities are linked to a basket of securities or indices:
  - (i) a description of the composition of the basket;
  - (ii) for each security or index comprising ten per cent. or more of the basket, the information required by rules 8.78 (a) to 8.78 (c), where applicable;
  - (iii) the method of calculation of the value of the basket; and
  - (iv) the circumstances in which the composition of the basket may change, and details of the provisions relating to such an adjustment.
  
- (e) where the terms of the issue of the credit-linked securities contemplate the physical delivery of the underlying assets:
  - (i) details satisfactory to the Exchange of the underlying assets, and the rights attaching thereto, including details of arrangements for transfer of such assets and any restrictions on their free transferability;
  - (ii) conditions of and procedures for delivery of the underlying assets and the circumstances in which they may be amended;
  - (iii) the name of the issuer of the underlying assets;
  - (iv) its registered office;
  - (v) its country of incorporation;
  - (vi) the nature of its business;
  - (vii) the name of the stock exchange on which the relevant assets are listed;
  - (viii) the place where financial and other information on the issuer and the relevant assets is publicly available;
  - (ix) where the issuer of the assets and/or the issuer's short term or long term credit has been rated by any of the major public rating agencies, the ratings and the name of the rating agency responsible for such rating;
  - (x) the name of the registrar and/or paying agent for the relevant assets; and
  - (xi) details of any taxes on the payment of principal and interest on the relevant assets at source.

## Issues of securities under debt issuance programmes

- 8.79 Issuers are expected to follow the application and publication procedures outlined in chapter 2 and rules 8.85 to 8.86 below, which involves the preparation of a listing document (the “programme memorandum”). The programme memorandum must contain the general terms and conditions applicable to all securities that may be issued and listed under the programme. The application for listing must cover the maximum nominal amount of securities which may be in issue and listed at any one time under the programme. If the Exchange approves the application, it will admit to listing all securities which may be issued under the programme within five years of the publication of the programme memorandum, subject to the Exchange:
- (a) being advised of the final terms of each issue;
  - (b) receiving a letter from the issuer confirming which of the listing requirements (other than the listing requirements already included in the letter submitted in accordance with rule 8.86 at the time of application for listing in respect of the programme), if any, do not apply to the issue;
  - (c) receiving a letter from the issuer requesting non-publication of certain information relating to an issue, giving reasons for such request;
  - (d) receiving and approving for publication any supplementary programme memorandum that may be appropriate;
  - (e) receiving confirmation that the securities in question have been issued; and
  - (f) receiving the issuance fee payable on admission of the securities to listing and the annual fee in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange’s website.
- 8.80 For issues in excess of the notified maximum or made more than five years after publication of the programme memorandum, the initial application and publication procedures as set out in chapter 2 and in rules 8.85 to 8.86 below must be followed.
- 8.81 A document describing the final terms of each issue which is intended to be listed (the “pricing supplement”), which may also comprise a supplementary programme memorandum, must be submitted to the Exchange as soon as possible after they have been agreed and in any event in reasonable time for the Exchange to review it and for amendments to be made prior to the date of its proposed publication.
- 8.82 The pricing supplement relating to an issue, when read together with the programme memorandum and any supplementary programme memorandum in respect of the programme, must provide an investor with the full terms and conditions of the issue.

- 8.83 Where the securities to be issued under a programme have already been approved for listing on an exchange which is recognised by the Exchange an issuer may apply to the Exchange for a listing for any tranche or series of securities to be issued under that programme. In such circumstances the Exchange will accept the programme memorandum prepared in connection with the issuer's application to list on such other exchange. In all other respects issuers must follow the application procedure outlined above.
- 8.84 Where asset-backed securities are issued under a programme, the relevant pricing supplement will normally comprise a supplementary programme memorandum which should contain information on the underlying assets as required by the listing rules.

## LISTING APPLICATION PROCEDURES

- 8.85 The listing document must be formally approved by the Exchange before publication.
- 8.86 The following documents must be submitted to the Exchange before formal approval is given:
- (a) an application for admission to listing, in the form set out in Appendix 1B to these listing rules;
  - (b) copy of the listing document in final form;
  - (c) a declaration by the issuer in the form set out in Appendix 2A to these listing rules;
  - (d) a letter from the issuer or its duly authorised representative confirming which of the listing requirements, if any, do not apply;
  - (e) a letter from the issuer or its duly authorised representative requesting, where relevant, non-publication of certain information, giving reasons for such request;
  - (f) such other documents as may be required by the Exchange; and
  - (g) the initial listing fee and the annual fee in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange's website.

## CONTINUING OBLIGATIONS

Each issuer of debt securities listed pursuant to this chapter must undertake, as a condition of being granted and maintaining a listing on the Exchange, to comply with the continuing obligations set out herein.

### **New developments**

- 8.87 The issuer must notify the Exchange of any new developments which are not public knowledge and which may reasonably be expected to affect materially the market activity in and the price of the listed debt securities, or the ability of the issuer to meet its commitments.

### **Equality of treatment**

- 8.88 The issuer must ensure equal treatment of all holders of its listed debt securities of the same class in respect of all rights attaching to such securities.

### **Exercise of rights**

- 8.89 The issuer must ensure that all the necessary information and facilities are made available to holders of debt securities to enable them to exercise their rights. In particular, the issuer must notify the Exchange and publish notices or distribute circulars concerning the meetings of holders of its listed debt securities and the exercise of any conversion rights.

### **Financial statements**

- 8.90 An issuer must publish audited annual financial statements, in accordance with International Accounting Standards or such other standards as may be acceptable to the Exchange, within nine months of the end of the financial period to which they relate. If the issuer prepares both own and consolidated financial statements it may publish either form or both provided that the form which is not published does not contain any significant additional information. If the annual audited financial statements do not give a true and fair view of the state of affairs at the end of the financial year or the profit and loss of the issuer or the group, the Exchange may require additional information to be included therein.
- 8.91 If the audited annual financial statements have not already been made available to the holders of the debt securities, the availability of such annual financial statements must be notified to the Exchange immediately following their publication.
- 8.92 At the same time as the audited annual financial statements and any interim financial statements are published, the issuer must send one copy to the Exchange.

- 8.93 The Exchange will waive the requirements of rules 8.90 to 8.91 where:
- (a) the listed debt securities of the issuer benefit from an unconditional and irrevocable guarantee of another company or equivalent arrangements; or
  - (b) where the issuer is a special purpose vehicle;

and it has received written confirmation from the issuer that the non-publication of independently audited financial statements would not be likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the assessment of the securities in question.

- 8.94 Where the listed debt securities may be converted into securities of another entity, or are guaranteed by another entity, the issuer must, at the same time as the audited financial statements and any interim statements are published by such other entity, send a copy to the Exchange, unless that entity is listed or adequate information is otherwise available.

### **Changes in rights**

- 8.95 The issuer must notify the Exchange of any change in the rights of holders of any class of listed debt securities.
- 8.96 Where the listed debt securities are convertible or the terms of their issue contemplate physical delivery, this requirement will also apply to any change in the rights of any class of securities into which the listed debt securities are convertible.

### **Interest**

- 8.97 The issuer must notify the Exchange of any decision in relation to any listed debt securities not to make any interest payment contemplated by the terms of the issue of such securities.

### **Decision to purchase**

- 8.98 Save where contemplated specifically by the terms of a particular issue of securities, the Exchange must be notified immediately of any decision to call, purchase, redeem or cancel any of the listed debt securities by the issuer or any member of the group.

### **Notification of purchases**

- 8.99 The issuer must notify the Exchange immediately where any purchase, redemption or cancellation of securities of an aggregate of ten per cent. of the initial nominal amount of the listed debt securities has been made. Once this threshold has been crossed, the issuer must notify the Exchange of any further purchases, redemptions or cancellations of each additional five per cent. or more of the initial nominal amount of such securities.

- 8.100 Such notification must state the nominal amount of the securities purchased or redeemed, whether such securities are to be cancelled and the nominal amount of the securities remaining outstanding.

### **Paying agent**

- 8.101 The issuer must maintain a paying agent in the Cayman Islands or other financial centre acceptable to the Exchange until the debt securities are finally redeemed. The Exchange must be notified of any change of such paying agent. The issuer itself may perform this function if it can demonstrate to the Exchange that it is capable of doing so.

### **Clearance and settlement**

- 8.102 The issuer must make arrangements acceptable to the Exchange to facilitate the efficient clearance and settlement of all trades and, where applicable, the registration of all transfers of its listed securities.

### **Asset-backed securities**

- 8.103 If further debt securities are to be issued backed by the same assets, unless those further debt securities rank pari passu with, or are subordinated to any class of existing listed debt security, prior approval of holders of that class must be sought.
- 8.104 Any changes in the trustee or other appropriate independent representative appointed pursuant to rule 8.17, or the entity appointed to manage/service the portfolio of assets pursuant to rule 8.21, or the custodian appointed pursuant to rule 8.23, must be notified to the Exchange.

### **General nature of the business**

- 8.105 Any decision to change the general character or nature of the business of the issuer or group must be notified to the Exchange.

### **Constitution**

- 8.106 Any proposed change in the constitution of the issuer or the group or its registered or principal office must be notified to the Exchange.

### **Directors**

- 8.107 Any changes in the issuer's directors must be notified to the Exchange.

### **Auditor**

- 8.108 Any change in the issuer's auditor must be notified to the Exchange.

### **Equivalent information**

- 8.109 Where securities listed on the Exchange are also listed on another stock exchange, the issuer must ensure that copies of all documents required to be filed and information required to be notified to the Exchange are promptly made available to such other stock exchange.

### **Public Announcement**

- 8.110 The Exchange will upon notification of any of the above matters make a public announcement with respect to such matters.

### **Annual fee**

- 8.111 Issuers are required to pay an annual fee to the Exchange in accordance with the schedule of fees published on the Exchange's website, as updated from time to time.

### **Distribution of other documents**

- 8.112 The issuer must send to the Exchange a copy of all notices of meetings, forms of proxy, any reports, announcements or other similar documents at the same time as they are issued.

### **Exception**

- 8.113 Where, in the opinion of any issuer, disclosure of any matter required by the listing rules would be unduly detrimental to the issuer, the issuer may apply for a waiver from the relevant requirement. The information, together with a statement of the reasons why the issuer believes the information should not be disclosed at that time, must be provided to the Exchange. The Exchange will deal with the information on a strictly confidential basis. However, the Exchange may at any time order that an announcement be delivered to it for dissemination by the Exchange.

# CHAPTER 9

## INVESTMENT FUNDS

### Contents

This chapter sets out the conditions for listing for investment funds and the information which is required to be included in the listing document. All investment funds must also comply with the relevant provisions of section I of these listing rules. This chapter does not apply to secondary listings of investment funds, which are regulated by chapter 7 of these listing rules. The main headings of this chapter are:

9.1	conditions for listing
9.13	contents of listing document
9.52	modifications, exceptions and additions
9.80	listing application procedures
9.82	continuing obligations

### CONDITIONS FOR LISTING

#### Incorporation

- 9.1 To be eligible for listing, an investment fund must be:
- (a) duly incorporated or otherwise established in the Cayman Islands;
  - (b) duly incorporated or otherwise established in a jurisdiction defined in chapter 1 as being a recognised jurisdiction for investment fund incorporation; or
  - (c) otherwise acceptable to the Exchange.

#### Sufficiently liquid market

- 9.2 A closed-ended fund must have at least twenty-five per cent. of its listed securities in the hands of the public at all times. For the purposes of this rule, “the public” shall mean persons who are not directors or substantial shareholders of the investment fund, or directors of a substantial shareholder of the investment fund, or an associate of any of them. For the purposes of this rule, “substantial shareholder” means any member who holds 10% or more of the securities to be listed. In exceptional circumstances, and where the closed-ended fund is not a retail fund, the Exchange may accept a lower percentage in the hands of the public if it determines that the market in the securities will still be sufficiently liquid and will still operate properly.

#### Whole class to be listed

- 9.3 Where none of the securities of a particular class are listed on the Exchange, the application for listing must relate to all securities of that class.

## **Management**

- 9.4 The directors of the investment fund and the directors and key personnel of the investment manager must have, in the opinion of the Exchange, adequate experience and expertise in the management of investment funds.
- 9.5 The directors and key personnel of the investment manager and investment adviser (if any) must have adequate experience in the particular types of investment envisaged by the fund's investment policy and objectives. Adequate experience will normally be measured by reference to the amount and duration of funds under management.

## **Transferability**

- 9.6 The securities of the investment fund must be freely transferable, but may be subject to certain transfer restrictions if they are adequately disclosed and approved by the Exchange. The Exchange will approve transfer restrictions that result from the securities not being registered under certain securities laws provided such restrictions are adequately disclosed. The Exchange will also approve transfer restrictions which seek to ensure minimum holding requirements.

## **Custodian**

- 9.7 Where the investment fund is expected to invest in custodial assets it must appoint a custodian which is regulated in a recognised jurisdiction for investment fund incorporation or establishment to safeguard those assets. The custodian must be a separate legal entity from the investment fund, its directors, the investment manager, investment adviser and the investment fund administrator, but may be an associate of any of them.

## **Independent auditor**

- 9.8 The investment fund must appoint an independent auditor to carry out the audit of its financial statements.

## **Administrator**

- 9.9 An investment fund must be able to demonstrate to the Exchange adequate arrangements for calculating the net asset value of its listed securities or appoint an investment fund administrator to perform that function.

## **Net asset value**

- 9.10 The net asset value of the securities must be calculated at least quarterly. The method of valuation of the assets should be in accordance with the applicable accounting standards for the investment fund.

## **Clearing and settlement**

- 9.11 To be admitted to listing on the Exchange, securities must have an ISIN and securities of a closed-ended fund must also be eligible for deposit in an acceptable electronic clearing and settlement system including Clearstream, Euroclear, The Depository Trust Company or any acceptable alternative system agreed in advance with the Exchange.

**Registrar and transfer agent**

- 9.12 The investment fund must appoint a registrar and transfer agent in a financial centre acceptable to the Exchange.

**CONTENTS OF LISTING DOCUMENT****Preliminary information**

9.13

- (a) The official name and jurisdiction of incorporation or other formation of the investment fund;
- (b) The name and class of securities being offered by the listing document and the offer price;
- (c) The name of the listing agent and any underwriters or other distributors of the issue;
- (d) A declaration in the following form, to be given by the directors, or in the case of a unit trust, by the trustee, the investment manager, or other appropriate company approved by the Exchange, or in the case of a partnership, the general partner:

This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The [directors] collectively and individually accept full responsibility for the accuracy of the information contained in the listing document and confirm, having made reasonable enquiry, that to the best of their knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.

This declaration should be appropriately adapted where persons other than the [directors] are responsible for part of the listing document or where certain information has been reproduced from information published by a third party who has not participated in the preparation of the listing document. In such circumstances the [directors] must accept responsibility for accurately reproducing such information and confirm, having made reasonable enquiry, that to the best of their knowledge and belief such information is true and accurate.

- (e) A statement that application has been made to the Exchange for the securities to be admitted to the official list. This statement must describe the relevant securities, including their exact designation, class or sub-fund;
- (f) A statement of the date on which the securities are expected to be admitted to listing, if known;

- (g) The address of the principal or registered office of the investment fund;
- (h) The names and addresses of the investment fund's service providers, legal advisers, auditors, paying agents, if any, and listing agent; and
- (i) Where the listing document includes a statement made by an expert, a statement:
  - (i) specifying the qualifications of such expert and whether such expert has any shareholding or holds any units in the investment fund or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the investment fund;
  - (ii) that the expert has given and has not withdrawn his written consent to the issue of the listing document with the expert's statement included in the form and context in which it is included; and
  - (iii) of the date on which the expert's statement was made and whether or not it was made by the expert for incorporation in the listing document.

### **The investment fund's investments**

- 9.14 A description of:
- (a) the investment objective, policies and restrictions to be followed by the investment fund including details of investment techniques that may be used and the types of securities in which the investment fund will invest, giving an indication of the broad industrial or commercial sectors and, where appropriate, geographical areas of investment; and
  - (b) the manner in which such objective, policies and restrictions may be changed or varied.
- 9.15 A statement regarding the investment fund's ability to use borrowing, leverage, derivatives, currency hedges, securities lending or other financial techniques, or an appropriate negative statement.
- 9.16 Where a portfolio of investments has already been acquired or is intended to be acquired other than by purchases on a stock exchange or other open market, disclosure of the terms on which such investments were or are to be acquired. Where such transaction involves members of the investment fund family, the identity of the sellers and a description of their affiliation or association with the investment fund family.
- 9.17 A statement as to whether or not the investment fund's investment policy prohibits it from taking management control of any underlying investments of the investment fund.

### **Dividend policy**

- 9.18 A statement of the investment fund's dividend or income distribution policy.

- 9.19 Where there is an intention to make income distributions, any time limit after which entitlement to such distribution lapses and an indication of the party in whose favour the lapse operates.

### **Risk factors**

- 9.20 All material risks associated with investing in the investment fund, including any material counterparty, collateral, custody or settlement risks.
- 9.21 Where the investment fund is authorised to issue more than one class of securities, a statement as to the effect that the activities or value of one class might have on the activities or value of any other class of securities in the investment fund.
- 9.22 Except where the Exchange otherwise agrees, a statement that the directors do not anticipate that an active secondary market in the securities will develop.
- 9.23 Where the assets of the investment fund are placed with a broker and such broker is not required to hold such assets on a segregated basis, explanation of the credit risks associated with such placement.
- 9.24 Where proceeds of subscription or redemption of securities in the investment fund are held by service providers and such service providers are not required to hold client money on a segregated basis an explanation of the credit risks associated with such arrangements.

### **Directors and service providers**

- 9.25 The listing document must provide the following information:
- (a) the names, addresses, qualifications and a summary of relevant experience over at least the past five years of the directors of the investment fund;
  - (b) details of existing or proposed directors' service contracts;
  - (c) details of any fees or remuneration to be paid to any of the directors;
  - (d) details of any connections between individual directors and service providers;
  - (e) where the securities are voting securities, details of the interests of the directors of the investment fund or the investment manager in such securities or any options in respect of such securities;
  - (f) the name(s) of the investment manager and its directors and any investment advisers and details of their qualifications and experience in the management of investments (including an indication of the value of assets under their discretionary management);
  - (g) details of any investment advisers retained by the investment manager and details of their remuneration arrangements, together with details of how they can be altered;

- (h) a description of the arrangements entered into for the custody of the assets of the investment fund, including the name of the custodian and a description of the custodian's experience and expertise;
- (i) a statement as to whether any sub-custodians will be appointed to hold any of the assets of the investment fund and the level of responsibility retained by the custodian in such case;
- (j) where the assets of the investment fund are held by a broker:
  - (i) the name of the broker; and
  - (ii) whether or not any arrangements are entered into with brokers whereby the broker is required to segregate the assets to ensure that they are unavailable to creditors of the broker or any other entity;
- (k) the regulatory authority under which any of the service providers including the investment manager, custodian and broker, operate;
- (l) a summary of the principal contents of the service providers' contracts, including particulars of the:
  - (i) dates and parties;
  - (ii) terms and conditions;
  - (iii) fees or remuneration to be paid to such service providers, including an explanation of how they are calculated and details of how they can be altered; and
  - (iv) arrangements relating to termination of their appointment including any provisions for compensation upon termination;
- (m) a summary of any provisions in the investment fund's constitution or in any contract to which it is a party concerning all indemnities or restrictions of liability.

### **Material contracts**

- 9.26 To the extent not already disclosed above in relation to directors and service providers, a summary of the principal contents of any material contracts (not being contracts entered into in the ordinary course of business), entered into by the investment fund or any of its subsidiaries within the two years immediately preceding the date of the listing document.

### **Fees and expenses**

- 9.27 To the extent not already disclosed above in relation to directors and service providers, a statement of all material fees to be paid by the mutual fund, an explanation of how they are calculated and a statement as to how any contracts or arrangements requiring the payment of such fees may be varied.

- 9.28 In the case of a newly-formed investment fund, a statement of the aggregate cost of establishing the investment fund and, to the extent that this is to be borne by the investment fund, a statement of how this cost will be accounted for, disclosing, if relevant, amortisation details.

### **Conflicts of interest**

- 9.29 Details of any potential conflicts of interest which may arise, including:
- (a) any common shareholdings or other financial interests within the investment fund family; and
  - (b) any potential conflicts of interest which the directors or any other member of the investment fund family have between their duties to the investment fund and duties owed by them to other parties.

### **Financial information about the investment fund and the prospects of the investment fund**

- 9.30 Where an investment fund has not commenced operations, a statement to the effect that the investment fund has not commenced operations since the date of its incorporation and that no accounts have been made up and no dividends have been declared as at the date of the listing document.
- 9.31 Where an investment fund has been in existence for less than eighteen months and has not prepared audited financial statements, an audited statement of the net assets of the investment fund and its portfolio of investments as of a date not more than three months prior to the date of the listing document. This statement must
- (a) provide a detailed analysis of the applicant's assets and liabilities;
  - (b) account for such assets and liabilities in accordance with International Accounting Standards, United States, United Kingdom or Canadian generally accepted accounting principles or other standards acceptable to the Exchange; and
  - (c) include a detailed analysis of the investment fund's portfolio of investments by type of security (equity securities, convertible securities, fixed income securities, types of categories of derivative products, currencies and other investments) and by broad industrial or commercial sector and, where appropriate, geographical area, giving the market value of each category so analysed or such other portfolio details as may be agreed by the Exchange.
- 9.32 Where an investment fund has commenced operations and has not prepared an audited statement in accordance with rule 9.31:
- (a) the financial statements of the investment fund for the latest available financial year preceding the issue of the listing document, or, if shorter, since the date of establishment and the auditor's report that accompanies those financial statements. Where the investment fund has subsidiary undertakings, the financial statements

of the investment fund and its subsidiary undertakings must be in consolidated form, unless the Exchange agrees otherwise. These financial statements must:

- (i) be made up to a date not more than eighteen months prior to the date of the listing document;
  - (ii) have been prepared in accordance with International Accounting Standards, United States, United Kingdom or Canadian generally accepted accounting principles or other standards acceptable to the Exchange;
  - (iii) have been independently audited and reported on in accordance with International Standards on Auditing or other standards acceptable to the Exchange;
  - (iv) have been reported upon without qualification. Where the auditor's opinion has been qualified or modified to highlight a matter affecting the financial statements, the Exchange must be satisfied that the qualification or emphasis of matter is acceptable to the Exchange and has been adequately explained so as to enable the investors to make a properly informed assessment of the significance of the matter; and
  - (v) include a detailed analysis of the investment fund's portfolio of investments by type of security (equity securities, convertible securities, fixed income securities, types of categories of derivative products, currencies and other investments) and by broad industrial or commercial sector and, where appropriate, geographical area, giving the market value of each category so analysed or such other portfolio details as may be agreed by the Exchange;
- (b) any interim financial statements of the investment fund published subsequently stating whether such statements have been audited or not; and
- (c) where an investment fund annexes the financial statements to the listing document, a statement that such financial statements form part of the listing document.

9.33 Where the investment fund has commenced operations, a statement as at the most recent practicable date (which must be stated) of the total amount of all short and long term borrowings or indebtedness of the investment fund on a consolidated basis, if appropriate, or an appropriate negative statement. If such information is unaudited, that fact must be stated. Where the investment fund has published financial statements and there has been no material change to the information regarding borrowings and indebtedness disclosed in those financial statements a statement to that effect will satisfy this requirement.

9.34 The net asset value per security of the investment fund, or in the case of a partnership, the aggregate net asset value of the securities, as at the date most recently calculated. If the net asset value is unaudited, that fact must be stated. Where the investment fund has published its most recently calculated net asset value on the Exchange's website a statement to that effect will satisfy this requirement.

- 9.35 Where the investment fund has commenced operations, an explanation by the directors of any material change in the financial or trading position of the investment fund and any subsidiaries since the date to which the latest audited financial statements were made up, or where audited financial statements have not been prepared, since the date of commencement of operations, or an appropriate negative statement.
- 9.36 A statement of any material information which may be relevant to the financial prospects of the investment fund for at least the current financial year or since commencement of operations.
- 9.37 Where a profit forecast appears in the listing document, a statement of the principal assumptions upon which it is based. The accounting policies and calculations for the forecast must be examined and reported on by the reporting accountants and their report must be set out in the listing document. In addition, the reporting accountants and the listing agent must report that they have satisfied themselves that the forecast has been made by the directors after due and careful enquiry, and such reports must be set out in the listing document.
- 9.38 Where historical performance data appears in the listing document, the source of such information and the bases of any calculations must be disclosed. The Exchange may require the investment fund to appoint a firm of reporting accountants to report on the historical performance data.
- 9.39 The date of the investment fund's financial year end and details of any arrangements for preparation and distribution of the audited annual financial statements and any other financial statements published by the investment fund.
- 9.40 Where an investment fund incorporates its annual financial statements by reference into the listing document a statement that the listing document must be read with those statements and details of where they are available for inspection.

### **Terms of the securities to be listed**

- 9.41 The following information, stated separately for each class of securities if there is more than one:
- (a) the number and description of securities being offered;
  - (b) the ISIN for each class of security for which listing is sought;
  - (c) the initial issue price of the investment fund's securities and an explanation of how the subsequent issue price is calculated;
  - (d) the period during which the offer of securities will remain open;
  - (e) any minimum or aggregate amounts to be subscribed;
  - (f) acceptable methods of payment of the issue price. Where the issue price may be satisfied in kind by a transfer of assets, a description of the basis for acceptance and method of valuation of those assets;

- (g) the timing and method of notification of acceptance of subscription;
- (h) a statement as to whether or not certificates in respect of the securities will be issued or available to investors;
- (i) the names, addresses and description of the persons underwriting the issue, if any;
- (j) arrangements for the transfer of the investment fund's securities and, if permitted by the Exchange, a description of any restrictions on the free transferability of such securities;
- (k) for open-ended investment funds:
  - (i) the intervals at which and the method by which the securities can be redeemed by security holders;
  - (ii) an explanation of how the redemption price is calculated; and
  - (iii) timing and method of payment of redemption proceeds.
- (l) details of any provisions for limiting the amount of securities which may be redeemed on any redemption day and the arrangements for dealing with requests in excess of such limits;
- (m) if the investment fund has the power to meet redemptions by way of in kind distributions:
  - (i) a description of the risks associated with such distributions; and
  - (ii) a statement that any such distributions will not materially prejudice the interests of the remaining security holders;
- (n) details of the circumstances in which the securities may be compulsorily redeemed or the investment fund may be closed;
- (o) with regard to the determination of the net asset value of the investment fund's securities:
  - (i) the intervals at which the net asset value will be determined;
  - (ii) an explanation of the method of valuation of the assets, distinguishing between categories of investments;
  - (iii) a statement of by whom such value will be calculated; and
  - (iv) where pricing information regarding the underlying investments of the mutual fund is provided to the person calculating the net asset value by any member of the investment fund family, a statement as to whether or not the person calculating the net asset value performs an independent verification of such pricing information;

- (p) the arrangements for the publication of the net asset value of the investment fund's securities, including a statement that such valuation will be notified to the Exchange immediately upon calculation;
- (q) details of the circumstances in which the valuation, issue or redemption of the investment fund's securities may be suspended, limited or terminated by the investment fund and a statement that such suspension, limitation or termination will be notified to the Exchange; and
- (r) where the investment fund is authorised to issue more than one class of securities, the details of the method by which and the terms on which one class of securities may be converted into another class.

### **Statutory and general information**

#### 9.42

- (a) the date of incorporation or other establishment of the investment fund and, if the investment fund has been incorporated for a limited duration, a statement to this effect;
- (b) if the investment fund has subsidiary or parent undertakings, a brief description of the group and of the investment fund's position within it;
- (c) if the investment fund is a company, the amount and description of its authorised share capital, the number of shares issued or agreed to be issued and the amount paid up on such shares;
- (d) if the investment fund is a unit trust, the designation of its units, the number of units issued or agreed to be issued and the amount paid up on such units;
- (e) if the investment fund is a partnership, the types of partnership interests and the liabilities of the partners;
- (f) the regulatory status of the investment fund; and
- (g) a statement of the resolutions, authorisations and approvals by which the securities to be listed have been created and/or issued.

#### 9.43 A summary of the provisions of the investment fund's constitution with regard to:

- (a) the rights of the holders of each class of securities, including voting rights, variation of class rights, any entitlement to share in the profits and in any surplus on winding up or upon liquidation, any pre-emptive rights (including the procedure for the exercise of such pre-emptive rights and the transferability of such pre-emptive rights) and any other special rights, including redemption or conversion rights;
- (b) any power enabling a director of the investment fund to vote on a proposal, arrangement or contract in which he is materially interested;

- (c) any power enabling the directors, in the absence of an independent quorum, to vote remuneration to themselves or any other directors;
  - (d) any borrowing powers exercisable by the directors and how such borrowing powers can be varied; and
  - (e) changes in capital.
- 9.44 Details of the name of any promoter, and the amount of any cash, securities or other benefit given to such promoter within the two years immediately preceding the issue of the listing document or proposed to be given to such promoter in his capacity as such.
- 9.45 Particulars of any capital of the investment fund which is under option, including the consideration for which the option was or will be granted, and the price and duration of the option, and the name and address of the grantee.
- 9.46 Particulars of any litigation or claims of material importance pending or threatened by or against the investment fund, or an appropriate negative statement.
- 9.47 The basis of taxation of the fund.
- 9.48 The name(s), so far as is known to any director of the investment fund, of any person(s) who, directly or indirectly, jointly or severally, exercise(s) or could exercise control over the investment fund, and particulars of the proportion of voting capital held by such person(s).
- 9.49 Particulars of any other stock exchange or other regulated regularly operating markets on which any securities of the investment fund issuer are listed or traded or on which a listing or a trading facility has been or will be sought.
- 9.50 Particulars of any commissions, discounts, brokerages or other special terms granted within the two years immediately preceding the date of the listing document in connection with the issue or sale of the securities of the investment fund, together with the names of any directors or proposed directors who received any such payment or benefit and the amount or rate of the payment or benefit they received.

### **Documents for inspection**

- 9.51 Details of where, at a place in the Cayman Islands or such other place acceptable to the Exchange, copies of the following documents, may be inspected (without charge):
- (a) the constitutional documents of the investment fund;
  - (b) all material contracts referred to in the listing document, including all contracts between the investment fund, its directors and service providers ;
  - (c) a copy of the most recent listing document, any supplementary listing document and any circulars to security holders; and

- (d) any interim financial statements published by the investment fund and the audited financial statements of the investment fund.

## MODIFICATIONS, EXCEPTIONS AND ADDITIONS

### Side pockets

9.52 Where the investment fund proposes to allocate special situation or illiquid investments to a separate share class (“S shares”):

- (a) no more than 50% of the gross assets of the fund may be allocated to S shares;
- (b) valuation of assets attributable to S shares must be performed by an independent administrator and in accordance with rule 9.10;
- (c) the listing document must include clear disclosure of:
  - (i) the fact that S shares may be created;
  - (ii) the method of valuation of the S shares and details of the party responsible for such valuation;
  - (iii) the risks associated with the S shares including cross class liability disclosure pursuant to rule 9.21;
  - (iv) the method of calculation of management and performance fees relating to S shares;
  - (v) criteria applied when designating investments to S share classes and circumstances that would cause the disposal of such investments;
  - (vi) whether the S shares are redeemable and if so details of the relevant provisions; and
  - (vii) any other additional rights of S shares.

### Umbrella funds

9.53 Where the investment fund has more than one sub-fund, details of the various sub-funds must be disclosed in the listing document, whether the securities of such sub-funds are to be listed or not, including any information relating to any sub-fund which may affect the rights of the securities of the listed sub-fund.

9.54 An investment fund which has more than one sub-fund must also include in the listing document the following:

- (a) the financial information required by rules 9.30 – 9.39 for all of the sub-funds; and

- (b) the information required by rule 9.46 regarding litigation and material claims against any of the sub-funds.

## Feeder funds

9.55 Where an applicant is a feeder fund, in addition to satisfying the conditions for listing in this chapter, the following conditions must be satisfied:

- (a) where the feeder fund and the master fund(s) are not both open-ended that fact and any associated risks to investors in the feeder fund, including any risks arising from non-symmetrical redemption provisions of the funds, must be clearly explained in the listing document;
- (b) investment in the feeder fund must be restricted to qualified investors;
- (c) the Exchange must be satisfied that sufficient information regarding the master fund(s) will be made available to investors in the feeder fund, within specific regular time limits;
- (d) the master fund(s) must be listed on the Exchange or a recognised stock exchange or the Exchange must be satisfied that the master fund would satisfy the following conditions as if it were applying for listing: 9.1; 9.4; 9.5; 9.7;9.8; 9.9; and 9.10; and
- (e) any risk that the directors of or investors in the feeder fund may not be able to control the master fund(s) must be prominently disclosed in the listing document.

9.56 A feeder fund must include in the listing document the information required by the following provisions of this chapter where they apply to the master fund, as if the master fund itself were applying for listing: 9.13 (a); 9.13(g); 9.13(h); 9.14 to 9.18; 9.21; 9.23 to 9.39; 9.41(k)(i); 9.41(m)(i); 9.41(n); 9.41(o)(i) to 9.41(o)(iii); 9.41(p) to 9.42(e); 9.43; 9.45 to 9.51. Where such information is contained in a current offering memorandum or the latest audited financial statements of the master fund(s), such offering memorandum and/or financial statements may be annexed to the listing document, provided that the listing document contains a statement that such offering memorandum and/or financial statements form part of the listing document.

## Funds of funds

9.57 A fund of funds must include in the listing document the following information:

- (a) a description of the investment funds eligible for purchase by the fund of funds and any investment restrictions or criteria which must be satisfied including, where applicable, diversification criteria;
- (b) the circumstances in which the composition of the fund of fund's investment portfolio may change or where the substitution of assets is permitted, details of the reinvestment criteria;
- (c) how payments in respect of the underlying assets are collected; and

- (d) an indication of the investment policy for the investment of **available cash**.
- 9.58 In relation to each of the investment funds into which a fund of funds will be investing over 20 per cent. of the gross value of its assets:
- (a) the full name of the investment fund;
  - (b) the date of incorporation of the investment fund;
  - (c) its registered address;
  - (d) whether or not it is listed on any exchange;
  - (e) the investment objective of the investment fund;
  - (f) a description of the management of the fund, including the name(s) of the investment manager and/or investment adviser, details of their qualifications and experience (including an indication of the value of assets under their discretionary management) and details as to whether such parties are regulated;
  - (g) the structure of the fund, including:
    - (i) whether it is open-ended or closed-ended; and
    - (ii) whether it issues voting or non-voting shares;
  - (h) fees and expenses of the investment fund;
  - (i) any risk factors associated with investing in the investment fund;
  - (j) a statement in relation to any cross-class liability;
  - (k) a statement that the directors or investors of the fund of funds may not be able to control the investment fund; and
  - (l) a description of any relationship between the fund of funds and the investment fund into which it is investing, as well as a summary of any conflicts of interest arising as a result thereof.

### **Closed-ended funds**

- 9.59 In addition to satisfying the conditions for listing in this chapter, a closed-ended fund must include in its constitution a provision that it will obtain the prior approval of its listed security holders in the following circumstances:
- (a) any material change in the investment fund's constitution;

- (b) any change in the rights of any class of listed securities. Where the listed securities are convertible this requirement will also apply to any change in the rights of any class of securities into which the listed securities are convertible;
  - (c) the creation of any additional classes of security in the investment fund, whether such classes will be listed or not;
  - (d) any issue of further securities of the same class as existing listed securities for cash at a price less than the net asset value per share of those securities unless the right to do so is set out in the investment fund's constitution and listing document or the securities are first offered pro rata to existing holders;
  - (e) any material change in the investment policies or objectives, investment restrictions or borrowing restrictions of the investment fund; and
  - (f) any intention of the investment fund to extend the life of or terminate the investment fund or to compulsorily redeem all of its securities.
- 9.60 An investment fund which is a closed-ended fund must also disclose in the listing document:
- (a) in so far as is known to the investment fund, the name of any substantial shareholder(s) (as defined in rule 9.2), together with the amount of each such person's interest, or an appropriate negative statement; and
  - (b) the procedure for the exercise of any pre-emptive rights and the transferability of any subscription rights.

### **Retail funds**

- 9.61 The majority of directors of a retail fund must be independent.
- 9.62 The investment manager of a retail fund must be authorised and regulated by a regulatory authority from a recognised jurisdiction for investment fund incorporation and establishment.
- 9.63 A retail fund must appoint an independent investment fund administrator which is authorised and regulated by a regulatory authority from a recognised jurisdiction for investment fund incorporation and establishment.
- 9.64 With regard to the determination of the net asset value of the retail fund's securities the investment fund administrator must either be responsible for providing the pricing information regarding the underlying investments or for performing an independent verification of such pricing information.

- 9.65 A retail fund must include at the front of the listing document a key information summary of not more than 2,000 words covering (as a minimum) investment objectives and policy; risk factors; fees payable by investors and the investment fund; and contact details. The key information summary must include a statement to the effect that potential investors should read the whole listing document and seek professional investment advice as appropriate.

### **Property funds**

- 9.66 A property fund must include in the listing document a valuation of its property portfolio (including any property expected at the time of listing to be acquired) carried out according to internationally accepted valuation standards by a suitably qualified independent valuer, and details of the valuation methodology used.
- 9.67 The valuation report must be dated within 6 months of the listing document and include details of any material change to any of the matters referred to in the valuation of its property portfolio since the date of its preparation or an appropriate negative statement.
- 9.68 Where no investments have been made at the time of listing and a valuer has yet to be appointed the listing document must include details of the criteria to be used in selecting a valuer and the valuation methodology to be used. In such cases the identity of the valuer must be agreed in advance with the Exchange.
- 9.69 A property fund must include in its listing document a statement of the expected frequency with which independent valuations will be undertaken in accordance with rule 9.104 and a statement that it will notify the Exchange without delay of any deviation from such frequency.

### **Forestry funds**

- 9.70 A forestry fund must include the following information in the listing document:
- (a) A portfolio overview broken down according to committed and drawn down investments, geographical location, tree species, tree age classes and indications of progress of tree growth;
  - (b) An indication of the periods and main terms of any licenses or concessions and the economic conditions for working those licenses or concessions;
  - (c) Estimated future (covering at least 10 years) management requirements, cash flow and returns;
  - (d) In respect of any funds which are neither committed nor drawn down there must be a detailed explanation of the intended application of any proceeds to the issuer's business and development objectives; and
  - (e) A statement of the expected frequency with which independent valuations will be undertaken in accordance with rule 9.108 and a statement that it will notify the Exchange without delay of any deviation from such frequency.

- 9.71 The listing document must also contain a report from a suitably qualified independent forestry expert, prepared in accordance with internationally accepted valuation standards (to be agreed in advance with the Exchange), which will normally cover as a minimum:
- (a) The basis and assumptions on which the report and valuation have been prepared;
  - (b) The valuation standards or code used;
  - (c) Status, independence, knowledge and skills of the forestry expert;
  - (d) Details of the work undertaken, sources of information, any site inspections undertaken by the forestry expert and limitations of available information or access;
  - (e) Property description (with reference to maps and plans) including location, access, growing conditions, crop growth, sport, amenity wildlife and development potential;
  - (f) Commentary, where appropriate, on the forestry fund's production schedules, progress of workings and forecast extraction rates;
  - (g) Any special factors that may affect commercial exploitation including environmental factors, accessibility and availability of utilities or other essential services; and
  - (h) Valuation of forestry assets.

Such report must be dated within 6 months of the listing document and the listing document must include details of any material changes to the information contained in the report.

- 9.72 Where no investments have been made at the time of listing and a forestry expert has yet to be appointed the listing document must include details of the criteria to be used in selecting a forestry expert and the valuation methodology to be used. In such cases the identity of the forestry expert must be agreed in advance with the Exchange.

### **Exchange traded funds**

- 9.73 An exchange traded fund must include the identifier "ETF" in its name.
- 9.74 ETFs linked directly or indirectly to specific equity or debt securities, indices, currencies, interest rates, swap rates, exchange rates and certain commodities such as oil, gold and silver may be admitted to listing.

- 9.75 The Exchange must be satisfied that investors will be able to obtain the information necessary to form a reasonable opinion as to the value of the underlying index or assets. Depending on the nature of the assets, the Exchange will generally require underlying assets to be listed and/or traded on the Exchange or another regulated, regularly operating open market recognised for this purpose by the Exchange.
- 9.76 Information on the composition of an underlying index must generally be freely available although precise details of composition may be limited to the extent that confidentiality restrictions are imposed by the owner or publisher of an index provided the Exchange receives written confirmation from the ETF that the non-publication of such information would not be likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the assessment of the securities in question.
- 9.77 Issuers are encouraged to consult the Exchange at an early stage so as to establish the suitability of the underlying index or assets and should be able to provide evidence of permission from the owner or publisher for the use of an index.
- 9.78 An ETF must include the following information in the listing document:
- (a) details of whether the ETF will use physical or synthetic replication of the underlying index or asset;
  - (b) where the ETF's investment policy anticipates the significant use of derivatives a summary of the types of instruments, the terms and conditions of any swap or derivatives contract entered into and details of counterparties;
  - (c) if the ETF is actively managed, details of how it will meet its stated investment policy including where applicable its intention to outperform an underlying index or asset;
  - (d) an explanation (using charts showing historical performance where available) of how the performance of the ETF may vary under different market conditions from the underlying index or assets over time and details of any contributing factors;
  - (e) where the ETF targets leveraged performance against the price of the underlying assets a description of the leverage policy and the techniques to be used and a clear warning to the effect that the securities are likely to be subject to significant price volatility and therefore only suitable for investors who are sufficiently experienced in investment matters to be able to evaluate the risks and can bear the complete loss of their investment;
  - (f) where applicable, an explanation of how the ETF's indicative net asset value is calculated;
  - (g) details of the level of collateralisation (as a percentage of net asset value) against counterparty risk and the frequency of valuation of such collateral;
  - (h) where the right to redeem the securities is limited a clear warning to that effect and that investors must therefore investigate and satisfy themselves with such arrangements for transfer of the securities that there are;

- (i) details of any other material terms and conditions, for example modifications which would apply in the event of market disruption or force majeure;
- (j) risk factors including those associated with tracking error, short selling (both by the ETF in the pursuit of its investment strategy and by third parties of the ETF's securities), and exposure to counterparties;
- (k) where the performance of the ETF is linked to an index:
  - (i) a description of the index;
  - (ii) the name of the sponsor responsible for calculating and disseminating information with respect to the index;
  - (iii) a description of the method of calculation of the value of the index;
  - (iv) the frequency with which the index is calculated and published and the method of publication; and
  - (v) a summary of the provisions which apply in the event of the modification or discontinuance of the index;
- (l) where the performance of an ETF is linked to a basket of securities or indices:
  - (i) a description of the composition of the basket;
  - (ii) for each index comprising ten per cent. or more of the basket, the information required by rule 9.78(k), where applicable;
  - (iii) for each security comprising ten per cent. or more of the basket:
    - (a) the name of the issuer of the securities;
    - (b) its registered office;
    - (c) its country of incorporation;
    - (d) the nature of its business;
    - (e) a description of the securities, and the rights attached thereto;
    - (f) where the securities are debt securities any relevant credit rating; and
    - (g) the name of any stock exchange or other market on which such securities are listed and/or traded or a place where financial and other information on the issuer of the securities and such securities is publicly available.
  - (iv) the method of calculation of the value of the basket; and

- (v) the circumstances in which the composition of the basket may change and details of the provisions relating to such an adjustment;
- (m) where the terms of the issue of the securities of the ETF contemplate the physical delivery of the underlying assets:
  - (i) details satisfactory to the Exchange of the underlying assets, and the rights attaching thereto, including details of arrangements for transfer of such assets and any restrictions on their free transferability;
  - (ii) conditions of and procedures for delivery of the underlying assets and the circumstances in which they may be amended;
  - (iii) the name of the issuer of the underlying assets;
  - (iv) its registered office;
  - (v) its country of incorporation;
  - (vi) the nature of its business;
  - (vii) the name of any stock exchange or other market on which the relevant assets are listed and/or traded;
  - (viii) the place where financial and other information on the issuer and the relevant assets is publicly available;
  - (ix) where the issuer of the assets and/or the issuer's short term or long term credit has been rated by any of the major public rating agencies, the ratings and the name of the rating agency responsible for such rating;
  - (x) the name of the registrar and/or paying agent for the relevant assets; and
  - (xi) details of any taxes on the payment of principal and interest on the relevant assets at source.

9.79 The listing document of an ETF must include a key information summary as referred to in rule 9.65. The key information summary of an ETF must also cover disclosures under rules 9.78(a) to (m).

## LISTING APPLICATION PROCEDURES

9.80 The listing document must be formally approved by the Exchange before publication.

9.81 The following must be submitted to the Exchange before formal approval is given:

- (a) an application for admission to listing, in the form set out in Appendix 1A to these listing rules;
- (b) copy of the listing document in final form;

- (c) a declaration by the issuer in the form set out in Appendix 2A to these listing rules;
- (d) a declaration for each director and proposed director of the issuer, unless one has previously been filed with the Exchange in the form set out in Appendix 3A to these listing rules;
- (e) a declaration by the listing agent in the form set out in Appendix 4 to these listing rules;
- (f) in the case of a closed-ended fund, a shareholders' statement in the form set out in Appendix 5 to these listing rules;
- (g) a letter from the issuer or its duly authorised representative confirming which of the listing requirements, if any, do not apply;
- (h) a letter from the issuer or its duly authorised representative requesting, where relevant, non-publication of certain information, giving reasons for such request;
- (i) such other documents as may be required by the Exchange; and
- (j) the initial listing fee and the annual fee in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange's website.

## CONTINUING OBLIGATIONS

The following rules and the relevant rules in section I set out the continuing obligations with which each investment fund must undertake to comply as a condition of being granted, and of maintaining, a listing.

### **New developments**

- 9.82 The investment fund must notify the Exchange without delay, for dissemination by the Exchange, of any new developments which are not public knowledge and which may reasonably be expected to affect materially the financial position or general course of business of the listed investment fund or the market activity in and the price of its listed securities.

### **Equality of treatment**

- 9.83 The investment fund must ensure equal treatment of all holders of its listed securities of the same class.

### **Exercise of rights**

- 9.84 The investment fund must ensure that all the necessary information and facilities are made available to holders of its listed securities in order to enable them to exercise their rights in relation to such securities.

**Notification of net asset value**

- 9.85 The investment fund must notify the Exchange without delay, for dissemination by the Exchange, whenever it is calculated, of the net asset value of its listed securities. The Exchange will charge an administrative fee in accordance with the schedule of fees published on its website for any late notifications of the net asset value of the investment fund's listed securities.

**Suspensions**

- 9.86 The investment fund must notify the Exchange without delay, for dissemination by the Exchange, of any suspension in the calculation of net asset value or of subscriptions or redemptions. Such notification must include the reason for the suspension, details of whether fees will also be suspended, the actions planned with a view to the resumption of normal operations or liquidation of the investment fund, and (where possible) the anticipated timing.
- 9.87 Where an investment fund has suspended redemptions it should also suspend subscriptions unless the price of the listed securities based on net asset value is still capable of calculation through objective and reliable means.
- 9.88 Where there has been a suspension in the calculation of net asset value or of subscriptions or redemptions the investment fund must provide regular updates to the Exchange, for dissemination, of progress made towards the resumption of normal operations.
- 9.89 The decision to lift a suspension in the calculation of net asset value or of subscriptions or redemptions should be notified to the Exchange without delay, for dissemination.
- 9.90 Where there has been a suspension in the calculation of net asset value or of subscriptions or redemptions the Exchange may also require a suspension under Chapter 3 of these rules of the investment fund's listing.

**Dividends**

- 9.91 The investment fund must notify the Exchange without delay, for dissemination by the Exchange, of any proposed dividend payments, including details of the record date, payment date and amount of any such dividend.

**Financial information**

- 9.92 The investment fund must prepare annual financial statements. The first set of published annual financial statements must be in respect of a period not exceeding eighteen months from the first date of issue of the securities in the investment fund. The annual financial statements must:
- (a) have been prepared in accordance with International Accounting Standards, United States, United Kingdom or Canadian generally accepted accounting principles or other standards acceptable to the Exchange;
  - (b) have been independently audited and reported on in accordance with International Standards on Auditing or other standards acceptable to the Exchange;

- (c) have been reported upon without qualification. Where the auditor's opinion has been qualified or modified to highlight a matter affecting the financial statements, the Exchange must be satisfied that the qualification or emphasis of matter is acceptable to the Exchange and has been adequately explained so as to enable the investors to make a properly informed assessment of the significance of the matter;
  - (d) in the case of a sub-fund, comprise the financial statements for the umbrella fund as a whole, including all sub-funds thereof (irrespective of whether or not the umbrella fund or all of the sub-funds are listed on the Exchange);
  - (e) in the case of a feeder fund, include as an annex the annual financial statements of the master fund(s) which must be consolidated if appropriate;
  - (f) in the case of a fund of funds, unless otherwise agreed by the Exchange, incorporate any relevant information contained in the latest audited financial statements of the investment fund(s) into which it invests between 20 per cent. and 40 per cent. of the gross value of its assets.
  - (g) where the investment fund has subsidiary undertakings, be in consolidated form, unless the Exchange otherwise agrees; and
  - (h) be published as soon as possible after the accounts have been approved and in any event within nine months of the end of the period to which they relate. In exceptional circumstances the Exchange will grant an extension to this time limit.
- 9.93 The investment fund must make available a copy of its annual financial statements and any interim financial report to every holder of its listed securities and to the Exchange as soon as they have been published and must make further copies available to investors or prospective investors upon request.
- 9.94 The investment fund must include in its annual financial statements:
- (a) a detailed analysis of the investment fund's portfolio of investments by type of security (equity securities, convertible securities, fixed income securities, types or categories of derivative products, currencies and other investments) and by broad industrial or commercial sector and, where appropriate, geographical area, giving the market value of each category so analysed or such other portfolio details as may be agreed by the Exchange;
  - (b) a statement as at the end of the relevant financial year showing:
    - (i) the interests of any director, investment manager or investment adviser in the securities of the investment fund or any subsidiary, distinguishing between beneficial and non-beneficial interests;
    - (ii) details of any right to subscribe for securities of the investment fund granted to any director, investment manager or investment adviser of the investment fund, and of the exercise of any such right;

- (iii) the interests of each director of the investment fund in any entity which receives fees or other compensation from the investment fund; and
  - (iv) details of any material transaction with the investment fund's directors, investment manager, investment adviser, other service provider or any of their affiliates or any other party that may exert significant influence over the investment fund.
- (c) in the event the operating results shown by the financial statements for the period under review differ materially from any published forecast made by the investment fund, an explanation for the difference;
- (d) details of any emoluments or other income payable by the investment fund to the directors, service providers or any of their associates during the period under review;
- (e) details of any arrangements whereby a director or any service provider has waived or agreed to waive any emoluments from the investment fund or any subsidiary undertaking.

### **Matters requiring prior consultation**

9.95 The investment fund or its listing agent must consult the Exchange in advance of any matter which, in the reasonable opinion of the investment fund, may affect the suitability of the fund for listing or may materially adversely affect the interests of security holders.

### **Other disclosures**

9.96 The investment fund must notify the Exchange without delay, for dissemination by the Exchange, of any of the following:

- (a) any material change in the investment fund's constitution;
- (b) any change in the rights of any class of listed securities. Where the listed securities are convertible this requirement will also apply to any change in the rights of any class of securities into which the listed securities are convertible;
- (c) any change in the general character or nature of the investment fund including if the fund becomes an umbrella or feeder fund or fund of funds;
- (d) the creation of any additional classes of security in the investment fund, whether such classes will be listed or not;
- (e) any material change in the investment policies or objectives, investment restrictions or borrowing restrictions of the investment fund;
- (f) any changes in directors of the investment fund and in directors of the investment manager (and the investment fund must procure and lodge with the Exchange as soon as practicable a signed declaration and undertaking in the form set out in the appendices to these listing rules for each new director of the investment fund);

- (g) any changes in the service providers or auditors of the investment fund;
- (h) any change in the way in which net asset value or issue or redemption prices are calculated;
- (i) any change in the frequency of calculation of the net asset value or the frequency of subscriptions or redemptions;
- (j) any intention of the investment fund to extend the life of or terminate the investment fund or to compulsorily redeem all of its securities;
- (k) the redemption of all of its securities;
- (l) any change in the status of the investment fund for taxation purposes;
- (m) the investment fund agreeing to acquire from or dispose of an investment to a member of the investment fund family, unless such transaction has been fully disclosed in the listing document;
- (n) the investment fund agreeing to acquire or dispose of an asset in which a director or member of the investment fund family is materially interested, unless such transaction has been fully disclosed in the listing document;
- (o) unless otherwise disclosed as an investment objective or policy of the investment fund, the incurring of any material debt;
- (p) so far as is known to any director of the investment fund, there occurs any material change in the holdings or identity of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the investment fund;
- (q) any involvement in material litigation proceedings (where the amount involved is equal to or greater than twenty per cent. of the book value of the existing net assets of the investment fund);
- (r) if its securities cease to be listed on another stock exchange or if it is the subject of disciplinary action by another stock exchange or any other securities regulatory body; and
- (s) any change in the fund's registered or principal office.

### **Side pockets**

- 9.97 Where the disclosures set out in rule 9.52(c) were not included in its initial listing document the investment fund must obtain the prior approval of its listed security holders for the use of S shares. The circular seeking such approval must contain the disclosures set out in rule 9.52(c).

**Feeder funds**

- 9.98 In the case of a feeder fund, where the feeder fund becomes aware of the occurrence in relation to any master fund of any of the matters requiring disclosure pursuant to rule 9.96, it must notify the Exchange of the matter without delay, for dissemination by the Exchange.

**Closed-ended funds**

- 9.99 A closed-ended fund must notify the Exchange of, so far as is known to the closed-ended fund, any material change in the holdings or identity of any substantial shareholder, as defined in rule 9.2 stating the name of the person and the amount of the person's interest.
- 9.100 The closed-ended fund must inform the Exchange immediately if it becomes aware that the percentage of listed securities which are in the hands of the public required by these rules falls below the minimum levels required by these rules, or, where applicable, such lower percentage as the Exchange may have agreed. The closed-ended fund must take steps to restore compliance at the earliest possible moment and must procure and lodge with the Exchange as soon as practicable thereafter a signed shareholders' statement in the form set out in the appendices to these listing rules.

**Retail funds**

- 9.101 A retail fund must prepare in respect of the first six months of its financial year an interim financial report.
- 9.102 The interim financial report must have been prepared in a manner which is comparable with the audited annual financial statements of the retail fund. Where the accounting information given in an interim report has not been audited that fact must be stated. If the accounting information contained in an interim report has been audited the auditor's report including any qualifications must be set out.
- 9.103 The interim financial report must be published as soon as possible after it has been approved and in any event within three months of the end of the period to which it relates.

**Property funds**

- 9.104 Any property acquired by a property fund must be valued according to internationally accepted property valuation standards by a suitably qualified independent valuer. Where the price paid by the property fund for a property is materially different from the valuation the property fund must include details in its annual financial report.
- 9.105 A property fund must undertake at regular intervals (at least once every three years) an independent valuation of its property portfolio, carried out according to internationally accepted property valuation standards by a suitably qualified independent valuer. The frequency of valuation must be agreed in advance with the Exchange.
- 9.106 The net asset value of a property fund must be based on independent expert valuations and should be in accordance with the property fund's applicable accounting standards. The net asset value must be calculated at least every six months rather than quarterly as required by rule 9.10.

- 9.107 A property fund must include in its annual financial report a summary based on the most recent independent valuation of its property portfolio including:
- (a) the total value of properties held at the year end;
  - (b) the total cost of properties acquired;
  - (c) the net book value of properties disposed of during the period; and
  - (d) a breakdown of the geographical location and type of properties held at the year end.

### **Forestry funds**

- 9.108 Any forestry assets acquired by a forestry fund must be valued according to internationally accepted valuation standards by a suitably qualified independent valuer. Where the price paid by the forestry fund for a property is materially different from the valuation the forestry fund must include details in its annual financial report.
- 9.109 A forestry fund must undertake at regular intervals (at least once every three years) an independent valuation of its forestry portfolio, carried out according to internationally accepted valuation standards by a suitably qualified independent valuer. The frequency of valuation must be agreed in advance with the Exchange.
- 9.110 A forestry fund must include in its annual financial report a summary based on the most recent independent valuation of its forestry portfolio including:
- (a) the total value of forestry assets held at the year end;
  - (b) the total cost of forestry assets acquired;
  - (c) the net book value of forestry assets disposed of during the period; and
  - (d) a breakdown of the geographical location and type of forestry assets held at the year end.

### **Exchange traded funds**

- 9.111 The net asset value of the securities of an ETF must be calculated and notified to the Exchange on a daily basis. Such calculation may be on an indicative basis provided it is marked as such.
- 9.112 An ETF which is actively managed must notify the Exchange without delay whenever its portfolio composition differs significantly from its published reference portfolio or index.
- 9.113 An ETF must notify the Exchange without delay if its level of collateralisation against counterparty risk falls materially below the level published in its listing document.
- 9.114 An ETF must include in its annual and interim financial statements an analysis in chart form of the tracking error over the relevant period. Where the tracking error is materially in excess of the anticipated tracking error there must be an explanation.

**Subsequent listings**

- 9.115 Where an investment fund authorises the creation of further securities which are of the same class as securities already listed on the Exchange, which shall include series, the investment fund must apply for the listing of such further securities prior to their issue, and must not issue such securities unless it has applied for the listing of those securities and the Exchange has approved such application.

**Registrar and transfer agent**

- 9.116 The investment fund must maintain a registrar and transfer agent in the Cayman Islands or other financial centre acceptable to the Exchange. The investment fund must make arrangements acceptable to the Exchange to facilitate the efficient settlement of all trades and the registration of all transfers, subscriptions, redemptions, conversions and other dealings in its listed securities.

**Annual fee**

- 9.117 Investment funds whose securities are listed on the Exchange are required to pay an annual fee to the Exchange in accordance with the schedule of fees published on the Exchange's website, as updated from time to time.

**Equivalent information**

- 9.118 Where securities listed on the Exchange are also listed on another stock exchange, the issuer must ensure that copies of all documents required to be filed and information required to be notified to the Exchange are simultaneously made available to such other stock exchange.

**Exception**

- 9.119 Where in the opinion of the investment fund, disclosure of any matter required by the listing rules would be unduly detrimental to the investment fund, the investment fund may apply for a waiver from the relevant requirement. The information, together with a statement of the reasons why the investment fund believes the information should not be disclosed at that time, must be provided to the Exchange. The Exchange will deal with the information on a strictly confidential basis. However, the Exchange may at any time order that an announcement be delivered to it for dissemination by the Exchange.

**Review and distribution of documents**

- 9.120 The investment fund must send a copy to the Exchange of the annual financial statements, any interim financial statements and every circular sent to holders of the investment fund's listed securities at the same time as they are issued.
- 9.121 The investment fund must send to the Exchange a copy of all resolutions of holders of the investment fund's listed securities, documents relating to take-overs, mergers and offers, notices of meetings, forms of proxy or other similar documents, at the same time as they are issued.

# CHAPTER 10

## DEPOSITARY RECEIPTS

### Contents

This chapter sets out the conditions for listing and the information which is required to be included in the listing document for depository receipts, including the requirements for unsponsored issues, which are covered in the section entitled ‘Modifications, exceptions, and additions – unsponsored issues’. All applicants for listing of depository receipts must also comply, unless otherwise agreed by the Exchange, with the provisions of Section I of the listing rules (in the case of unsponsored depository receipts, substituting "applicant" for "issuer" in relation to the obligations specified, where applicable). The main headings of this chapter 10 are:

- 10.1 conditions for listing
- 10.21 contents of listing document
- 10.84 modifications, exceptions and additions – unsponsored issues
- 10.99 continuing obligations - unsponsored issues
- 10.105 continuing obligations - sponsored issues

## CONDITIONS FOR LISTING

### Issuer

- 10.1 When an application is made to list depository receipts, the issuer for the purposes of these listing rules will be the issuer of the relevant underlying shares. The issuer must be either:
- (a) a domestic issuer whose shares are listed on the Exchange; or
  - (b) an overseas company acceptable to the Exchange.

### Financial information

- 10.2 The issuer must have published or filed annual financial statements which:
- (a) are in respect of a period ended not more than eighteen months before the date of the listing document and which cover at least three financial years;
  - (b) have been prepared in accordance with the issuer’s national laws; and
  - (c) have been independently audited.
- 10.3 In certain exceptional circumstances, the Exchange may accept financial statements covering a shorter period.

**Nature and duration of business activities**

- 10.4 The issuer must be carrying on as its main activity, either by itself or through one or more of its subsidiary undertakings, an independent business which is revenue earning and must have done so for at least the period covered by the financial statements required by the paragraph above.
- 10.5 The directors of the issuer must collectively have appropriate expertise and experience for the management of its business.

**Validity**

- 10.6 The underlying shares must:
- (a) conform with the law of the issuer's place of incorporation;
  - (b) be duly authorised in accordance with the requirements of the issuer's constitution; and
  - (c) have any necessary statutory or other consents.
- 10.7 The depository receipts for which listing is sought must:
- (a) conform with the law of the depository's place of incorporation;
  - (b) be duly authorised in accordance with the requirements of the depository's constitution;
  - (c) have any necessary statutory or other consents; and
  - (d) be valid under the law which is expressed to govern the document giving effect to the depository receipts.

**Transferability**

- 10.8 The depository receipts for which listing is sought must be freely transferable except to the extent that any restrictions on transferability are approved by the Exchange.

**Market capitalisation**

- 10.9 Except where depository receipts of the same class are already listed, the expected aggregate market value of all depository receipts to be listed must be at least US\$1,000,000.

**Sufficiently liquid market**

- 10.10 Where an application for listing has been made for a class of depository receipts, twenty five per cent. of that class must be in the hands of the public at all times. For the purposes of this rule, "the public" shall mean persons who are not directors or substantial shareholders of the issuer, or directors of a substantial shareholder of the issuer, or an associate or any of them.

- 10.11 The Exchange may accept a lower market capitalisation or percentage in public hands if it determines that the market in the depository receipts will still be sufficiently liquid and will still operate properly.
- 10.12 If the percentage of a class of depository receipts in the hands of the public falls below twenty five per cent. or such lower percentage as may have been agreed by the Exchange, the Exchange may suspend or cancel the listing. The Exchange will allow a reasonable time to restore the percentage, unless this is precluded by the need to maintain the smooth operation of the market or to protect investors.

### **Whole class to be listed**

- 10.13 Where an application for listing is made for any class of depository receipts:
- (a) if none of the depository receipts of that class are already listed, the application must relate to the depository receipts of that class, whether already issued or proposed to be issued; and
  - (b) if some of the depository receipts of that class are already listed, the application must relate to all further depository receipts of that class.

### **Clearing and settlement**

- 10.14 To be admitted to listing on the Exchange, depository receipts must have an ISIN and be eligible for deposit in an acceptable electronic clearing and settlement system including Clearstream, Euroclear, The Depository Trust Company or any acceptable alternative system agreed in advance with the Exchange.

### **The depository**

- 10.15 The depository must be a suitably authorised and regulated financial institution acceptable to the Exchange.
- 10.16 The depository must hold on trust (or under equivalent arrangements) for the sole benefit of the holders of the depository receipts, all rights pertaining to the shares and all money and benefits that it may receive in respect of them, subject only to payment of the remuneration and proper expenses of the depository. Subject as hereinafter provided in rule 10.17, none of the shares nor any such rights, money or benefits may be, or be liable to be treated as assets of the depository under the law (including insolvency law) of the place of its incorporation, the place of incorporation of the issuer or the place of administration of the trust or other arrangement under which the shares are held.
- 10.17 The Exchange will permit the depository to receive cash distributions from the issuer without segregating such distributions from other cash amounts held by the depository, provided that the documentation constituting the depository receipts provides that the depository will distribute such amounts to investors as soon as practicable.

### **Custodian**

- 10.18 Where a custodian is appointed, that custodian must be acceptable to the Exchange.

## Obligations of the depository

- 10.19 The depository receipts must not impose obligations on the depository other than to the extent necessary for the protection of rights to and the transmission of entitlements of the underlying shares.

## Legal opinions

- 10.20 The issuer must provide to the Exchange a satisfactory legal opinion from suitable counsel practising in the issuer's country of incorporation, in a form satisfactory to the Exchange, which includes an opinion that at the time of the listing the issuer has the capacity to apply to list depository receipts and that any issue of underlying shares and the establishment of the depository receipt facility is in compliance with its constitution and all applicable local laws and regulations and any listing rules and that all actions, consents, registrations, and filings to be taken, obtained or made by the issuer under such laws have been taken or obtained. The Exchange may also require such further evidence (including legal opinions) in respect of the depository and the depository arrangements as it deems necessary.

# CONTENTS OF LISTING DOCUMENT

## The issuer and its advisers

- 10.21 On the cover page of the listing document:
- (a) the official name and jurisdiction of incorporation of the issuer;
  - (b) the name, number and class of the depository receipts being offered and the issue price, if applicable; and
  - (c) the name of the arranger, underwriters or other distributors of the issue, if applicable.
- 10.22 On the inside cover page of the listing document, declarations and statements in the following form:
- (a) This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The issuer accepts full responsibility for the accuracy of the information contained in the listing document and confirms, having made reasonable enquiry, that to the best of its knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.
  - (b) The depository receipts are securities of a specialist nature and should normally only be bought and traded by investors who are particularly knowledgeable in investment matters.
  - (c) Application has been made to the Exchange for the depository receipts to be admitted to the official list.

- 10.23 On the inside back page of the listing document:
- (a) the registered or principal office of the issuer; and
  - (b) the names and addresses of the issuer's attorneys, auditors, depository, custodian, underwriters, arrangers or other distributors and paying agent (if any).

### **Investment considerations**

- 10.24 An explanation of any matter of significance to investors relating to the issue of the depository receipts for which listing is sought, the issuer and the issuer's country of incorporation. Any such explanation should be given appropriate prominence, depending on the nature of the matter concerned and its significance to investors.

### **The shares represented by the depository receipts**

- 10.25 The information to be given in rules 10.26 to 10.38 must relate to all the shares to be represented by the depository receipts which are the subject of the listing and any shares which are to be marketed or made available to the public in conjunction with the application.
- 10.26 A statement of the resolutions, authorisations and approvals by virtue of which the shares have been or will be created and/or issued.
- 10.27 The number of shares which have been or will be created and/or issued if predetermined, and the minimum sale price for such shares.
- 10.28 A summary of the rights attaching to the shares, and in particular the extent of the voting rights, pre-emption rights, entitlement to share in any profits and, in the event of liquidation, in any surplus and any other special rights. Where there is or is to be more than one class of shares of the issuer in issue, like details must be given for each class.
- 10.29 The fixed date(s) on which entitlements to dividends arise.
- 10.30 The time limits after which entitlements to dividends lapse and an indication of the person in whose favour the lapse operates.
- 10.31 A statement regarding tax on the income from the shares withheld at source in the country of origin.
- 10.32 A statement as to whether the issuer assumes responsibility for the withholding of tax at source.
- 10.33 Arrangements for the transfer of the shares and any restrictions on their free transferability.
- 10.34 Any stock exchanges on which the shares are listed and an indication of the closing price of the shares as derived from the official publication of the relevant exchange for the first business day in each of the six months immediately preceding the date of the listing document.
- 10.35 Where a listing of shares on another stock exchange is to be sought by the issuer, details of that stock exchange.

- 10.36 The names and addresses of the issuer's registrars and any transfer agents.
- 10.37 Where shares are being issued at the same time as the admission of the depositary receipts to listing, the following information concerning the terms and conditions of the issue:
- (a) a statement of any right of pre-emption of shareholders exercisable in respect of any shares to be represented by the depositary receipts;
  - (b) the total number of shares being offered or privately placed (where applicable) by category;
  - (c) if a public or private issue or placing is being made simultaneously on the markets of two or more countries and if a tranche is being reserved for certain of these, details of any such issue, placing or tranche;
  - (d) the issue price, the issue premium and the amount of any expenses specifically charged to any subscriber or purchaser;
  - (e) the methods of payment of the issue price, particularly as regards the paying-up of shares which are not fully paid;
  - (f) the procedure for the exercise of any right of pre-emption, the transferability of subscription rights and treatment of subscription rights not exercised;
  - (g) the period during which the issue will remain open and the names of the receiving agents;
  - (h) the methods of and time limits for delivery of the shares;
  - (i) the names, addresses and descriptions of the persons underwriting the issue and the amount of any portion not covered;
  - (j) an estimate of the overall expenses relating to the issue payable by the issuer and the estimated net proceeds of the issue and the intended application of such proceeds;
  - (k) if known, the dates on which the underlying shares will be admitted to listing (if applicable) and on which dealings will commence; and
  - (l) details of the dealing and settlement arrangements for the shares.
- 10.38 If the shares have not been admitted to listing but are dealt in on another regulated, regularly operating, recognised open market, an indication of such market.

### **Litigation or material claims**

- 10.39 Particulars of any litigation, or claims of material importance pending or threatened against the issuer or any member of the issuer's group, or an appropriate negative statement.

**Financial information about the issuer**

- 10.40 The financial information about the issuer and its group must be set out in the form of a comparative table, together with any interim financial statements published subsequently.
- 10.41 The comparative table must include the following financial information, which must be extracted without material adjustment from the latest audited annual financial statements, which must be in respect of a period ended not more than eighteen months before the date of the listing document and which covers at least three financial years (or any shorter period agreed by the Exchange):
- (a) income statement;
  - (b) balance sheet;
  - (c) cash flow statement;
  - (d) accounting policies; and
  - (e) notes to the accounts for the last financial year.

The comparative table must be presented in a form consistent with that which would be adopted in the issuer's annual financial statements having regard to the accounting standards, policies and legislation applicable to such financial statements unless the Exchange otherwise agrees.

- 10.42 The full text and date of the auditors' report accompanying the last financial statements. If the auditors' report is qualified or includes any emphasis of matter, such qualifications or emphasis of matter must also be reproduced in full and the reasons given. Where inclusion of the full text of the auditors' report in the listing document is prohibited without the auditors' consent it will be sufficient to include the names and addresses of the auditors' and a statement that the audit was unqualified.
- 10.43 The financial information need not be prepared on a consolidated basis if the issuer has in the past always presented financial statements on another basis. If the issuer prepares both own and consolidated annual financial statements, the issuer may include either form or both, provided that the form which is not included does not provide any significant additional information.
- 10.44 The Exchange may enquire as to whether the accounting principles which have been applied are consistent with International Accounting Standards, the standing of the auditors within the accounting profession of the country where they practise, and whether the audit has been carried out in accordance with International Standards on Auditing. An explanation of any significant departures from International Accounting Standards or International Standards on Auditing may be required to be included in the listing document.
- 10.45 Where a profit forecast appears in the listing document, a statement of the principal assumptions upon which it is based, whether it is audited or unaudited and the date at which the profit forecast was prepared.

## Capitalisation and indebtedness

- 10.46 A summary of the provisions of the issuer's memorandum and articles of association regarding changes to its share capital.
- 10.47 The amount of the issuer's authorised and issued share capital and the amount of any share capital agreed to be issued, the number and classes of the shares of which it is composed with details of their principal characteristics. If any part of the issued share capital is still to be paid up, a statement of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down, where applicable, according to the extent to which they have been paid up.
- 10.48 Where the issuer has authorised but unissued share capital or is committed to increase its share capital, an indication of:
- (a) the amount of such authorised but unissued share capital or capital increase and, where appropriate, the duration of the authorisation;
  - (b) the categories of any persons having preferential subscription rights for such additional portions of share capital; and
  - (c) the terms and arrangements for the issue of shares corresponding to such portions.
- 10.49 An indebtedness statement as at the most recent practicable date (which must be stated) of the following, if material:
- (a) the total amount of any debt securities of the issuer issued and outstanding, and authorised or otherwise created but unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) and unsecured loans;
  - (b) the total amount of all other borrowings or indebtedness in the nature of borrowings of the issuer including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowing and debt, all mortgages and charges of the issuer; and
  - (c) the total amount of any contingent liabilities or guarantees of the issuer.
- 10.50 As a general rule, no account should be taken of liabilities or guarantees between undertakings of the same group.
- 10.51 A statement by the directors of any material adverse change in the financial or trading position of the issuer or the group since the end of the period reported on in the auditors' report, or an appropriate negative statement.
- 10.52 Compliance with rules 10.47 and 10.49 may take the form of a combined capitalisation and indebtedness statement as at the most recent practicable date (which must be stated), accompanied by particulars of any material change since that date, or an appropriate negative statement.

**The group's activities**

- 10.53 A description of the group's principal activities, including details of the main categories of products sold or services performed.
- 10.54 A description of the group covering the issuer's position within the group and, if a subsidiary, the names and number of shares held, directly or indirectly, by each holding company of the issuer.

**Management**

- 10.55 The full names, addresses and functions in the issuer of every director or proposed director.
- 10.56 Where disclosure of such information is required by any stock exchange upon which the issuer is listed or by the laws of the issuer's country of incorporation, a statement showing the total interest of the directors in the issuer together with any options in the share capital.

**Major shareholders**

- 10.57 To the extent that such disclosure is required by the stock exchange upon which the issuer is listed or by the laws of the issuer's country of incorporation details of:
- (a) the interests of any director of the issuer in its share capital;
  - (b) each person who is, directly or indirectly, interested in five per cent. or more of the share capital of the issuer; and
  - (c) the amount of each director or person's interest in such share capital, together with particulars of any options in respect of further share capital.

**Information about the depository**

- 10.58 The name, registered office and principal administrative establishment (if different from the registered office) of the depository.
- 10.59 The date and country of incorporation of the depository.
- 10.60 The legislation under which the depository operates and legal form which it has adopted under that legislation.
- 10.61 A summary of the contents of the deposit agreement including the date, parties, duration, and any indemnities or restrictions on the liability of the depository. The summary should also include a statement as to how the terms of the deposit agreement may be varied and a description of how such agreement may be terminated.

**The depository receipts**

- 10.62 If applicable, the minimum sale price of the depository receipts, if such price is fixed.
- 10.63 The ISIN for each class of depository receipt for which listing is sought.
- 10.64 A summary of the material terms and conditions of the depository receipts and the deposit agreement, including the information set out below.

- 10.65 The provisions relating to the exercise of and benefit from the rights attaching to the underlying shares, in particular the notification of voting rights, the conditions on which the depository may exercise such rights, and the procedures applied by the depository to obtain the instructions of the holders of the depository receipts and the right to participate in any distribution.
- 10.66 The provisions which enable a holder of depository receipts to request the withdrawal of the deposited property and the procedure for conversion of the depository receipts into the deposited shares.
- 10.67 The amount of the commissions and costs to be borne by a holder of depository receipts in connection with:
- (a) the issue of the depository receipts;
  - (b) the receipt and payment of any cash dividend or other distribution in respect of the deposited shares;
  - (c) the creation of additional depository receipts;
  - (d) the exchange of the depository receipts for deposited shares upon the withdrawal of the deposited property; and
  - (e) the issue and delivery of replacement depository receipts.
- 10.68 Details of the procedures which will be applied by the depository whenever it receives cash, shares or any other distribution in respect of the deposited property.
- 10.69 Details of the circumstances in which the issue of depository receipts or the withdrawal of deposited property may be suspended.
- 10.70 Details of the procedures which may be applied by the depository if and whenever the issuer announces its intention to offer or invite the holders of the deposited shares to subscribe or acquire further shares.
- 10.71 The procedures which may be applied by the depository in the conversion of foreign currency.
- 10.72 The procedures which will be applied by the depository upon any change in the nominal or par value, sub-division, consolidation or other reclassification of the deposited shares or upon any reduction of capital or upon any reorganisation, merger or consolidation of the issuer.
- 10.73 The procedures for the issue and delivery of replacement depository receipts.
- 10.74 Arrangements for the transfer of the depository receipts and any restrictions on their free transferability.
- 10.75 Details of the dealing and settlement arrangements for the depository receipts.

- 10.76 The names of any stock exchanges where admission to listing for the depositary receipts is, or is intended to be sought and the date on which the depositary receipts will be admitted to listing, if known.
- 10.77 Details of where the issuer's audited annual financial statements and any interim financial statements will be made available to the holders of the depositary receipts.
- 10.78 An indication of the arrangements with regard to any taxes and charges to be borne by the holders of the depositary receipts and levied in countries where the depositary receipts are issued.
- 10.79 An indication of the legislation under which the depositary receipts have been created (if applicable) and of the courts competent in the event of litigation.
- 10.80 Details of the procedures regarding the pre-release of depositary receipts and lending of deposited shares.

### **Material contracts**

- 10.81 To the extent not already disclosed in the listing document, a summary of the principal contents of all material contracts entered into by the issuer pertaining to the issue of the depositary receipts, including particulars of the dates, parties and a summary of the terms and conditions of such contracts.

### **Conditionality**

- 10.82 If the issue of depositary receipts may be cancelled at any time prior to the document of title being issued, and therefore the grant of the listing may not become effective, this must be made clear in the listing document. The subscription or underwriting agreement must make the obligations thereunder conditional upon the depositary receipts being admitted to listing.

### **Documents for inspection**

- 10.83 A statement that for a reasonable period (being not less than 14 days from the date of the listing document) at a named place in the Cayman Islands, or such other place as the Exchange may agree, the following documents (translated into English where the documents are in another language) may be inspected without charge:
- (a) the constitutional documents of the issuer;
  - (b) the issuer's most recent audited financial statements and any subsequent interim financial statements; and
  - (c) the deposit agreement, any paying agency agreement, if applicable, and any other material contracts pertaining to the issue.

## MODIFICATIONS, EXCEPTIONS AND ADDITIONS - UNSPONSORED ISSUES

### General

10.84 In the case of an un-sponsored issue, the following modifications, exceptions and additions shall apply. As an over-riding principle, the Exchange must be satisfied that investors will be able to obtain the necessary information to form an opinion regarding the value of the relevant underlying shares. Applicants are advised to contact the Exchange at an early stage to discuss this requirement so as to establish what conditions will be imposed by the Exchange.

## CONDITIONS FOR LISTING

### The underlying shares

10.85 The Exchange will require the underlying shares represented by the depository receipts, to be listed on the Exchange or another stock exchange acceptable to it.

### The applicant

10.86 The requirements of rule 10.20 shall not apply. The applicant for the listing of an un-sponsored issue (which in the case of an initial application for any un-sponsored issue will be the entity arranging the initial deposit of shares with the depository, and in the case of any subsequent applications will be the depository or the entity making the subsequent deposit of shares), must if so required by the Exchange, provide a legal opinion (or legal opinions) in form and content satisfactory to the Exchange. Any legal opinion may be required by the Exchange, inter alia, to confirm:

- (a) that the listing of the depository receipts is not in breach of any law or regulation in the country of incorporation of the issuer, or the applicant for listing;
- (b) that all necessary exchange control, tax, securities laws and any other regulatory consents have been obtained in the country of incorporation of the issuer and of the applicant; and
- (c) that, subject as provided in rule 10.17, none of the shares represented by the depository receipts nor any rights, money or other benefits attributable to such shares may be or be liable to be treated as assets of the depository under the law (including insolvency law) of the place or places of incorporation of the depository and the issuer.

### The depository

10.87 The depository must agree to observe the continuing obligations with respect to un-sponsored issues as set out in rules 10.99 to 10.103 below and to execute and perform the undertaking in favour of the Exchange, in the form set out in appendix 3B. The continuing obligations contained in Chapter 2 and the remaining parts of Chapter 10, shall not apply.

- 10.88 The depositary must agree in the deposit agreement (or its equivalent) to distribute to investors copies of all information relating to the issuer and the issuer's group which it or its nominee receives from the issuer in its capacity as a shareholder in the issuer. In particular (but without limitation) the depositary must undertake in such agreement to inform investors of shareholder meetings of the issuer and to distribute copies of any notices, reports or other communications received from the issuer giving information on:
- (a) the allocation and distribution of dividends; and
  - (b) the issue of new shares, including arrangements for the allotment, subscription, renunciation, conversion or exchange of shares.
- 10.89 The requirements of rules 10.1 to 10.6 and 10.9 to 10.13 shall not apply.

## CONTENTS OF LISTING DOCUMENT

- 10.90 The requirements of rule 10.22(a) shall not apply but a declaration in the following form should be included on the inside cover page of the listing document:
- This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The applicant has extracted such information from publicly available sources and to the best of its knowledge and belief such information has been accurately reproduced in the listing document but such information has not been independently verified or checked [or, if applicable, the extent to which it has been so verified or checked]. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.
- 10.91 The requirements of rules 10.23(b) insofar as it relates to the issuer, 10.26 to 10.33, 10.35 to 10.57, 10.81, and 10.83 (a) shall not apply to an unsponsored issue.
- 10.92 The applicant must ensure that the listing document contains the latest published annual financial statements and any subsequently published interim financial statements of the issuer.
- 10.93 All information contained in the listing document must be derived from publicly available information, which for the purposes of an unsponsored issue shall mean:
- (a) information which has been published in or on any internationally recognised published or electronic news source, regardless of whether the reader or user thereof pays a fee to obtain such information;
  - (b) information disclosed by the issuer of the underlying shares pursuant to the requirements of the issuer's national law, any stock exchange on which the underlying shares are listed, or the rules of any regulatory body to which the issuer is subject; and

- (c) information in the secondary market or otherwise within the public domain.
- 10.94 Where the latest published annual financial statements and any subsequently published interim financial statements of the issuer included in the listing document have not been prepared in accordance with International Accounting Standards, or the audit has not been carried out in accordance with International Standards on Auditing, then the listing document must contain a summary of the principal differences between the accounting and auditing standards used and International Accounting Standards and International Standards on Auditing.

### **Risk factors**

- 10.95 Statements in a prominent position, in the following form (where applicable):
- (a) Prior to the issue of the depository receipts there has been no public market for the depository receipts. An application has been made to list the depository receipts on the Cayman Islands Stock Exchange. There can be no assurance that any trading market will develop for the depository receipts.
  - (b) Information in the listing document relating to the issuer has been derived from publicly available sources but has not been provided by the issuer of the shares. The applicant has extracted such information from such publicly available sources and to the best of its knowledge and belief, such information has been accurately reproduced in the listing document. However, such information has not been independently verified or checked or, if applicable, the extent to which it has been so verified or checked.
  - (c) The most recent audited financial statements and interim financial statements have been appended to this listing document. However, there can be no assurance that the financial condition or results of operations of the issuer have not changed in a material adverse manner since the date to which such financial statements were prepared.
  - (d) The issuer is not a party to the offer and sale of the depository receipts or the arrangements pursuant to which the depository receipts may be converted into the deposited shares. Accordingly, the issuer is under no contractual obligation to furnish the depository with reports or other information relating to such shares for the benefit of investors.
  - (e) The information published by the issuer and distributed by the depository to the holders of depository receipts may not be made available in the English language.
  - (f) The necessary principles that have been applied in the annual audited and interim financial statements of the issuer are not consistent with International Accounting Standards and/or International Standards on Auditing. A summary of the principle differences between the principles applied in producing the issuer's financial statements and those of the International Accounting Standards and/or International Standards on Auditing is provided herein.

**Application for listing**

10.96 The requirements of rule 2.25 shall not apply. The listing document must be formally approved by the Exchange before publication. Such approval will only be given if the Exchange considers that the information in the listing document complies with its requirements. Before formal approval is given, the applicant for listing of an unsponsored issue must file with the Exchange the documents set out below together with the applicable listing fees calculated in accordance with the schedule published on the Exchange's website:

- (a) two copies of the listing document in final form;
- (b) an application for admission to listing, in the form set out in appendix 1D;
- (c) a declaration by the applicant, in the form set out in appendix 2C;
- (d) an undertaking by the depository, in the form set out in appendix 3B; and
- (e) such other documents as may be required by the Exchange.

**Supporting documents**

10.97 The requirements of rule 2.26 shall not apply. The Exchange may at any time before or after the admission to listing require the applicant to provide to the Exchange a copy of any of the following, where applicable:

- (a) the deposit agreement or its equivalent;
- (b) any reports, letters, valuations, statements by experts, contracts or other documents referred to in the listing document; and
- (c) any temporary and/or definitive document of title.

10.98 The applicant must retain copies of such documents while the depository receipts remain listed so that it can comply with any such request from the Exchange.

## CONTINUING OBLIGATIONS – UNSPONSORED ISSUES

- 10.99 As a condition of being granted and maintaining a listing, the depositary must observe the continuing obligations with respect to unsponsored issues which are set out below. The continuing obligations contained in chapters 2 and in chapter 10 for sponsored issues shall not apply.
- 10.100 When further shares of the same class are to be deposited with the depositary under the same facility, the depositary will notify the Exchange of the creation of the new depositary receipts and any modification in the rights attaching thereto. The Exchange may list such depositary receipts without requiring a listing document to be prepared in connection with the listing application. A listing document is not required if a further issue of depositary receipts of a class already listed is made in exchange for shares provided the nominal value of the issuer's share capital is not increased by more than twenty per cent. as a result.
- 10.101 The depositary must notify the Exchange of any termination of its appointment and must give holders of the depositary receipts notice of such termination as provided by the deposit agreement. The notification must contain the information referred to in rule 10.117 below. The replacement depositary receipts must satisfy the applicable conditions for listing set out in this chapter.
- 10.102 The depositary must notify the Exchange of any modification in the rights of the depositary receipts or any shares into which the listed depositary receipts are exchangeable, to the extent that it becomes aware of the same. In such circumstances, the Exchange may require a new application for listing of such modified depositary receipts or may cancel the listing thereof.
- 10.103 If requested by the Exchange, the depositary must (subject to it or its nominee receiving or otherwise being able to obtain the same) deliver to the Exchange six copies of the issuer's annual financial statements, the auditors' report thereon, any interim financial statements, all circulars, notices of meetings, forms of proxy, and other similar documents as soon as possible after they have been received or obtained by the depositary (or its nominee) in its capacity as a shareholder of the issuer.

### **The Exchange**

- 10.104 The Exchange may at any time make a public announcement with respect to any information delivered to it by the depositary or the issuer of the deposited shares.

## CONTINUING OBLIGATIONS – SPONSORED ISSUES

Save as otherwise expressly provided, as a condition of being granted and maintaining a listing on the Exchange, the issuer must observe the continuing obligations set out in chapter 2 and below.

### **New Developments**

10.105 The issuer must notify the Exchange of any new developments which are not public knowledge and which may reasonably be expected to affect materially the market activity in and the price of the listed depository receipts.

### **Equality of treatment**

10.106 The issuer must ensure equal treatment of all holders of its listed depository receipts or underlying shares.

### **Changes in rights**

10.107 The issuer must notify the Exchange of any modification in the rights of the listed depository receipts or any shares into which the listed depository receipts are exchangeable. In such circumstances, the Exchange may require a new application for listing of such modified depository receipts.

### **Dividends**

10.108 The issuer must notify the Exchange of any decision to pay any dividend or to make any other distribution on the underlying shares or any failure to pay any such dividend or distribution on those shares.

### **Annual financial statements**

10.109 The issuer must publish audited annual financial statements within six months of the end of the financial period to which they relate. Such financial statements must be prepared in accordance with its national law. If the issuer prepares both own and consolidated financial statements it may publish either form or both provided that the form which is not published does not contain any significant additional information. If the annual audited financial statements do not give a true and fair view of the state of affairs at the end of the financial year or the profit or loss of the issuer or the group, the Exchange may require additional information to be included therein.

### **Interim report**

10.110 The issuer must publish interim financial statements on its activities and profit or loss within four months of the end of the period to which they relate. Such interim financial statements must be prepared in accordance with its national law. Where the figures in any interim financial statements have not been audited, a statement to that effect must be included.

**Availability of annual and interim financial statements**

10.111 A place in the Cayman Islands, or such other place as the Exchange may agree, at which copies of the issuer's annual financial statements and the auditors' report thereon and any interim financial statements may be obtained without charge must be notified to the Exchange immediately following their publication.

**Communication with shareholders**

10.112 The issuer must ensure that all the necessary facilities and information are available to enable shareholders to exercise their rights. In particular it must:

- (a) inform shareholders of meetings which they are entitled to attend;
- (b) enable the shareholders to exercise their right to vote, where applicable; and
- (c) publish notices or distribute circulars giving information on:
  - (i) the allocation and payment of dividends; and
  - (ii) the issue of new shares, including arrangements for the allotment, subscription, renunciation, conversion or exchange of the shares.

**Further issues**

10.113 A listing document is not required if a further issue of depository receipts of a class already listed is made in exchange for shares provided the nominal value of the issuer's share capital has not increased by more than twenty per cent. as a result.

10.114 When further depository receipts of the same class are to be issued, the issuer must make an application for listing for such further depository receipts not more than one year after their issue or when they become freely negotiable (whichever is earlier).

**Annual listing fee**

10.115 Issuers are required to pay an annual fee to the Exchange in accordance with the schedule of fees which is published on the Exchange's website, as updated from time to time.

**Certificates in public hands**

10.116 An issuer must inform the Exchange in writing, without delay, when it becomes aware that the proportion of any class of listed depository receipts in the hands of the public has fallen below twenty-five per cent. of the total number of issued depository receipts of that class or, where applicable, such lower percentage as the Exchange may have agreed.

**Change of depository**

10.117 Any change of depository must be notified to the Exchange. The notification must contain the information with respect to the depository specified in rules 10.58 to 10.60 to this chapter. The replacement depository must satisfy the applicable conditions for listing set out in this chapter.

**Directors**

10.118 Any changes in the issuer's directors must be notified to the Exchange.

**General nature of business**

10.119 Any decision to change the general nature or the character of the group must be notified to the Exchange.

**Interests in depositary receipts**

10.120 The issuer must notify the Exchange of any material change in the interests of the directors or substantial shareholders in the depositary receipts which have been communicated to the issuer in accordance with the laws of the issuer's country of incorporation or the rules of the stock exchange upon which the issuer is listed.

**Equivalent information**

10.121 The issuer must ensure that copies of all documents required to be filed and information required to be notified to any exchange on which its shares are listed are promptly made available to the Exchange.

**Distribution of other documents**

10.122 The issuer must send to the Exchange at the same time as they are issued to shareholders, six copies of all circulars, notices of meetings, forms of proxy, annual financial statements, interim reports, announcements or other similar documents issued by the issuer in compliance with the requirements of any other stock exchange on which its shares are listed or any competent authority or equivalent regulatory authority which regulates it. Unless otherwise agreed by the Exchange, such documents must be in the English language or accompanied by an English translation certified by a party acceptable to the Exchange.

**Exception**

10.123 Where, in the opinion of the issuer, disclosure of any matter required by the listing rules would be unduly detrimental to the issuer, the issuer may apply for a waiver from the relevant requirements. The information, together with a statement of the reasons why the issuer believes the information should not be disclosed at that time, must be provided to the Exchange on a strictly confidential basis. The Exchange may at any time order that an announcement be delivered to it for dissemination.

# CHAPTER 11

## DERIVATIVE WARRANTS

### Contents

This chapter sets out the conditions for listing and the information which is required to be included in the listing document for derivative warrants, including derivative warrants issued under a programme. It does not cover derivative warrants which are the subject of a secondary listing, which are covered by chapter 7. All issuers whose derivative warrants are listed pursuant to this chapter must, unless otherwise agreed by the Exchange, also comply with all relevant provisions of section I of the listing rules. The main headings of this chapter are:

11.1	conditions for listing
11.21	contents of listing document
11.77	modifications, exceptions and additions
11.87	listing application procedures
11.89	continuing obligations

Issuers of derivative warrants should note that permission may be required from the owner or publisher for the use of indices and prices on which the valuation of derivative warrants is based.

## CONDITIONS FOR LISTING

### Incorporation

- 11.1 An issuer must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment and be operating in conformity with its memorandum and articles of association or other constitutional documents.

### Suitability of the issuer

- 11.2 The issuer must be subject to regulation by a securities or futures regulator acceptable to the Exchange; or
- 11.3 The obligations created by the issuer must be unconditionally and irrevocably guaranteed by an entity which satisfies the above condition.
- 11.4 The provisions of rules 11.2 and 11.3 do not apply where the performance of the obligations of the issuer is secured by the deposit of the assets underlying the derivative warrants with a trustee or other independent representative who holds the securities or assets for the benefit of the holders of the derivative warrants.
- 11.5 An issuer or guarantor which is unable to satisfy the conditions in rules 11.2 to 11.4 must satisfy the Exchange that it is of suitable financial standing and that the issuer has the experience and expertise to manage the issuer's potential obligations under the derivative warrants.

- 11.6 In such cases, the Exchange retains the absolute discretion to determine the acceptability of the issuer and/or guarantor. In reaching its decision the Exchange will pay particular regard to:
- (a) the net asset value of the issuer and/or guarantor; or
  - (b) the rating of its equity or unsecured debt by an appropriate rating agency, which must be at least investment grade; and
  - (c) the proposed hedging strategy of the issuer.

### **Guarantee**

- 11.7 Where the issue is guaranteed, the guarantee must be issued in conformity with the relevant laws of the place where the guarantor is incorporated or otherwise established and be in conformity with the guarantor's memorandum and articles of association or other constitutional documents.

### **Financial information**

- 11.8 Except as set out in rule 11.12, an issuer must have published independently audited financial statements which cover at least the last two financial years preceding the application for listing.
- 11.9 Where the issuer has been incorporated for less than two years, the Exchange may accept financial statements covering a shorter period.
- 11.10 The financial statements must have been prepared:
- (a) in accordance with the issuer's national law; and
  - (b) in accordance with International Accounting Standards, United States, Canadian or United Kingdom Generally Accepted Accounting Principles, or other equivalent standard acceptable to the Exchange.
- 11.11 The latest audited financial statements of the issuer must be in respect of a period ended not more than eighteen months prior to the date of the listing document.
- 11.12 The Exchange will waive the requirements of rules 11.8 to 11.11, 11.61 to 11.64 and 11.91 to 11.93 for an issuer which is a special purpose vehicle or where the derivative warrants benefit from an unconditional and irrevocable guarantee of another company or equivalent arrangements, provided that the Exchange receives written confirmation from the issuer that the non-publication of such information would not be likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the assessment of the securities in question.

### **Transferability**

- 11.13 The derivative warrants for which listing is sought must be freely transferable except to the extent that any restrictions on transferability are approved by the Exchange. The Exchange will approve transfer restrictions that result from the securities not being registered under certain securities laws provided that such restrictions are adequately disclosed.

**Whole class to be listed**

- 11.14 Where none of the derivative warrants of a particular class is listed on the Exchange, the application for listing must relate to all derivative warrants of that class, whether already issued or proposed to be issued. Where the derivative warrants of that class are already listed on the Exchange, the application for listing must relate to all further securities of that class which are proposed to be issued.

**Clearing and settlement**

- 11.15 To be admitted to listing on the Exchange, derivative warrants must have an ISIN and be eligible for deposit in an acceptable electronic clearing and settlement system including Clearstream, Euroclear, The Depository Trust Company or any acceptable alternative system agreed in advance with the Exchange. Where the derivative warrants are to be privately placed with a small number of institutions or qualified purchasers, the Exchange may accept alternative arrangements provided they facilitate the efficient clearance and settlement of all trades.

**Warrant agent**

- 11.16 The issuer must appoint a warrant agent in the Cayman Islands or other financial centre acceptable to the Exchange.

**Underlying assets to which the derivative warrants relate**

- 11.17 Derivative warrants which are linked directly or indirectly to specified equity or debt securities, indices, currencies, interest rates, swap rates, exchange rates and certain commodities such as oil, gold and silver may be admitted to listing.
- 11.18 The Exchange must be satisfied that investors will be able to obtain the information necessary to enable them to form a reasonable opinion as to the value of the underlying assets. Depending on the nature of the transaction and the assets, the Exchange will generally require the underlying assets to be listed and/or traded on the Exchange or another stock exchange or other regulated, regularly operating open market recognised for this purpose by the Exchange.
- 11.19 Applications to list types of derivative warrants other than those mentioned above may be permitted with the specific approval of the Exchange. In such cases, issuers are advised to consult the Exchange at an early stage so as to establish whether the derivative warrants are suitable for listing and what requirements will be imposed by the Exchange.
- 11.20 Where an issue of derivative warrants relates to equity securities, the equity securities must represent minority interests in, and must not confer legal or management control of the companies issuing them.

**CONTENTS OF LISTING DOCUMENT**

The information which is required to be included in the listing document is set out below. The requirements may be subject to the modifications, exceptions and additions described in rules 11.76 to 11.85 depending on the circumstances of the issuer and the nature of the assets to which the derivative warrants relate.

**Preliminary information**

- 11.21 The name and country of incorporation of the issuer;
- 11.22 The number and description of the derivative warrants for which application for listing is being made;
- 11.23 The address of the principal or registered office of the issuer; and
- 11.24 The names and addresses of the arranger(s), distributor(s), registrar, warrant agent, calculation agent, auditors, and legal advisers, where applicable.
- 11.25 Whether the method of distribution is by means of a private placement or public offering;
- 11.26 A statement that application has been made for the derivative warrants to be admitted to the official list of the Cayman Islands Stock Exchange;
- 11.27 A declaration in the following form:

This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The issuer accepts full responsibility for the accuracy of the information contained in the listing document and confirms, having made reasonable enquiry, that to the best of its knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.

This declaration should be appropriately adapted where persons other than the issuer are responsible for part of the listing document or where certain information has been reproduced from information published by a third party who has not participated in the preparation of the listing document. In the latter circumstances the issuer must accept responsibility for accurately reproducing such information but need not accept any other responsibility in respect of such information.

**Risk factors**

- 11.28 All material risks associated with investing in the derivative warrants, including the risks associated with the nature of the securities, and reliance upon the creditworthiness of the issuer, where applicable.

**Terms and conditions of the derivative warrants**General description

- 11.29 A description of the type of derivative warrants.
- 11.30 The currency of the issue.

- 11.31 The expiry date.
- 11.32 The aggregate number of derivative warrants being issued.
- 11.33 The ISIN for the derivative warrants.
- 11.34 The status of the securities (i.e. whether they are guaranteed, and if so, the nature of the guarantee, secured or unsecured or subordinated obligations of the issuer).
- 11.35 The series designation, if applicable.
- 11.36 The issue price.
- 11.37 If the derivative warrants are transferable in units or integral multiples thereof, the number of derivative warrants per unit.
- 11.38 Details of the dealing and settlement arrangements for the derivative warrants.
- 11.39 A description of the resolutions, authorisations and approvals by virtue of which the derivative warrants have been or will be created and/or issued.

#### Form and transfer

- 11.40 The form of the derivative warrants.
- 11.41 The procedures and time limits for delivery of the derivative warrants, whether there will be any temporary documents of title and, if so, the procedures for the delivery and exchange thereof.
- 11.42 The details of the arrangements for transfer of the derivative warrants.
- 11.43 If permitted by the Exchange, details of any restrictions on the offer, sale, transfer or delivery of the derivative warrants.

#### Exercise

- 11.44 The entitlement of the warrant holder on the exercise of the derivative warrants.
- 11.45 The period during which the derivative warrants may be exercised, or where the derivative warrants may only be exercised on specified dates, the exercise dates.
- 11.46 The procedure by which the warrants may be exercised.
- 11.47 Details of any provisions giving the issuer or the warrant holder an option to elect for cash settlement or delivery of the underlying assets, including any notice provisions where the issuer or the warrant holder makes such an election.
- 11.48 The method of calculation of the amount payable on the exercise of the derivative warrants, including any adjustment provisions.

- 11.49 Details of any transfer taxes, stamp duty, levies, registration charges or other expenses which may be payable or charged to the warrant holder on the exercise of the derivative warrants.

### Redemption

- 11.50 If the derivative warrants may be redeemed either at the option of the issuer or the warrant holder prior to the expiry date, the terms applicable to such redemption, including early redemption dates, the method of calculation of the redemption amount and the redemption procedure.

### Payment/delivery

- 11.51 Details of the method of payment or delivery of the underlying assets following the exercise or redemption of the derivative warrants.

### Purchases

- 11.52 A description of any right of the issuer to purchase the derivative warrants in the open market.

### Taxation

- 11.53 The details of any taxation on payments to warrant holders which is withheld at source in the country of origin and a statement as to whether the issuer assumes responsibility for the withholding of tax at source.

### Other material terms and conditions

- 11.54 Details of any other material terms and conditions, for example modifications which would apply in the event of market disruption or force majeure and the method by which the terms and conditions of the derivative warrants may be varied.

### Notices

- 11.55 The method by which notices shall be or shall be deemed to have been given to holders of the derivative warrants.

### Governing law

- 11.56 The laws by which the derivative warrants are governed and the jurisdiction to which the issuer will submit in the event of any disputes.

### **The issuer**

- 11.57 The date of incorporation or other formation of the issuer.
- 11.58 A description of the business of the issuer and any limitations on its business activities.

- 11.59 If the issuer is a member of a group:
- (a) a brief description of that group, covering the issuer's position within that group and, if a subsidiary, the names of and the number of shares held, directly or indirectly, by each holding company of the issuer; and
  - (b) the general nature of the business of the group, including details of the main categories of products sold or services performed.
- 11.60 The full name and address of every director or proposed director of the issuer.
- 11.61 If the issuer is regulated, the name of the regulatory authority which is responsible for the regulation of the issuer's business.

### **Financial and other information**

- 11.62 A table showing the profit and loss accounts and balance sheets for the issuer or, if the issuer is a member of a group, the group for the two financial years immediately preceding the issuance of the listing document, including any explanatory notes to the latest annual financial statements, a statement as to the accounting principles applied and the names and addresses of the auditors who have audited the annual financial statements. If the auditors' report is qualified or includes any emphasis of matter, such qualifications or emphasis of matter must be reproduced in full and the reasons given.
- 11.63 If the issuer prepares consolidated financial statements the financial information must be derived from the consolidated financial statements. Financial information from the issuer's own financial statements must also be included if it provides significant additional information.
- 11.64 A copy of any interim financial statements published subsequent to the latest annual financial statements.
- 11.65 A statement of any material adverse change in the financial or trading position or prospects of the issuer or, if the issuer is a member of a group, of the group since the end of the period for which audited annual financial statements have been published or since incorporation, or an appropriate negative statement.

### **Material contracts**

- 11.66 To the extent not already disclosed in the listing document, a summary of the principal contents of all material contracts pertaining to the issue entered into by the issuer or, if the issuer is a member of the group, by any member of the group, including particulars of the dates, parties and a summary of terms and conditions of such contracts.

### **General information**

- 11.67 If the issuer is required to publish independently audited financial statements, details of where annual and interim financial statements will be made available.
- 11.68 The names of any other stock exchanges on which a listing has been, is being or will be sought for the derivative warrants.

- 11.69 Particulars of any litigation or claims of material importance pending or threatened against the issuer or any member of the group, or an appropriate negative statement.
- 11.70 Details of any expenses of the issue which are to be charged to subscribers or purchasers.

### **Underlying assets to which the derivative warrants relate**

- 11.71 Where the derivative warrants relate to equity securities:
- (a) the name of the issuer of the equity securities;
  - (b) its registered office;
  - (c) its country of incorporation;
  - (d) the nature of its business;
  - (e) a description of the securities and the rights attached thereto; and
  - (f) the name of any stock exchange or other regulated, regularly operating open market on which such equity securities are listed and/or traded or a place where financial and other information on the issuer of the equity securities and such securities is publicly available.
- 11.72 Where the derivative warrants relate to debt securities:
- (a) the name of the issuer of the debt securities;
  - (b) its registered office;
  - (c) its country of incorporation;
  - (d) the nature of its business;
  - (e) a brief description of the debt securities or, where the debt securities are not listed on a stock exchange, a summary of their principal terms and conditions;
  - (f) the name of any stock exchange on which such debt securities are listed or a place where financial and other information on the issuer and the debt securities is publicly available; and
  - (g) where the debt securities and/or the issuer of the debt securities and/or the issuer's short term or long term credit has been rated by any of the major public rating agencies, the ratings and the name of the rating agency responsible for such rating.
- 11.73 Where the derivative warrants relate to indices:
- (a) a description of the index;
  - (b) the name of the sponsor responsible for calculating and disseminating information with respect to the index;

- (c) a description of the method of calculation of the value of the index;
  - (d) the frequency with which the index is calculated and published and the method of publication; and
  - (e) a summary of the provisions which apply in the event of the modification or discontinuance of the index.
- 11.74 Where the derivative warrants are linked to a basket of securities or indices:
- (a) a description of the composition of the basket;
  - (b) for each security or index comprising ten per cent. or more of the basket, the information required by rules 11.71 to 11.73, where applicable;
  - (c) the method of calculation of the value of the basket; and
  - (d) the circumstances in which the composition of the basket may change, and details of the provisions relating to such an adjustment.
- 11.75 Where the terms of the issue of the derivative warrants contemplate the physical delivery of the underlying assets:
- (a) details satisfactory to the Exchange of the underlying assets, and the rights attaching thereto, including details of arrangements for transfer of such assets and any restrictions on their free transferability;
  - (b) conditions of and procedures for delivery of the underlying assets and the circumstances in which they may be amended;
  - (c) the name of the issuer of the underlying assets;
  - (d) its registered office;
  - (e) its country of incorporation;
  - (f) the nature of its business;
  - (g) the name of the stock exchange on which the relevant assets are listed;
  - (h) the place where financial and other information on the issuer and the relevant assets is publicly available;
  - (i) where the issuer of the assets and/or the issuer's short term or long term credit has been rated by any of the major public rating agencies, the ratings and the name of the rating agency responsible for such rating;
  - (j) the name of the registrar and/or paying agent for the relevant assets; and
  - (k) details of any taxes on the payment of principal and interest on the relevant assets at source.

## Documents for inspection

- 11.76 A statement that the following documents (or copies thereof), where applicable, may be inspected, without charge:
- (a) the constitutional documents of the issuer;
  - (b) the warrant agreement, warrant instrument, guarantee or any other material contracts pertaining to the issue;
  - (c) all reports and valuations any part of which is included or referred to in the listing document;
  - (d) where the issuer has published independently audited financial statements, the audited financial statements of the issuer or, in the case of a group which has produced consolidated financial statements, the consolidated audited financial statements of the issuer and its subsidiaries for each of the two financial years immediately preceding the issue of the listing document, together with any interim financial statements published subsequently; and
  - (e) in the case of derivative warrants issued under a derivative warrant programme, the current programme memorandum, any supplementary programme memorandum or any pricing supplements issued (relating to outstanding and listed issues) since the current programme memorandum was published.
    - (i) at the Exchange for a period of time being not more than 14 days from the date of admission to listing; and
    - (ii) the issuer's registered office or such other place (including the issuer's website) acceptable to the Exchange for the entire duration of the listing.

## MODIFICATIONS, EXCEPTIONS AND ADDITIONS

### Issuers which benefit from the guarantee of another company

- 11.77 Where an issue of derivative warrants is guaranteed by another company, the information required in respect of the guarantor will be such information as the Exchange determines, not exceeding that which would be required if it were the issuer.

### Listed issuers

- 11.78 Where the issuer's or, where relevant, the guarantor's debt or equity securities are listed on the Exchange or on another stock exchange recognised by the Exchange for this purpose, the Exchange may, if it considers it appropriate, treat it as a listed issuer. In such cases, the issuer need not include the information required by rules 11.62 to 11.64, provided the name of the stock exchange on which such issuer's or guarantor's securities are listed is disclosed in the listing document.

- 11.79 Where the issuer is required by law or regulation to make its audited financial statements and other financial reports made to its regulator publicly available and the issuer has been rated by one of the major public rating agencies and its rating is at least investment grade, the Exchange may, if it considers it appropriate, treat it as a listed issuer. In such cases, the issuer will be granted a derogation from the requirements of rules 11.62 to 11.64, provided the following information is disclosed in the listing document:
- (a) the name of a place where information on the issuer is publicly available; and
  - (b) the credit ratings assigned to the issuer and the name of the rating agency responsible for such rating.

### **Issues of securities under derivative warrant programmes**

- 11.80 Issuers are expected to follow the application and publication procedures outlined in chapter 2 and rules 11.87 to 11.88 below which involves the preparation of a listing document (the “programme memorandum”). The programme memorandum must contain the general terms and conditions applicable to all securities that may be issued and listed under the programme. If the Exchange approves the application, it will admit to listing all securities which may be issued under the programme within twelve months of the publication of the programme memorandum, subject to the Exchange receiving:
- (a) the pricing supplement, which contains the final terms of each issue;
  - (b) a letter from the issuer confirming which of the listing requirements (other than the listing requirements already included in accordance with rule 11.88 at the time of application for listing in respect of the programme), if any, do not apply to the issue;
  - (c) a letter from the issuer requesting non-publication of certain information relating to an issue, giving reasons for such request;
  - (d) receiving and approving for publication any supplementary programme memorandum that may be appropriate;
  - (e) confirmation that the securities in question have been issued; and
  - (f) the issuance fee payable on admission of the securities to listing and the annual fee in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange’s website.
- 11.81 For issues made more than twelve months after publication of the programme memorandum, the initial application and publication procedures as set out in chapter 2 and in rules 11.87 to 11.88 below must be followed.
- 11.82 A document describing the final terms of each issue which is intended to be listed (the “pricing supplement”), which may also comprise a supplementary programme memorandum, must be submitted to the Exchange as soon as possible after they have been agreed and in any event in reasonable time for the Exchange to review it and for amendments to be made to it prior to the date of its proposed publication.

- 11.83 The pricing supplement relating to an issue, when read together with the programme memorandum and any supplementary programme memorandum in respect of the programme, must provide an investor with the full terms and conditions of the issue.
- 11.84 Where the securities to be issued under a programme have already been approved for listing on an exchange which is recognised by the Exchange, an issuer may apply to the Exchange for a listing for any tranche or series of securities to be issued under that programme. In such circumstances the Exchange will accept the programme memorandum prepared in connection with the issuer's application to list on such other exchange. In all other respects issuers must follow the application procedure outlined above.
- 11.85 Where derivative warrants are issued under a programme, the relevant pricing supplement will normally comprise a supplementary programme memorandum which should contain information on the underlying assets to which the derivative warrants relate.

### **Covered derivative warrants**

- 11.86 Where the issuer of derivative warrants intends to market such warrants as covered warrants on the basis that it owns or controls sufficient of the underlying assets to meet all its potential obligations under the derivative warrants, the Exchange will require the issuer:
- (a) to appoint a trustee or other independent representative acceptable to the Exchange to represent the interests of the warrant holders and that representative must have the right of access to appropriate information relating to the assets;
  - (b) to grant a charge over such assets in favour of the trustee or other independent representative;
  - (c) to deposit the underlying assets with the trustee or other independent representative and to provide such representative with a warranty that the assets deposited with them are free from all claims, charges, encumbrances, liens, equity and third party rights whatsoever; and
  - (d) to authorise the trustee or other independent representative to deliver the underlying assets to the warrant holders upon valid exercise of the derivative warrants in the event that the issuer is unable to discharge its obligations under the derivative warrants.

## **LISTING APPLICATION PROCEDURES**

- 11.87 The listing document must be formally approved by the Exchange before publication.
- 11.88 The following documents must be submitted to the Exchange before formal approval is given:
- (a) an application for admission to listing, in the form set out in Appendix 1B to these listing rules;
  - (b) two copies of the listing document in final form;

- (c) a declaration by the issuer in the form set out in Appendix 2A to these listing rules;
- (d) a letter from the issuer confirming which of the listing requirements, if any, do not apply;
- (e) a letter from the issuer requesting, where relevant, non-publication of certain information, giving reasons for such request;
- (f) such other documents as may be required by the Exchange; and
- (g) the initial listing fee and the annual fee in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange's website.

## CONTINUING OBLIGATIONS

Each issuer of derivative warrants listed pursuant to this chapter must undertake, as a condition of being granted and maintaining a listing on the Exchange, to comply with the continuing obligations set out herein.

### **New developments**

11.89 The issuer must notify the Exchange of any new developments which are not public knowledge and which may reasonably be expected to affect materially the financial position of the issuer or the market activity in and the price of the listed derivative warrants.

### **Equality of treatment**

11.90 The issuer must ensure equal treatment of all holders of its listed derivative warrants of the same class in respect of all rights attaching to such securities.

### **Exercise of rights**

11.91 The issuer must ensure that all the necessary information and facilities are made available to the holders of the derivative warrants to enable them to exercise their rights. In particular, the issuer must notify the Exchange and publish notices or distribute notices to warrant holders of any meetings of holders of its listed derivative warrants.

### **Financial statements**

11.92 An issuer must publish audited annual financial statements within six months of the end of the financial period to which they relate. If the issuer prepares both own and consolidated financial statements it may publish either form or both provided that the form which is not published does not contain any significant additional information. If the annual audited financial statements do not give a true and fair view of the state of affairs at the end of the financial year or the profit and loss of the issuer or the group, the Exchange may require additional information to be included therein.

11.93 If the audited annual financial statements have not already been sent to the holders of the derivative warrants, the availability of such annual financial statements must be notified to the Exchange immediately following their publication.

11.94 At the same time as the audited annual financial statements and any interim financial statements are published, the issuer must send six copies to the Exchange.

11.95 The Exchange will waive the requirements of rules 11.92 to 11.94 where:

- (a) the issuer is a subsidiary of a listed company or a company that is, in the Exchange's opinion, suitable for listing and the issuer's financial statements are included in the consolidated financial statements of its holding company; or
- (b) where the issuer benefits from an unconditional and irrevocable guarantee by another company or equivalent arrangements; or
- (c) the issuer is a special purpose vehicle; and

it has received written confirmation from the issuer that the non-publication of such information would not be likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the assessment of the securities in question.

11.96 Where the listed derivative warrants are guaranteed by another entity, the issuer must, at the same time as the audited annual financial statements and any interim financial statements are published by such other entity, send six copies to the Exchange.

### **Changes in rights**

11.97 The issuer must notify the Exchange of any change in the rights of holders of any class of listed derivative warrants.

11.98 Where the terms of the issue of the listed derivative warrants contemplate physical delivery, this requirement will also apply to any change in the rights of any class of underlying securities.

### **Notification of redemptions and/or cancellations**

11.99 The issuer must notify the Exchange immediately where any redemption or cancellation of securities of an aggregate of ten per cent. of the initial number of the listed derivative warrants has been made. Once this threshold has been crossed, the issuer must notify the Exchange of any further redemptions or cancellations of each additional ten per cent. or more of the initial number of such securities.

11.100 Such notification must state the number of securities redeemed, whether such securities are to be cancelled and the number of the securities remaining outstanding.

### **Warrant agent**

11.101 The issuer must maintain a warrant agent in the Cayman Islands or other financial centre acceptable to the Exchange until the derivative warrants are finally redeemed or have expired. The Exchange must be notified of any change of such warrant agent.

**Clearance and settlement**

11.102 The issuer must make arrangements acceptable to the Exchange to facilitate the efficient clearance and settlement of all trades and, where applicable, the registration of all transfers of its listed securities.

**General nature of the business**

11.103 Any decision to change the general character or nature of the business of the issuer or group must be notified to the Exchange.

**Constitution**

11.104 Any proposed change in the constitution of the issuer or the group or its registered or principal office must be notified to the Exchange.

**Directors**

11.105 Any changes in the issuer's directors must be notified to the Exchange.

**Auditor**

11.106 Any change in the issuer's auditor must be notified to the Exchange.

**Equivalent information**

11.107 Where securities listed on the Exchange are also listed on another stock exchange, the issuer must ensure that copies of all documents required to be filed and information required to be notified to the Exchange are promptly made available to such other stock exchange.

**Annual fee**

11.108 Issuers are required to pay an annual fee to the Exchange in accordance with the schedule of fees published on the Exchange's website, as updated from time to time.

**The Exchange**

11.109 The Exchange will upon notification of any of the above matters make a public announcement with respect to such matters.

**Distribution of other documents**

11.110 The issuer must send to the Exchange a copy of all notices of meetings, forms of proxy, any reports, announcements or other similar documents at the same time as they are issued.

**Exception**

11.111 Where, in the opinion of any issuer, disclosure of any matter required by the listing rules would be unduly detrimental to the issuer, the issuer may apply for a waiver from the relevant requirement. The information, together with a statement of the reasons why the issuer believes the information should not be disclosed at that time, must be provided to the Exchange. The Exchange will deal with the information on a strictly confidential basis. However, the Exchange may at any time order that an announcement be delivered to it for dissemination by the Exchange.

# CHAPTER 12

## CORPORATE AND SOVEREIGN DEBT SECURITIES

### Contents

This chapter sets out the conditions for listing and the information which is required to be included in the listing document for corporate and sovereign debt securities including corporate and sovereign debt securities issued under a programme. It does not cover retail debt securities, which are covered by chapter 13, or debt securities which are the subject of a secondary listing, which are covered by chapter 7, or specialist debt securities, which are covered by chapter 8 or debt securities of specialist companies, which are covered by chapter 14. All issuers whose corporate or sovereign debt securities are listed pursuant to this chapter must, unless otherwise agreed by the Exchange, also comply with all relevant provisions of section I of the listing rules. The main headings of this chapter are:

12.1	conditions for listing
12.16	contents of listing document
12.64	modifications, exceptions and additions
12.74	listing application procedures
12.76	continuing obligations

## CONDITIONS FOR LISTING

### Incorporation

- 12.1 An issuer must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment and be operating in conformity with its memorandum and articles of association or other constitutional documents.

### Financial information

- 12.2 Except as set out in rule 12.6, an applicant must have published independently audited financial statements which cover at least the last two financial years preceding the application for listing.
- 12.3 Where the issuer has been incorporated for less than two years, the Exchange may accept financial statements covering a shorter period.
- 12.4 The financial statements must have been prepared:
- (a) in accordance with the issuer's national laws; and

- (b) in accordance with International Accounting Standards, United States, Canadian or United Kingdom Generally Accepted Accounting Principles, or other equivalent standard acceptable to the Exchange.
- 12.5 The latest audited financial statements of the issuer must be in respect of a period ended not more than eighteen months prior to the date of the listing document.
- 12.6 The Exchange will waive the requirements of rules 12.2 to 12.5, 12.7 to 12.8 and 12.79 to 12.80 for an issuer which is a supranational body or making an issue of securities which benefit from the guarantee of a government or where the securities benefit from an unconditional and irrevocable guarantee of another company or equivalent arrangements or where it can satisfy rules 12.3 to 12.5 by virtue of its subsidiaries, provided the Exchange receives written confirmation from the issuer that the non-publication of such information would not be likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the assessment of the securities in question.

### **Nature and duration of business activities**

- 12.7 The issuer must be carrying on as its main activity, either by itself or through one or more of its subsidiary undertakings, an independent business which is revenue earning.
- 12.8 The directors of the issuer must collectively have appropriate expertise and experience for the management of its business.

### **Validity**

- 12.9 The securities for which listing is sought must:
- (a) conform with the law of the issuer's place of incorporation;
  - (b) be duly authorised in accordance with the requirements of the issuer's constitutional documents; and
  - (c) have any necessary statutory or other consents.

### **Transferability**

- 12.10 The securities for which listing is sought must be freely transferable except to the extent that any restrictions on transferability are approved by the Exchange. The Exchange will approve transfer restrictions that result from the securities not being registered under certain securities laws provided such restrictions are adequately disclosed.

### **Whole class to be listed**

- 12.11 Where none of the securities of a particular class are listed on the Exchange, the application for listing must relate to all securities of that class, whether already issued or proposed to

be issued. Where the securities of that class are already listed on the Exchange, the application for listing must relate to all further securities of that class which are proposed to be issued.

### **Guarantee**

12.12 Where the issue is guaranteed, the guarantee must be issued in conformity with the relevant laws of the place where the guarantor is incorporated or otherwise established and be in conformity with the guarantor's memorandum and articles of association or other constitutional documents.

### **Convertible securities**

12.13 Convertible securities may be admitted to listing only if the Exchange is satisfied that investors will be able to obtain the information necessary to form a reasonable opinion as to the value of the securities into which they are convertible. This may require the securities into which they are convertible to be listed on the Exchange or listed on another stock exchange which is recognised for this purpose by the Exchange.

### **Clearing and settlement**

12.14 To be admitted to listing on the Exchange, securities must have an ISIN and be eligible for deposit in an acceptable electronic clearing and settlement system including Clearstream, Euroclear, The Depository Trust Company or any acceptable alternative system agreed in advance with the Exchange. Where securities are to be privately placed with a small number of institutions or qualified purchasers, the Exchange may accept alternative arrangements provided they facilitate the efficient clearance and settlement of all trades.

### **Paying agent**

12.15 The issuer must appoint a paying agent in the Cayman Islands or other financial centre acceptable to the Exchange. The issuer itself may perform this function if it can demonstrate to the Exchange that it is capable of doing so.

## **CONTENTS OF LISTING DOCUMENT**

The information which is required to be included in the listing document is set out below. The requirements may be subject to the modifications, exceptions and additions described in rules 12.64 to 12.74 depending on the circumstances of the issuer and the type of security for which application is being made.

### **Preliminary information**

12.16 The name and country of incorporation of the issuer;

- 12.17 The address of the principal or registered office of the issuer;
- 12.18 The number and description of the securities for which application for listing is being made;
- 12.19 The names and addresses of the arranger(s), distributor(s), auditors, trustee or other representative for the holders of the securities, fiscal agent, paying agent, calculation agent, registrar or transfer agent and legal advisers, where applicable.
- 12.20 A statement that application has been made for the relevant securities to be admitted to the official list of the Cayman Islands Stock Exchange, giving the exact designation and class of the securities;
- 12.21 A declaration in the following form:

This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The issuer accepts full responsibility for the accuracy of the information contained in the listing document and confirms, having made reasonable enquiry, that to the best of its knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.

This declaration should be appropriately adapted where persons other than the issuer are responsible for part of the listing document or where certain information has been reproduced from information published by a third party who has not participated in the preparation of the listing document. In the latter circumstance the issuer must accept responsibility for accurately reproducing such information but need not accept any other responsibility in respect of such information.

### **Investment considerations**

- 12.22 An explanation of any matter of significance to investors relating to the issue of the securities for which listing is sought, the issuer and the issuer's country of incorporation. Any such explanation should be given appropriate prominence, depending on the nature of the matter concerned and its significance to investors.

### **Terms of the securities to be listed**

- 12.23 A description of the securities, including:
- (a) the currency of the issue;

- (b) the aggregate principal amount of the issue or, if this amount is not fixed, a statement to that effect;
  - (c) details of whether the securities are guaranteed or secured, and if so, the nature of the guarantee or security;
  - (d) the status of the securities (i.e. whether they are subordinated to any other debts of the issuer, whether already incurred or to be incurred);
  - (e) details of whether the securities are interest bearing and if so, whether the interest rate is fixed, floating or variable;
  - (f) the redemption price;
  - (g) the final principal repayment date;
  - (h) the series designation, if applicable; and
  - (i) the offer price, or, where securities are to be purchased by the arranger or another party and offered for sale in negotiated transactions at varying prices to be determined at the time of sale, a statement to that effect.
- 12.24 Details of any issue discount or premium payable, or of any expenses of the issue which are to be charged to subscribers or purchasers.
- 12.25 The method of payment for the securities, if payment is to be made in instalments.
- 12.26 The principal rights of the holders of the securities.
- 12.27 The events of default and the remedies available.
- 12.28 Details of the dealing and settlement arrangements for the securities.
- 12.29 A description of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.

### Rating

- 12.30 Where the securities are rated or are to be rated on issue as a result of the engagement by the issuer with a rating agency in respect of the securities, the credit rating assigned or expected to be assigned on issue to the securities and the name of the rating agency responsible for such rating.

### Form, denomination and title

- 12.31 The form and denomination of the securities.

12.32 The procedures and time limits for delivery of the securities, whether there will be any temporary documents of title and, if so, the procedures for the delivery and exchange thereof.

12.33 The details of the arrangements for transfer of the securities.

### Interest

12.34 The interest rate on the outstanding principal amount or, if the interest rate is not fixed, the basis of its calculation. If several interest rates are provided for, an explanation of the conditions for changes in the rate.

12.35 The date from which interest accrues.

12.36 The due dates for interest payments.

### Redemption

12.37 If the securities will be redeemed or may be redeemed at the option of the issuer or the holder prior to their stated maturity, the terms applicable to such redemption including any early repayment dates, the basis of calculation of the redemption price and the redemption procedure.

### Payment

12.38 The method of payment of the principal and interest on the securities.

### Prescription

12.39 The prescription period for claims to interest and repayment of principal.

### Taxation

12.40 The details of any taxes on the payment of principal and interest on the securities which is withheld at source in the country of origin and a statement as to whether the issuer assumes responsibility for the withholding of tax at source.

### Provisions of the trust deed or such other similar document

12.41 A summary of the following:

- (a) the principal duties, rights and obligations of the trustee under the trust deed; and
- (b) any provisions for the indemnification or restriction of liability of the trustee.

## Notices

12.42 The method by which notices shall be or shall be deemed to have been given to holders of the securities.

## Governing law

12.43 The laws by which the securities are governed and the jurisdiction to which the parties will submit in the event of any disputes.

## Transfer restrictions

12.44 If permitted by the Exchange, details of any restrictions on the free transferability of the securities.

## **The issuer**

12.45 The date of incorporation or other formation of the issuer.

12.46 A description of the business of the issuer and any limitations on its business activities.

12.47 If the issuer is a member of a group:

- (a) a brief description of that group covering the issuer's position within that group and, if a subsidiary, the names of and the number of shares held, directly or indirectly, by each holding company of the issuer; and
- (b) the general nature of the business of the group, including details of the main categories of products sold or services performed.

12.48 The full name and address of every director or proposed director of the issuer.

## **Financial and other information**

12.49 A capitalisation and indebtedness statement for the issuer as at the most recent practicable date (which must be stated) together with a statement of any material changes since that date, or a negative statement, showing separately:

- (a) the amount of the issuer's authorised, if applicable, and issued capital, including the number and classes of the securities it comprises and the amount paid up; and
- (b) the total amount of all short and long term borrowings and indebtedness of the issuer. If such information is unaudited, that fact must be stated.

12.50 Where the issuer forms part of a group the capitalisation and indebtedness statement referred to in rule 12.49 above may be prepared on a consolidated or non-consolidated basis provided that the form not used does not contain any significant additional

- information. As a general rule, no account should be taken of liabilities or guarantees between undertakings within the same group.
- 12.51 A table showing the profit and loss accounts and balance sheets for the issuer or, if the issuer is a member of a group, the group for the two financial years immediately preceding the issuance of the listing document, including any explanatory notes to the latest annual financial statements, a statement as to the accounting principles applied and the names and addresses of the auditors who have audited the annual financial statements. If the auditor's report is qualified or includes any emphasis of matter, such qualifications or emphasis of matter must be reproduced in full and the reasons given.
- 12.52 If the issuer prepares consolidated financial statements, the financial information must be derived from the consolidated financial statements. Financial information from the issuer's own financial statements must also be included if it provides significant additional information.
- 12.53 A copy of any interim financial statements published subsequent to the latest annual audited financial statements.
- 12.54 A statement of any material adverse change in the financial or trading position or prospects of the issuer or, if the issuer is a member of a group, of the group since the end of the period for which audited annual financial statements have been published or since incorporation, or an appropriate negative statement.
- 12.55 Where historical performance data appears in the listing document, the source of such information and the basis of any calculations must be disclosed.
- 12.56 Where a profit forecast appears in the listing document, a statement of the principal assumptions upon which it is based, whether it is audited or unaudited and the date at which the profit forecast was prepared.

### **Material contracts**

- 12.57 To the extent not already disclosed in the listing document, a summary of the principal contents of all material contracts pertaining to the issue entered into by the issuer or, if the issuer is a member of the group, by any member of the group, including particulars of the dates, parties and a summary of terms and conditions of such contracts.

### **General information**

- 12.58 If the issuer is required to publish independently audited financial statements, details of where annual and interim financial statements will be made available.
- 12.59 The names of any other stock exchanges on which a listing has been, is being or will be sought for the securities.

- 12.60 If an offer or placement has been or is being made simultaneously on the market of one or more other countries, and if a tranche of securities has been or is being reserved for certain of these offerings, details of any such tranche.
- 12.61 The intended application of the proceeds of the issue.
- 12.62 Particulars of any litigation or claims, of material importance, pending or threatened against the issuer or any member of the group, or an appropriate negative statement.

### **Documents for inspection**

- 12.63 A statement that for a reasonable period of time (being not less than fourteen calendar days from the date of the listing document or, in the case of securities issued under a programme, throughout the life of the programme) at a place in the Cayman Islands or such other place as the Exchange may agree, the following documents (or copies thereof), where applicable, may be inspected, without charge:
- (a) the constitutional documents of the issuer;
  - (b) any trust deed of the issuer, paying agency agreement, guarantee or any other material contracts pertaining to the issue;
  - (c) all reports, letters, valuations or other documents any part of which is included or referred to in the listing document;
  - (d) the audited financial statements of the issuer or, in the case of a group which has produced consolidated financial statements, the consolidated audited financial statements of the issuer and its subsidiaries for each of the two financial years immediately preceding the issue of the listing document, together with any interim financial statements published subsequently; and
  - (e) in the case of securities issued under a programme, the current programme memorandum, any supplementary programme memorandum or any pricing supplements (relating to outstanding and listed issues) issued since the current programme memorandum was published.

## **MODIFICATIONS, EXCEPTIONS AND ADDITIONS**

### **Debt securities which benefit from the guarantee of another company**

- 12.64 Where the debt securities benefit from the guarantee of another company, the information required in respect of the guarantor will be such information as the Exchange determines, not exceeding that which would be required if it were the issuer.

- 12.65 Where the securities benefit from an unconditional and irrevocable guarantee, or equivalent arrangements, of another company, the information required by rules 12.51 to 12.54 need not be included.

### **Supranational bodies or issuers which benefit from the guarantee of a government**

- 12.66 Where an issuer is a supranational body or is making an issue of securities which benefit from the guarantee of a government, such issuer need not include the information required by rules 12.45 to 12.56.

### **Listed issuers**

- 12.67 Where the issuer's or, where relevant, the guarantor's debt or equity securities are listed on the Exchange or on another stock exchange recognised by the Exchange for this purpose, the Exchange may, if it considers it appropriate, treat it as a listed issuer. In such cases, the issuer need not include the information required by rules 12.51 to 12.54, provided the name of the stock exchange on which such issuer's or guarantor's securities are listed is disclosed in the listing document.

### **Issuers of convertible securities**

- 12.68 An issuer of convertible securities must include the following additional information in the listing document with respect to the securities into which the convertible securities are convertible into, whether directly or by reference to other publicly available documentation:
- (a) details satisfactory to the Exchange of the shares or other securities offered by way of conversion, exchange or for subscription, and the rights attaching thereto, including details of arrangements for transfer of such securities and any restrictions on their free transferability;
  - (b) conditions of and procedures for conversion, exchange or subscription and details of the circumstances in which they may be amended;
  - (c) the name of the issuer of the securities;
  - (d) its registered office;
  - (e) its country of incorporation;
  - (f) the nature of its business;
  - (g) the name of any stock exchange on which the relevant securities are listed;
  - (h) the place where financial and other information on the issuer and the relevant securities is publicly available;

- (i) where the issuer of the securities and/or the issuer's short term or long term credit has been rated by any of the major public rating agencies, the ratings and the name of the rating agency responsible for such rating;
- (j) the name of the registrar and/or paying agent for the relevant securities; and
- (k) details of any taxes on the payment of principal and interest on the relevant securities at source.

### **Issues of securities under programmes**

12.69 Issuers are expected to follow the application procedure outlined in chapter 2 and rules 12.74 to 12.75 below which involves the preparation of a listing document (the "programme memorandum"). The programme memorandum must contain the general terms and conditions applicable to all securities that may be issued and listed under the programme. The application for listing must cover the maximum nominal amount of securities which may be in issue and listed at any one time under the programme. If the Exchange approves the application, it will admit to listing all securities which may be issued under the programme within five years of the publication of the programme memorandum, subject to the Exchange:

- (a) being advised of the final terms of each issue;
- (b) receiving a letter from the issuer confirming which of the listing requirements, if any (other than the listing requirements already included in accordance with rule 12.75(d) at the time of application for listing in respect of the programme), do not apply to the issue;
- (c) receiving a letter from the issuer requesting non-publication of certain information relating to an issue, giving reasons for such request;
- (d) receiving and approving for publication any supplementary programme memorandum that may be appropriate;
- (e) receiving confirmation that the securities in question have been issued; and
- (f) receiving the issuance fee payable on admission of the securities to listing and the annual fee in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange's website.

12.70 For issues in excess of the notified maximum or made more than five years after publication of the programme memorandum, the initial application and publication procedures as set out in chapter 2 and rules 12.74 to 12.75 below must be followed.

- 12.71 A document describing the final terms of each issue which is intended to be listed (the "pricing supplement"), which may also comprise a supplementary programme memorandum, must be submitted to the Exchange as soon as possible after they have been agreed.
- 12.72 The pricing supplement relating to an issue, when read together with the programme memorandum and any supplementary programme memorandum in respect of the programme, must provide an investor with the full terms and conditions of the issue.
- 12.73 Where the securities to be issued under a programme have already been approved for listing on an exchange which is recognised by the Exchange an issuer may apply to the Exchange for a listing for any tranche or series of securities to be issued under that programme. In such circumstances the Exchange will accept the programme memorandum prepared in connection with the issuer's application to list on such other exchange. In all other respects issuers must follow the application procedure outlined above.

## LISTING APPLICATION PROCEDURES

- 12.74 The listing document must be formally approved by the Exchange before publication.
- 12.75 The following must be submitted to the Exchange before formal approval is given:
- (a) an application for admission to listing, in the form set out in Appendix 1B to these listing rules;
  - (b) copy of the listing document in final form;
  - (c) a declaration by the issuer in the form set out in Appendix 2A to these listing rules;
  - (d) a letter from the issuer or its duly authorised representative confirming which of the listing requirements, if any, do not apply;
  - (e) a letter from the issuer or its duly authorised representative requesting non-publication of certain information, giving reasons for such request;
  - (f) such other documents as may be required by the Exchange; and
  - (g) the initial listing fee and the annual fee in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange's website.

## CONTINUING OBLIGATIONS

Each issuer of securities listed pursuant to this chapter must undertake, as a condition of being granted and maintaining a listing on the Exchange, to comply with the continuing obligations set out herein.

### **New developments**

12.76 The issuer must notify the Exchange, for release, of any new developments which are not public knowledge and which may reasonably be expected to affect materially the market activity in and the price of the listed securities, or the ability of the issuer to meet its commitments.

### **Equality of treatment**

12.77 The issuer must ensure equal treatment of all holders of its listed securities of the same class in respect of all rights attaching to such securities.

### **Exercise of rights**

12.78 The issuer must ensure that all the necessary information and facilities are made available to holders of securities to enable them to exercise their rights. In particular, the issuer must notify the Exchange and publish notices or distribute circulars concerning the meetings of holders of its listed securities and the exercise of any conversion rights.

### **Financial statements**

12.79 An issuer must publish audited annual financial statements, in accordance with International Accounting Standards or such other standards as may be acceptable to the Exchange, within nine months of the end of the financial period to which they relate. If the issuer prepares both own and consolidated financial statements it may publish either form or both provided that the form which is not published does not contain any significant additional information. If the annual audited financial statements do not give a true and fair view of the state of affairs at the end of the financial year or the profit and loss of the issuer or the group, the Exchange may require additional information to be included therein.

12.80 If the audited annual financial statements have not already been made available to the holders of the securities, the availability of such annual financial statements must be notified to the Exchange and to the holders of the securities immediately following their publication.

12.81 At the same time as the audited annual financial statements and any interim financial statements are published, the issuer must send one copy to the Exchange.

12.82 The Exchange will waive the requirements of rules 12.79 to 12.80 where:

- (a) the listed securities of the issuer benefit from an unconditional and irrevocable guarantee of another company or the guarantee of a government or equivalent arrangements; or
- (b) the issuer is a supranational body;

and it has received written confirmation from the issuer that the non-publication of independently audited financial statements would not be likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the assessment of the securities in question.

12.83 Where the listed debt securities may be converted into securities of another entity, or are guaranteed by another entity, the issuer must, at the same time as the audited annual financial statements and any interim financial statements are published by such other entity, send a copy to the Exchange, unless that entity is listed or adequate information is otherwise available.

### **Changes in rights**

12.84 The issuer must notify the Exchange for release of any change in the rights of holders of any class of listed securities.

12.85 Where the listed securities are convertible, this requirement will also apply to any change in the rights of any class of securities into which the listed securities are convertible.

### **Interest**

12.86 The issuer must notify the Exchange for release of any decision in relation to any listed securities not to make any interest payment contemplated by the terms of the issue of such securities.

### **Decision to purchase**

12.87 Save where contemplated specifically by the terms of a particular issue of securities, the Exchange must be notified immediately for release of any decision to call, purchase, redeem or cancel any of the listed securities by the issuer or any member of the group.

### **Notification of purchases**

12.88 The issuer must notify the Exchange immediately where any purchase, redemption or cancellation of securities of an aggregate of ten per cent. of the initial nominal amount of the listed securities has been made. Once this threshold has been crossed, the issuer must notify the Exchange of any further purchases, redemptions or cancellations of each additional five per cent. or more of the initial nominal amount of such securities.

- 12.89 Such notification must state the nominal amount of the securities purchased or redeemed, whether such securities are to be cancelled and the nominal amount of the securities remaining outstanding.

### **Paying agent**

- 12.90 The issuer must maintain a paying agent in the Cayman Islands or other financial centre acceptable to the Exchange until the securities are finally redeemed. The Exchange must be notified of any change of such paying agent. The issuer itself may perform this function if it can demonstrate to the Exchange that it is capable of doing so.

### **Clearance and settlement**

- 12.91 The issuer must make arrangements acceptable to the Exchange to facilitate the efficient clearance and settlement of all trades and, where applicable, the registration of all transfers of its listed securities.

### **General nature of the business**

- 12.92 Any decision to change the general character or nature of the business of the issuer, guarantor or group must be notified to the Exchange.

### **New issues**

- 12.93 Any new issues of debt securities, including any further issues of securities of a class already listed on the Exchange, and any guarantee or surety in respect thereof must be notified to the Exchange.

### **Constitution**

- 12.94 Any proposed change in the constitution of the issuer, guarantor or the group or its registered or principal office must be notified to the Exchange.

### **Directors**

- 12.95 Any changes in the issuer's or guarantor's directors must be notified to the Exchange.

### **Auditor**

- 12.96 Any change in the issuer's or guarantor's auditor must be notified to the Exchange.

### **Equivalent information**

- 12.97 Where securities listed on the Exchange are also listed on another stock exchange, the issuer must ensure that copies of all documents required to be filed and information required to be notified to the Exchange are promptly made available to such other stock exchange.

### **Public Announcement**

12.98 The Exchange will upon notification of any of the above matters make a public announcement with respect to such matters.

### **Annual fee**

12.99 Issuers are required to pay an annual fee to the Exchange in accordance with the schedule of fees published on the Exchange's website, as updated from time to time.

### **Distribution of other documents**

12.100 The issuer must send to the Exchange a copy of all notices of meetings, forms of proxy, any reports, announcements or other similar documents at the same time as they are issued.

### **Exception**

12.101 Where, in the opinion of any issuer, disclosure of any matter required by the listing rules would be unduly detrimental to the issuer, the issuer may apply for a waiver from the relevant requirement. The information, together with a statement of the reasons why the issuer believes the information should not be disclosed at that time, must be provided to the Exchange. The Exchange will deal with the information on a strictly confidential basis. However, the Exchange may at any time order that an announcement be delivered to it for dissemination by the Exchange.

# CHAPTER 13

## RETAIL DEBT SECURITIES

### Contents

This chapter sets out the procedures and requirements for applications for the listing on the Exchange of the retail debt securities. All such issuers must also comply with all relevant provisions of the listing rules in section I.

The provisions of this chapter do not apply to secondary listings of issuing companies, which are regulated by chapter 7. The main headings are:

13.1	conditions for listing
13.14	contents of listing document
13.61	listing application procedures
13.64	continuing obligations
schedule 13A	matters to be provided for in the constitution of a company issuing retail debt securities
schedule 13B	accountants' reports

## CONDITIONS FOR LISTING

### Incorporation

13.1 An issuer must be duly incorporated or otherwise validly established in a recognised jurisdiction according to the relevant laws of its place of incorporation or establishment and be operating in conformity with its memorandum and articles of association or other constitutional documents.

### Sufficiently liquid market

13.2 If the company's equity securities are not listed on the Exchange, the issuer must have net tangible assets of at least CI\$4,100,000 (US\$5,000,000), and the nominal amount of each class of debt securities for which listing is sought must be at least CI\$1,640,000 (US\$2,000,000) or such other amount as the Exchange may from time to time determine. Further issues of debt securities which are uniform in all respects with debt securities of a class already listed on the Exchange are not subject to these limits.

### History of operations

13.3 Issuing companies must have an adequate operating record under substantially the same management which must be of known character and integrity. For this purpose, an adequate trading record will normally be at least two years but the Exchange may accept a shorter period if the issue is underwritten by an underwriter approved by the Exchange.

**Financial information**

- 13.4 An applicant for listing must have published audited financial statements which cover the two financial years preceding the application for listing. In exceptional circumstances the Exchange may accept a shorter period.
- 13.5 In the case of a new applicant the latest financial statements required by the preceding rule must be in respect of a period ended not more than twelve months before the date of the listing document. If more than nine months have elapsed since the date to which the latest audited financial statements of the issuer were made up, an interim financial statement made up to a date no earlier than three months prior to the date of the listing document must be included. If the interim financial statement is unaudited, that fact must be stated. The Exchange may, at its discretion, require issuers to have such interim financial statements audited.
- 13.6 In the case of a new applicant the financial statements must be unqualified, unless the qualification is acceptable to the Exchange and has been adequately explained so as to enable investors to make a properly informed assessment of the significance of the matter.
- 13.7 The financial statements referred to above must have been prepared in accordance with International Accounting Standards, United States, Canadian or United Kingdom Generally Accepted Accounting Principles or other equivalent standard acceptable to the Exchange.

**Transferability**

- 13.8 The securities for which listing is sought must be freely transferable except to the extent that any restriction on transferability is approved by the Exchange. Partly paid securities may be regarded as fulfilling this condition, provided that the Exchange is satisfied that their transferability is not restricted, or if it is then such restrictions are approved by the Exchange, and that investors have been provided with all appropriate information to enable dealings in such securities to take place on an open and proper basis.

**Whole class to be listed**

- 13.9 Where none of the securities of a particular class are listed on the Exchange, the application for listing must relate to all securities of that class, whether already issued or proposed to be issued. Where the securities of that class are already listed on the Exchange, the application for listing must relate to all further securities of that class which are proposed to be issued.

**Convertible securities**

- 13.10 Convertible securities may be admitted to listing only if the Exchange is satisfied that investors will be able to obtain the information necessary to form a reasonable opinion as to the value of the securities into which they are convertible. This may require the securities into which they are convertible to be listed on the Exchange or listed on another stock exchange which is recognised for this purpose by the Exchange.

## **Constitution**

13.11 The constitution of the issuer must contain the provisions set forth in schedule 13A to this chapter.

## **Clearing and settlement**

13.12 To be admitted to listing on the Exchange, retail debt securities must have an ISIN and be eligible for deposit in an acceptable electronic clearing and settlement system including Clearstream, Euroclear, The Depository Trust Company or any acceptable alternative system agreed in advance with the Exchange.

## **Paying agent**

13.13 The issuer must appoint a paying agent in the Cayman Islands or other financial centre acceptable to the Exchange.

# **CONTENTS OF LISTING DOCUMENT**

## **Preliminary**

13.14 The listing document for debt securities must contain the information set out below.

13.15 A copy of the trust deed, debenture or other document constituting or securing the debt securities must be supplied as part of the listing application.

13.16 The listing document must include:

- (a) on the inside cover page of the listing document:
  - (i) the official name and jurisdiction of incorporation or establishment of the issuer;
  - (ii) the name, nominal value and class of securities being offered by the listing document and the offer price;
  - (iii) a statement that application has been made to the Exchange for the securities to be admitted to the official list;
  - (iv) the name of the listing agent and underwriters of other distributors of the issue; and
  - (v) a declaration in the following form:

This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The directors collectively and individually accept full responsibility for the accuracy of the information contained in the listing document and confirm, having made

reasonable enquiry, that to the best of their knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document;

- (b) the address of its principal or registered office;
- (c) the date of incorporation or other establishment of the issuer;
- (d) the names and addresses of the issuer's principal bankers, authorised representatives, stockbroker, attorneys, advisers and registrars and of the listing agent for the issue; and
- (e) the name, address and professional qualifications of the issuer's auditors.

13.17 Where the listing document includes a statement made by an expert, a statement:

- (a) specifying the qualifications of such expert and whether such expert or any associate of the expert has any shareholding in any member of the group or any associate of the group or the right to subscribe for or to nominate persons to subscribe for securities in any member of the group or associate of the group, and, if so, a full description thereof;
- (b) that the expert has given and has not withdrawn his written consent to the inclusion in the listing document of the expert's statement included in the form and context in which it is included; and
- (c) of the date on which the expert's statement was made and whether or not it was made by the expert knowing it would be incorporated in the listing document.

## **Risk factors**

13.18 All material risks associated with investing in the debt securities, including any risks specific to the issuer or its industry.

## **Securities, issuance and distribution**

13.19 The estimated expenses of the issue, by whom the same are payable and the estimated net proceeds of the issue.

13.20 If known, the date on which dealings will commence.

13.21 An estimate of the net proceeds of the issue and a statement as to how such proceeds are intended to be used or applied.

- 13.22 A description of or the text of the terms and conditions of the issue containing:
- (a) the nominal amount of the issue or if this amount is not fixed, a statement to that effect, the nature and number of the debt securities and the denominations;
  - (b) the ISIN for each class of security for which listing is sought;
  - (c) a summary of the rights conferred upon holders and particulars of the security;
  - (d) except in the case of continuous issues, the issue price (or if different, offer price) and redemption prices. A statement of the nominal interest rate and if floating, how it is calculated. If several interest rates are provided for, an explanation of the conditions for changes in the rate. If any issue discount is allowed or premium is payable, a statement describing this. If any expenses of the issue are to be charged to subscribers or purchasers, a statement describing this;
  - (e) details of the currency of the issue and the method of payment of the issue or offer price including a description of any instalment arrangement;
  - (f) details of the arrangements for the amortisation or early redemption of the issue;
  - (g) the names and addresses of the paying agent(s) and any registrar and transfer agent(s) for the debt securities;
  - (h) details of the arrangements for transfer of the securities if not in bearer form;
  - (i) details of the following time limits:
    - (i) final maturity date and early repayment dates, specifying whether exercisable at the issuer's or the holder's option;
    - (ii) the date from which interest accrues and when the interest payments are due;
    - (iii) prescription period for claims for payment of interest and repayment of principal;
    - (iv) procedures and time limits for delivery of the debt securities, whether there will be temporary documents of title and, if so, the procedures for the delivery and exchange thereof;
    - (v) except in the case of continuous issues, an indication of yield and the method by which it is calculated; and
    - (vi) details of any taxes on the income from the debt securities which is withheld at source and a statement as to whether the issuer assumes responsibility for withholding any such tax at source;

- (j) if a public or private offer or placement has been or is being made simultaneously on the markets of one or more other countries, and if a tranche of securities has been or is being reserved for certain of these offerings, the details of any such tranche.

13.23 The following legal information:

- (a) a description of the resolutions, authorisations and approvals by virtue of which debt securities are created or issued and of the number of debt securities which have been or will be created or issued (or a maximum and minimum range);
- (b) the nature and scope of any guarantees, securities and commitments intended to ensure that the issue will be duly serviced with regard to both the principal and the interest on the debt securities and an indication of the places where the public may have access to copies of such guarantees, securities and commitments;
- (c) details of the trustee, fiscal agent or other representative of the holders of the debt securities as a whole, if any, the name and function or description and head office of such representative, the conditions under which the representative may be replaced together with an indication of where the public may inspect copies of the documents detailing how the representative is to act;
- (d) a description of any subordination of the issue to any other debts or debt securities of the issuer;
- (e) an indication of any legislation under which the debt securities have been created, the governing law and the competent courts in the event of litigation; and
- (f) details of any restrictions on the transferability of the debt securities.

13.24 Particulars of any alterations in the capital of the issuer within the two years immediately preceding the issue of the listing document, including:

- (a) where any such capital has been issued or is proposed to be issued as fully or partly paid up otherwise than in cash, particulars of the consideration for which the same has been or is proposed to be issued and in the latter case the extent to which they are so paid up; and
- (b) where any such capital has been issued or is proposed to be issued for cash, particulars of the price and terms upon which the same has been or is proposed to be issued, details of any discounts or other special terms granted and (if not already fully paid) the dates when any instalments are payable with the amount of all calls or instalments in arrears, or an appropriate negative statement.

13.25 A statement showing the name, so far as is known to any director of the issuer, of each person, other than a director of the issuer, who is, directly or indirectly, interested in five per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the group and the amount of each

person's interest in such securities, together with particulars of any options in respect of such capital, or, if there are no such interests, an appropriate negative statement.

- 13.26 Particulars of any capital of any member of the group which is under option, including the consideration for which the option was or will be granted, and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement. Where options have been granted to all the members or debenture holders or to any class thereof, or to employees under a share scheme, it shall be sufficient to state the details of the total grant without giving the names and addresses of the grantees.
- 13.27 Number, book value and nominal value or, in the absence of a nominal value, the accounting par value of any of its own shares (or comparable interests in the case of a partnership or unit trust) which any member of the group has acquired and is holding, if such shares do not appear as a separate item in the balance sheet.

### **The group's activities**

- 13.28 The general nature of the business of the group and, in cases where two or more activities are carried on which are material in terms of profits or losses, assets employed or any other factor, such figures and explanation as are necessary to demonstrate the relative importance of each such activity and details of the main categories of products sold or services performed and an indication of any significant new products or activities. If the group trades outside the Cayman Islands a statement showing a geographical analysis of its trading operations. Where a material proportion of the group's assets are situated outside the Cayman Islands, a statement giving the best practicable indication of the amount and situation of such assets and the amount of the assets located in the Cayman Islands.
- 13.29 If the issuer is a member of a group, a brief description of that group, and, if a subsidiary, the names of and the number of shares held directly or indirectly by each holding company of the issuer.
- 13.30 Particulars of any trade marks, patents or other intellectual or industrial property rights which are material in relation to the group's business and, where such factors are of fundamental importance to the group's business or profitability, a statement regarding the extent to which the group is dependent on such factors.
- 13.31 Information concerning the policy of the group on the research and development of new products and processes over the past three financial years where significant.
- 13.32 Particulars of any interruptions in the business of the group which may have or have had a significant effect on the financial position in the last twelve months.
- 13.33 The number of people employed by the group and changes therein in the last financial year, if such changes are material in the context of the group, with, if possible, a breakdown of persons employed by main categories of activity.

- 13.34 Particulars, including location, of the principal investments (if any), including such investments as new plant, factories and research and development, being made or planned by the group.
- 13.35 With regard to every material subsidiary, particulars of the name, date and country of incorporation, general nature of business, issued capital and the proportion held or intended to be held by the issuer.
- 13.36 With regard to the issuer and every material subsidiary, particulars of the location of the principal establishments.

### **Financial and other information about the group**

- 13.37 A statement as at the most recent practicable date (which must be stated) of the following on a consolidated basis:
- (a) the total amount of any debt securities of the group issued and outstanding, and authorised or otherwise created but unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) and unsecured loans, or an appropriate negative statement;
  - (b) the total amount of all other borrowing or indebtedness of the group including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowing and debt, or an appropriate negative statement;
  - (c) all mortgages and charges of the group, or an appropriate negative statement; and
  - (d) the total amount of any contingent liabilities or guarantees of the group, or an appropriate negative statement.
- 13.38 Unless an accountants' report is required pursuant to the following rule, a comparative table of financial information. The comparative table must:
- (a) be prepared on a consolidated basis;
  - (b) cover the two financial years immediately preceding the application for listing;
  - (c) be extracted without material adjustment from audited financial statements;
  - (d) include the following financial information, presented in a form consistent with that which would be adopted in the issuer's annual financial statements:
    - (i) income statement;
    - (ii) balance sheet;

- (iii) cash flow statement;
  - (iv) accounting policies; and
  - (v) notes covering the last two financial years;
- (e) be accompanied by a letter from the directors confirming that the financial information has been extracted without material adjustment from the audited financial statements, and that such financial statements have been independently audited and prepared in accordance with International Accounting Standards, United States, Canadian or United Kingdom Generally Accepted Accounting Principles or other equivalent acceptable to the Exchange.
- 13.39 A report by reporting accountants must be prepared in accordance with the requirements of schedule 13B in the following circumstances:
- (a) where any material change has taken place to the group structure or business in the two financial years immediately preceding the application for listing or during the period from the end of the period to which the last audited financial statements relate to the date of application for listing;
  - (b) where any material change has been made to the accounting policies, or any material adjustment has been made or is required to be made to the published audited financial statements during the periods referred to in paragraph (a) above; or
  - (c) where the auditors' report on the consolidated financial statements of the issuer for any of the last two financial years has been qualified.
- The Exchange must be consulted in cases where the issuer is uncertain as to whether an accountants' report is required.
- 13.40 A statement showing the sales turnover figures or gross trading income of the group during the three financial years immediately preceding the issue of the listing document which should contain an explanation of the method used for computation of such turnover or income and a reasonable breakdown between the more important trading activities.
- 13.41 Where the issuer has, since the date to which the latest published annual financial statements have been made up, acquired or disposed of an undertaking or assets which would be classified as material by the Exchange, a pro forma net assets statement showing the effect of the acquisition or disposal on the net assets of the issuer is required.
- 13.42 A statement of any material adverse change in the financial or trading position of the group since the date to which the latest audited accounts of the issuer were made up or since the end of the period reported on in the accountants' report, or an appropriate negative statement.
- 13.43 General information on the trend of the business of the group since the date to which the latest audited financial statements of the issuer were made up.

- 13.44 A statement as to the financial and trading prospects of the group for at least the current financial year, together with any material information which may be relevant thereto, including all special trade factors or risks which are not mentioned elsewhere in the listing document and which are unlikely to be known or anticipated by the general public, and which could materially affect the profits of the group.
- 13.45 Where a profit forecast appears in the listing document, a statement of the principal assumptions upon which it is based. The accounting policies and calculations for the forecast must be examined and reported on by the reporting accountants and their report must be set out. The reporting accountants, and the listing agent must report in addition that they have satisfied themselves that the forecast has been stated by the directors after due and careful enquiry, and such reports must be set out.
- 13.46 Particulars of the profits cover for interest payments and of the net assets and net tangible assets.

## **Management**

- 13.47 The full name, residential or business address and description (being his qualifications or area of expertise or responsibility) of every director or proposed director of the issuer.
- 13.48 The full name and professional qualification, if any, of the company secretary of the issuer.
- 13.49 The address of the registered office and, if different, the head office of the issuer.
- 13.50 A statement showing the interest (distinguishing between beneficial and non-beneficial interests) of each director of the issuer in the equity or debt securities of the group.
- 13.51 Full particulars of any contract or arrangement subsisting at the date of the listing document in which a director of the issuer is materially interested and which is significant in relation to the business of the group, or an appropriate negative statement.

## **Contracts pertaining to the issue**

- 13.52 The dates of and parties to all contracts pertaining to the issue entered into by any member of the group within the two years immediately preceding the issue of the listing document, together with a summary of the principal contents of such contracts.

## **General information**

- 13.53 Particulars of any litigation or claims of material importance pending or threatened against any member of the group, or an appropriate negative statement.
- 13.54 Details of where annual and any interim financial reports are available and how often interim reports are published.

- 13.55 The names of the newspapers in which any notices to the holders of the debt securities will be published.
- 13.56 The names of all stock exchanges on which a listing has been, is being or will be sought for the debt securities.
- 13.57 The names, addresses and descriptions of the persons underwriting or guaranteeing the issue for the issuer and where not all of the issue is underwritten or guaranteed, a statement of the portion not covered.
- 13.58 If a public or private offer or placing has been or is being made simultaneously on the markets of two or more countries and if a tranche has been or is being reserved for certain of these, details of any such tranche.

### **Documents for inspection**

- 13.59 A statement that the following documents (or copies thereof), where applicable, may be inspected, without charge:
- (a) the constitutional documents of the issuer;
  - (b) any trust deed, fiscal agency agreement or other document constituting the debt securities;
  - (c) all reports, letters or other documents, balance sheets, valuations and statements by any expert or any part of which is referred to in the listing document; and
  - (d) the audited statements of the issuer or, in the case of a group, the consolidated audited statements of the group for each of the two financial years immediately preceding the issue of the listing document.
    - (i) at the Exchange for a period of time being not more than 14 days from the date of admission to listing; and
    - (ii) the issuer's registered office or such other place (including the issuer's website) acceptable to the Exchange for the entire duration of the listing.
- 13.60 If the document of title to any listed debt securities is in bearer form, the time and place in the Cayman Islands where copies of the financial statements of the issuer and auditors' report and directors' report thereon may be obtained without charge, must be published in the newspapers. Where another company provides a guarantee for the debt security or where the debt security is convertible, exchangeable or carries subscription rights which are exercisable into the securities of another company, copies of the financial statements of that other company and of the auditors' report and directors' report thereon must also be available and advertised in the newspapers.

## LISTING APPLICATION PROCEDURES

- 13.61 The listing document must be formally approved by the Exchange before publication. Such approval will only be given if the Exchange considers that the information in the listing document is complete.
- 13.62 The following documents must be submitted to the Exchange in either hardcopy or electronic format, together with the initial listing fee and, where applicable, the annual fee in respect of the first year, which is calculated in accordance with the schedule of fees published on the Exchange's website, before formal approval is given:
- (a) an application for admission to listing, in the form set out in Appendix 1A to these listing rules;
  - (b) two copies of the listing document in final form;
  - (c) a declaration by the issuer in the form set out in Appendix 2A to these listing rules;
  - (d) a declaration for each director and proposed director of the issuer, unless such a declaration has previously been filed with the Exchange in the form set out in Appendix 3A to these listing rules;
  - (e) a declaration by the listing agent, in the form set out in Appendix 4 to these listing rules;
  - (f) a letter from the issuer or duly authorised representative confirming which of the listing requirements, if any, do not apply;
  - (g) a letter from the issuer or duly authorised representative requesting, where relevant, non-publication of certain information, giving reasons for such request; and
  - (h) such other documents as may be required by the Exchange.
- 13.63 The Exchange may, at any time before or after the admission to listing, require the issuer to produce to the Exchange a copy of any of the documents listed in rule 2.26 where applicable.

## CONTINUING OBLIGATIONS

### **Distribution of annual financial statements**

- 13.64 The issuer must send the trustee or fiscal agent and every holder of its listed debt securities a copy of its annual financial statements (which must be prepared in accordance with International Accounting Standards or such other standards as may be acceptable to the

Exchange and must be audited in accordance with International Auditing Standards) not less than fourteen calendar days before the date of the issuer's annual general meeting. At the same time the issuer must send copies to the Exchange promptly after they are issued.

### **Information to accompany annual financial statements**

13.65 The issuer must include with its annual financial statements a report by the directors on the operations of the issuer and such directors' report must include:

- (a) a description of the principal activities of the group and, where two or more such activities are so described, a statement giving for each such activity the turnover and contribution to trading results attributable to it;
- (b) a geographical analysis of consolidated turnover subsidiaries;
- (c) a statement showing:
  - (i) the name of every subsidiary, its principal country of operation, its country of incorporation and its main business; and
  - (ii) the particulars of the issued share capital and debt securities of every subsidiary provided that if, in the opinion of the directors of the issuer and with approval of the Exchange, the number of them is such that compliance with this paragraph would result in particulars of excessive length being given, compliance with this paragraph shall not be required except in the case of subsidiaries carrying on a business the results of which, in the opinion of the directors, materially affected the amount of the profit or loss of the group or the amount of the assets of the group;
- (d) a statement as at the end of the relevant financial year showing:
  - (i) the interests of each director of the issuer in the equity or debt securities of the issuer or any subsidiary; and
  - (ii) the details of any right to subscribe for equity or debt securities of the group granted to any director of the issuer, and of the exercise of any such right;
- (e) the statement required by paragraph (d) above must:
  - (i) distinguish between beneficial and non-beneficial interests; and
  - (ii) specify the company in which securities are held, the class to which those securities belong and the number of such securities held;
- (f) in the event of operating results shown by the financial statements for the period under review differing materially from any published forecast made by the issuer, an explanation for the difference;

- (g) a statement by the directors as to the reasons for any significant departure from standard accounting practices;
- (h) a statement as at the end of the financial year showing as regards, firstly, bank loans and overdrafts and, secondly, other borrowings of the group, the aggregate amounts repayable:
  - (i) on demand or within one year;
  - (ii) within more than one year but less than two years;
  - (iii) within two years but less than five years; and
  - (iv) within a period of more than five years;
- (i) in respect of the financial year, a statement of the amount of interest capitalised by the group during the year;
- (j) details of the classes and numbers of any convertible debt securities, options, warrants or similar rights issued or granted by the group during the financial year, together with the consideration received by the group;
- (k) particulars of any exercise made during the financial year of any conversion or subscription rights under any convertible debt securities, options, warrants or similar rights issued or granted at any time by the group;
- (l) particulars of any redemption or purchase or cancellation by the group of its redeemable debt securities and the amount of such securities outstanding after any such redemption, purchase or cancellation has been made. Any such statement must distinguish between those listed securities which are purchased by the issuer and those which are purchased by a subsidiary of the issuer; and
- (m) a summary, in the form of a comparative table, of the results and of the assets and liabilities of the group, for the last five financial years.

13.66 If the auditors' report on the relevant annual financial statements is qualified, the Exchange may require more detailed or additional information to be provided.

### **Decisions to not make interest payments**

13.67 Any decision not to make any interest payment on the listed debt securities must be disclosed to the Exchange for dissemination by the Exchange as soon as reasonably practicable after the decision has been made.

### **Purchase, redemption or cancellation of issuer's own securities**

13.68 Any purchase, redemption or cancellation by the issuer, or any member of the group, of its listed debt securities must be disclosed to the Exchange, for dissemination by the Exchange,

as soon as possible after such purchase, redemption or cancellation. The announcement should also state the amount of the relevant debt securities outstanding after such operations. For this purpose, purchases of debt securities may be aggregated and an announcement must be made when five per cent. of the outstanding amount of a debt security has been acquired. If the issuer or any member of the group purchases further amounts of that security an announcement should be made whenever an additional one per cent. has been acquired.

## **Board meetings**

13.69 The issuer must inform the Exchange immediately after approval by or on behalf of the board, for dissemination by the Exchange, of:

- (a) any decision not to make any interest payment on any of the group's debt securities;
- (b) any proposed new issue of debt securities by the issuer and, in particular, any guarantee or security in respect thereof;
- (c) any change in the issuer's constitution or its registered or principal office;
- (d) any proposed change in the capital structure of the issuer or the group;
- (e) any change in the rights of any class of listed securities. Where the listed securities are convertible, this requirement will also apply to any change in the right of any class of securities into which the listed securities are convertible;
- (f) any decision to change the general character or nature of the business of the issuer or the group;
- (g) any changes to the composition of the board of the issuer. The issuer must procure and lodge with the Exchange as soon as practicable after their appointment a signed declaration and undertaking for each new director in the form set out in the appendices to these listing rules;
- (h) any change in the rights attaching to any class of listed debt securities (including any change in the rate of interest carried by a debt security) and any change in the rights attaching to any shares into which any listed debt securities are convertible or exchangeable; and
- (i) any changes in its auditors, and the issuer must consult with the Exchange as far in advance as practicable about the any item listed above.

## **Conversion information about other companies**

13.70 Where listed debt securities carry rights of conversion or exchange into or subscription for the share capital of another company, or are guaranteed by another company, the issuer must ensure that adequate information is at all times publicly available about the other company and about any changes in the rights attaching to the shares to which such rights of conversion, exchange or subscription relate. This must include the availability of the annual report and

financial statements of the other company together with any interim financial reports and any other information necessary for a realistic valuation of such listed debt securities to be made.

### **Proposed drawings and closure of books**

13.71 The issuer must inform the Exchange for dissemination by the Exchange, in advance of all proposed drawings to effect partial redemptions, and, in the case of registered debt securities, the date on which the issuer proposes to close the books for the purpose of making a drawing. The Exchange must be informed immediately of the amount of the debt securities outstanding after any such drawing has been made, for dissemination by the Exchange.

### **Winding-up and liquidation**

13.72 The issuer must inform the Exchange, for dissemination by the Exchange, on any of the following events as soon as the same shall come to the attention of the issuer:

- (a) the presentation of any winding-up petition, or equivalent application, or the making of any winding-up order or the appointment of a provisional liquidator in respect of the issuer, its holding company or any major subsidiary;
- (b) the passing of any resolution by the issuer, its holding company or any major subsidiary that it be wound-up by way of members' or creditors' voluntary winding-up, or the occurrence of any event or termination of any period of time which would cause a winding-up;
- (c) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets which in aggregate value represents an amount in excess of fifteen per cent. of the book value of the existing net assets of the group; or
- (d) the making of any judgement, declaration or order by any court or tribunal of competent jurisdiction whether on appeal or at first instance, which may adversely affect the issuer's enjoyment of any portion of its assets which in aggregate value represents an amount in excess of fifteen per cent. of the book value of the net assets of the group.

### **Approval and distribution of other documents**

13.73 The issuer must send copies to the Exchange, at the same time as they are issued, of the following documents:

- (a) all communications to holders of its listed debt securities; and
- (b) any interim financial reports prepared by the issuer.

13.74 The issuer must send to the Exchange a copy of all notices of meetings, forms of proxy, reports, announcements or other similar documents at the same time as they are issued.

### **Annual fee**

- 13.75 Issuers whose securities are listed on the Exchange are required to pay an annual fee to the Exchange in accordance with the schedule of fees which is published on the Exchange's website, as updated from time to time.

### **Equivalent information**

- 13.76 Where the securities listed on the Exchange are also listed on another stock exchange, the issuer must ensure that copies of all documents required to be filed and information required to be notified to the Exchange are simultaneously made available to such other stock exchange.

### **Exception**

- 13.77 Where, in the opinion of any issuer, disclosure of any matter required by the listing rules would be unduly detrimental to the issuer, the issuer may apply for a waiver from the relevant requirement. The information together with a statement of the reasons why the issuer believes the information should not be disclosed at that time must be submitted to the Exchange on a strictly confidential basis. The Exchange may at any time order that an announcement be delivered to it for dissemination by the Exchange.



## SCHEDULE 13A -

# MATTERS TO BE PROVIDED FOR IN THE CONSTITUTION OF A COMPANY ISSUING RETAIL DEBT SECURITIES

This schedule sets out the matters which must be provided for in the constitution of an issuing company.

### Directors

13A.1 The constitution must prohibit a director from voting on any contract or arrangement or any other proposal in which he has an interest which is a material interest and must state that such director may not be counted in the quorum present at the meeting. The constitution may provide for exceptions to the prohibition against voting on such matters where the interest arises in respect of a resolution on any of the following matters:

- (a) the giving of any security or indemnity either:
  - (i) to the director for money lent or obligations incurred or undertaken by him at the request of or for the benefit of the issuer or any associate of the issuer; or
  - (ii) to a third party for a debt or obligation of the issuer or any of its subsidiaries for which the director has himself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of securities of or by the issuer or any other company which the issuer may promote or be interested in for subscription or purchase where the director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (c) any proposal concerning dealings with any other company in which the director is interested, whether directly or indirectly, as an officer, executive or shareholder, or in which the director has a beneficial interest in shares of that company, provided that he, together with any of his associates, is not beneficially interested in five per cent. or more of the issued shares of any class of such company or of any third company through which his interest is derived;
- (d) any proposal or arrangement concerning the benefit of employees of the issuer or its subsidiaries including:
  - (i) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he may benefit; or

- (ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the directors and employees of the issuer or any of its subsidiaries and does not provide in respect of any director any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (e) any contract or arrangement in which the director is interested in the same manner as other holders of shares or debentures or other securities of the issuer by virtue only of his interest in shares or debentures or other securities of the issuer.

### **Casual vacancies**

13A.2 Any person appointed by the directors to fill a casual vacancy on, or as an addition to, the board must retire from office at, or at the end of, the next following annual general meeting of the company, and will then be eligible to stand for election.

### **Election of directors**

13A.3 Where any person, other than a director retiring at the meeting or a person recommended by the directors, is to be proposed for re-election or election as a director, notice (of a period specified by the constitution which must be not less than seven days and not more than forty-two days) must be given to the company of the intention to propose him and of his willingness to serve as a director.

## **SCHEDULE 13B - ACCOUNTANTS' REPORTS**

### **Reporting accountants**

13B.1 The accountants' reports must be prepared by independent accountants who are qualified to act as auditors.

### **Contents of accountants' reports**

13B.2 An accountants' report must:

- (a) cover the issuer and its subsidiary and associate undertakings;
- (b) be extracted from the audited financial statements and adjusted as considered necessary by the reporting accountants;
- (c) where the financial statements have not been prepared in accordance with International Accounting Standards, United States, United Kingdom or Canadian generally accepted accounting principles or other standards acceptable to the Exchange, any significant departure from International Accounting Standards must be disclosed and explained and its financial effect quantified;
- (d) include the following financial information, presented in a form consistent with that which would be adopted in the issuer's annual financial statements, covering the three financial years immediately preceding the application for listing:
  - (i) income statement;
  - (ii) balance sheet;
  - (iii) cash flow statement;
  - (iv) accounting policies; and
  - (v) notes covering, as a minimum, the last two financial years;
- (e) contain an opinion by the accountants as to whether or not, for the purposes for which it was prepared, it gives a true and fair view of the financial matters set out therein;
- (f) if the opinion in paragraph (e) above is qualified, refer to all material matters about which the accountants have reservations, give all reasons for the qualifications and, if both relevant and practicable, quantify its effect; and

- (g) in the case of a new applicant, not contain a qualification unless the Exchange is satisfied that the qualification is acceptable to the Exchange and has been adequately explained so as to enable the investors to make a properly informed assessment of the significance of the matter.

### **Statement of adjustments**

13B.3 The accountants' report must contain only such adjustments to the previously published figures as the accountants consider necessary. A written statement of the adjustments, signed by the accountants, must be prepared and submitted to the Exchange for each period to which the report relates, in such form and detail and with such explanation as will show how the reported figures reconcile to the corresponding information in the published financial statements. The statement of adjustments must be made available for inspection in accordance with rule 13.59.

### **Material acquisitions and disposals made during the period under review**

13B.4 Where the issuer has acquired at any time during the three financial years immediately preceding the application for listing an undertaking or assets which would be classified as material by the Exchange, financial information on the undertaking or assets must be given covering the last three years, although may be presented separately for the pre-acquisition period.

# CHAPTER 14

## SPECIALIST COMPANIES

### Contents

This chapter sets out the conditions for listing and the information which is required to be included in the listing document for securities of specialist companies as defined in chapter 1. All such issuers must, unless otherwise agreed by the Exchange, also comply with all relevant provisions of section I of the listing rules.

The provisions of this chapter do not apply to secondary listings of specialist companies, which are regulated by chapter 7, or specialist debt securities, which are covered by chapter 8, or corporate debt securities, which are covered by chapter 12, or retail debt securities, which are covered by chapter 13. The main headings of this chapter are:

14.1 Conditions for listing

Equity securities of specialist companies

14.17 contents of listing document  
14.69 listing application procedures  
14.72 continuing obligations

Debt securities of specialist companies

14.91 contents of listing document  
14.150 listing application procedures  
14.153 continuing obligations

## CONDITIONS FOR LISTING

### Incorporation

14.1 An issuer must be duly incorporated or otherwise validly established in a recognised jurisdiction according to the relevant laws of its place of incorporation or establishment and be operating in conformity with its memorandum and articles of association or other constitutional documents.

### Financial information

14.2 An applicant must:

- (a) have published independently audited financial statements which cover at least the last two financial years preceding the application for listing; or

- (b) satisfy the Exchange that acceptance of a shorter period than that specified in rule 14.2 (a) is in the interest of the applicant or of the investors and that investors have access to such financial and other information deemed necessary or appropriate in order to make an informed investment decision with respect to the issuer and the securities in respect of which application for listing is made; or
  - (c) (i) provide a detailed business plan which must identify strategic objectives, key products, services and markets, development milestones, current and expected market competitors, risks and assumptions upon which the plan is based and details of reliance upon any key individuals, as appropriate;
- and
- (ii) provide an explanation of capital expenditure plans and financial commitments together with the funding requirements of the business for a period of at least two years following the listing and a statement explaining how these requirements will be met from existing resources, any anticipated revenue, and the proceeds of any new securities offering at the time of listing; or
  - (d) where it is not required to comply with any other requirements for the preparation of annual report and accounts, be a wholly owned subsidiary of a listed company and included in the consolidated accounts of its listed holding company.

The Exchange may modify the application of this rule 14.2 in such cases and circumstances as it considers appropriate.

- 14.3 The financial statements must have been prepared:
- (a) in accordance with the issuer's national laws; and
  - (b) in accordance with International Accounting Standards, United States, Canadian or United Kingdom Generally Accepted Accounting Principles, or other equivalent standard acceptable to the Exchange.
- 14.4 The latest audited financial statements of the issuer must be in respect of a period ended not more than eighteen months prior to the date of the listing document. If more than nine months have elapsed since the date to which the latest audited accounts of the issuer were made up, the Exchange may, at its discretion, require an interim financial statement made up to a date no earlier than three months prior to the date of the listing document to be included. If the interim financial statement is unaudited, that fact must be stated. The Exchange may, at its discretion, require issuers to have such interim financial statements audited.
- 14.5 The financial statements must be unqualified, unless the qualification is acceptable to the Exchange and has been adequately explained so as to enable investors to make a properly informed assessment of the significance of the matter.

### **Independent auditor**

- 14.6 An applicant must appoint an independent auditor acceptable to the Exchange to carry out the audit of the financial statements.

### **Directors**

- 14.7 The directors of the issuer must be of known character and integrity and must collectively have appropriate experience and technical expertise for the management of its business.
- 14.8 The Exchange retains the discretion to require the appointment of at least three directors, the majority of whom must be independent, in such cases and circumstances as it considers appropriate.

### **Validity**

- 14.9 The securities for which listing is sought must:
- (a) conform with the law of the issuer's place of incorporation;
  - (b) be duly authorised in accordance with the requirements of the issuer's constitutional documents; and
  - (c) have any necessary statutory or other consents.

### **Transferability**

- 14.10 The securities for which listing is sought must be freely transferable except to the extent that any restrictions on transferability are approved by the Exchange. The Exchange will approve transfer restrictions that result from the securities not being registered under certain securities laws provided such restrictions are adequately disclosed.

### **Whole class to be listed**

- 14.11 Where none of the securities of a particular class are listed on the Exchange, the application for listing must relate to all securities of that class, whether already issued or proposed to be issued. Where the securities of that class are already listed on the Exchange, the application for listing must relate to all further securities of that class which are proposed to be issued.

### **Guarantee**

- 14.12 Where the issue is guaranteed, the guarantee must be issued in conformity with the relevant laws of the place where the guarantor is incorporated or otherwise established and be in conformity with the guarantor's memorandum and articles of association or other constitutional documents.

### **Convertible securities**

14.13 Convertible securities may be admitted to listing only if the Exchange is satisfied that investors will be able to obtain the information necessary to form a reasonable opinion as to the value of the securities into which they are convertible. This may require the securities into which they are convertible to be listed on the Exchange or listed on another stock exchange which is recognised for this purpose by the Exchange.

### **Clearing and settlement**

14.14 To be admitted to listing on the Exchange, securities must have an ISIN and be eligible for deposit in an acceptable electronic clearing and settlement system including Clearstream, Euroclear, The Depository Trust Company or any acceptable alternative system agreed in advance with the Exchange. The Exchange may accept alternative arrangements provided they facilitate the efficient clearance and settlement of all trades.

### **Paying agent**

14.15 The issuer must appoint a paying agent in the Cayman Islands or other financial centre acceptable to the Exchange. The issuer itself may perform this function if it can demonstrate to the Exchange that it is capable of doing so.

### **General**

14.16 An issuer which meets the Exchange's definition of a start-up, mineral company or shipping company will in addition be required to comply with rules 6.18, 6.19 or 6.20.

## **EQUITY SECURITIES - CONTENTS OF LISTING DOCUMENT**

The information which is required to be included in the listing document is set out below.

### **The issuer, its advisers and the listing document**

14.17 On the cover page of the listing document a declaration in the following form:

There may be significant risks associated with an investment in the issuer. The issuer [is/is applying to be] listed on the Cayman Islands Stock Exchange as a 'specialist company' which requires that the ownership and transfer of its listed equity securities [is/will be] restricted to investors who represent that (i) they have the knowledge and experience in financial and business matters to enable them to evaluate the merits of a proposed transaction and investing in the issuer; (ii) are aware of the risks inherent in investing in the securities; and (iii) can afford the loss of their entire investment; and who are either (i) an individual who owns not less than US\$1,000,000 in investments or an entity which in the aggregate owns not less than US\$5,000,000 in investments or (ii) a director or manager of the issuer. An active secondary market in the securities may not develop. Prospective

investors who are in any doubt should consult their professional advisers as to the suitability of an investment in the issuer.

14.18 (a) On the inside cover page of the listing document:

- (i) the official name and jurisdiction of incorporation or other formation of the issuer;
- (ii) the name, number and class of securities being offered by the listing document and the offer price;
- (iii) a statement that application has been made to the Exchange for the securities to be admitted to the official list;
- (iv) a statement of the date on which the securities are expected to be admitted to listing, if known; and
- (v) a declaration in the following form:

This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The issuer accepts full responsibility for the accuracy of the information contained in the listing document and confirms, having made reasonable enquiry, that to the best of its knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.

This declaration should be appropriately adapted where persons other than the issuer are responsible for part of the listing document or where certain information has been reproduced from information published by a third party who has not participated in the preparation of the listing document. In such circumstances the issuer must accept responsibility for accurately reproducing such information and confirm, having made reasonable enquiry, that to the best of its knowledge and belief such information is true and accurate.

- (b) the address of its principal or registered office;
- (c) the date of incorporation or other establishment of the issuer;
- (d) the names and addresses of the issuer's principal bankers, authorised representatives, stockbroker, attorneys, advisers and registrars and of the listing agent for the issue; and
- (e) the name, address and professional qualifications of the issuer's auditors.

- 14.19 The provisions, or a sufficient summary of the provisions, of the constitution with regard to:
- (a) any power enabling a director to vote on a proposal, arrangement or contract in which he or any of his associates is materially interested;
  - (b) any power enabling the directors to vote remuneration (including pension or other benefits) to themselves or to any members of their body and any other provision as to the remuneration of the directors;
  - (c) any power to borrow exercisable by the directors and how such borrowing powers can be varied;
  - (d) changes in capital;
  - (e) any time limit after which entitlement to dividend lapses and an indication of the party in whose favour the lapse operates; and
  - (f) arrangements for transfer of the securities and (where permitted by the Exchange) any restrictions on their free transferability.
- 14.20 Particulars of any other stock exchange on which any class or part of any equity or debt securities of the issuer is listed, traded or dealt in or on which listing or permission to deal is being or is proposed to be sought.
- 14.21 Particulars of any commissions, discounts, brokerages or other special terms granted within the two years immediately preceding the listing document in connection with the issue or sale of any security of any member of the group, together with the names of any directors, proposed directors, promoters or experts who received any such payment or benefit and the amount or rate of the payment or benefit they received.

### **Risk factors**

- 14.22 An explanation of all material risks associated with investing in the equity securities, including any risks specific to the issuer or its industry. Any such explanation should be given appropriate prominence, depending on the nature of the matter concerned and its significance to investors.

### **Terms of the securities to be listed**

- 14.23 The following information, so far as is appropriate, concerning the terms and conditions of the issue of the securities in respect of which the application for listing is made:
- (a) the currency of the issue;
  - (b) the issue or offer price of each security and its nominal value;

- (c) the acceptable methods of payment of the issue or offer price;
  - (d) the procedure for the exercise of any pre-emptive rights and the transferability of any subscription rights;
  - (e) the period during which the issue or offer of securities will remain open after issue of the listing document, the date and time of opening of the subscription list, and the names of the receiving bankers;
  - (f) the methods of and the time limits for delivery of the securities;
  - (g) the names, addresses and description of the persons underwriting the issue for the issuer;
  - (h) the names, addresses and descriptions of the vendors of the securities other than the issuer itself, or, if there are more than ten vendors, the same details for the ten principal vendors (and any interest of any director of the issuer or associate of a director of the issuer in any such vendor) and a statement of the number of other vendors; and
  - (i) if a public or private offer or placement has been or is being made simultaneously on the markets of one or more other countries, and if a tranche of securities has been or is being reserved for certain of these offerings, the details of any such tranche.
- 14.24 Where listing is sought for securities with a fixed dividend, particulars of the profits cover for dividends must be stated.
- 14.25 A statement of the net tangible asset backing for each class of security for which listing is sought, after making allowance for any new securities to be issued, pursuant to the listing document.
- 14.26 An estimate of the expenses and the net proceeds of the issue and a statement as to how such proceeds are intended to be used or applied.

### **Issuer's capital**

- 14.27 The authorised total share capital of the issuer, the amount issued or agreed to be issued pursuant to the listing document, the amount paid up and the nominal value of the shares.
- 14.28 The amount of any outstanding convertible securities and particulars of the conditions governing and the procedures for conversion, exchange or subscription of such securities.

- 14.29 As to the securities to be listed, a description of:
- (a) the voting rights, rights to dividends, rights to redemption or repurchase or to surplus assets on liquidation, winding up or otherwise, and all other significant rights of the holders of such securities;
  - (b) if there is more than one class of equity security, the rights of each class of share as regards the matters set forth above and the creation or issue of further shares of any class or category whatsoever; and
  - (c) a summary of the consents necessary for the variation of such rights.
- 14.30 Particulars of any alterations in the capital of any member of the group within the two years immediately preceding the issue of the listing document, including:
- (a) where any such capital has been issued or is proposed to be issued as fully or partly paid up other than in cash, particulars of the consideration for which the same has been or is proposed to be issued and in the latter case the extent to which they are so paid up; and
  - (b) where any such capital has been issued or is proposed to be issued for cash, particulars of the price and terms upon which the same has been or is proposed to be issued, details of any discounts or other special terms granted, or an appropriate negative statement.
- 14.31 A statement showing the name, so far as is known to the issuer or any director of the issuer, of each person who is, directly or indirectly, interested in five per cent. or more of the nominal value of any class of securities carrying rights to vote in all circumstances at general meetings of any member of the group and the amount of each person's interest in such securities, together with particulars of any options in respect of such capital, or, if there are no such persons, an appropriate negative statement.
- 14.32 Particulars of any capital of any member of the group which is under option, including the consideration for which the option was or will be granted, and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement. Where options have been granted to all the members or debenture holders or to any class thereof, or to employees under a share scheme, it shall be sufficient to state the details of the total grant without giving the names and addresses of the grantees.

### **The group's activities**

- 14.33 A brief history and the general nature of the business of the group and, in cases where two or more activities are carried on which are material in terms of profits or losses, the assets employed in each line of business or any other factors, figures and explanations as are necessary to demonstrate the relative importance of each such activity and details of the main categories of products sold or services performed and an indication of any significant new products or activities.

- 14.34 A geographical analysis of the group's trading operations and assets which are material in relation to its business.
- 14.35 If the issuer is a member of a group, a brief description of that group covering the issuer's position within that group, and, if a subsidiary, the names of and the number of shares held (directly or indirectly) by each holding company of the issuer.
- 14.36 Particulars of any trade marks, patents, copyrights or other intellectual or industrial property rights which are material in relation to the group's business and, where such factors are of fundamental importance to the group's business or profitability, a statement regarding the extent to which the group is dependent on such factors.
- 14.37 Information concerning the policy of the group on the research and development of new products and processes over the past three financial years where significant.
- 14.38 Particulars of any interruptions in the business of the group which may have or have had a significant effect on the financial position in the last twelve months.
- 14.39 The number of people employed by the group and changes therein in the last financial year, if such changes are material in the context of the group, with, if possible, a breakdown of persons employed by main categories of activity.
- 14.40 Particulars, including location, of the principal investments of the group, including such investments as new plant, factories and research and development, being made or planned by the group.
- 14.41 With regard to every material subsidiary, particulars of the name, date and country of incorporation, general nature of business, issued capital and the proportion thereof held or intended to be held.
- 14.42 Particulars of the location of the principal establishments of the group.
- 14.43 Particulars of any litigation or claims of material importance pending or threatened against any member of the group, or an appropriate negative statement.

**Directors**

- 14.44 The names, addresses, qualifications and a summary of relevant experience over at least the past three years of the directors of the issuer.
- 14.45 A statement as to whether each director is independent and details of any potential conflicts of interest which may arise.
- 14.46 A statement showing the interest, whether legal, beneficial or both, of each director of the issuer in the equity or debt securities of the group or any options in respect of such securities.

- 14.47 Particulars of directors' existing or proposed service contracts with any member of the group (excluding contracts expiring or determinable by the employer within one year without payment of compensation).
- 14.48 The aggregate of the remuneration paid and benefits in kind granted to the directors of the issuer by any member of the group in respect of the last completed financial year.
- 14.49 An estimate of the aggregate remuneration payable to, and benefits in kind receivable by, the directors or any proposed directors of the issuer by any member of the group in respect of the current financial year under the arrangements in force at the date of the listing document.
- 14.50 Full particulars of any contract or arrangement to which any member of the group is a party in effect at the date of the listing document in which any director of the issuer or any associate of that director is materially interested and which is significant in relation to the business of the group, or an appropriate negative statement.

### **Financial and other information**

- 14.51 A statement as at the most recent practicable date (which must be stated) of the total amount of all short and long term borrowings or indebtedness of the issuer on a consolidated basis, if appropriate, or an appropriate negative statement. If such information is unaudited, that fact must be stated. Where the issuer has published financial statements and there has been no material change to the information regarding borrowings and indebtedness disclosed in those financial statements a statement to that effect will satisfy this requirement.
- 14.52 The financial statements of the issuer for the latest available financial year preceding the issue of the listing document, or, if shorter, since the date of establishment and the auditor's report that accompanies those financial statements. Where the issuer has subsidiary undertakings, the financial statements of the issuer and its subsidiary undertakings must be in consolidated form, unless the Exchange agrees otherwise. These financial statements must:
- (a) be made up to a date not more than eighteen months prior to the date of the listing document;
  - (b) have been prepared in accordance with International Accounting Standards, United States, United Kingdom or Canadian generally accepted accounting principles or other standards acceptable to the Exchange;
  - (c) have been independently audited and reported on in accordance with International Standards on Auditing or other standards acceptable to the Exchange;

- (d) have been reported upon without qualification. Where the auditor's opinion has been qualified or modified to highlight a matter affecting the financial statements, the Exchange must be satisfied that the qualification or emphasis of matter is acceptable to the Exchange and has been adequately explained so as to enable the investors to make a properly informed assessment of the significance of the matter.
- 14.53 A copy of any interim financial statements of the issuer published subsequently stating whether such statements have been audited or not.
- 14.54 Where an issuer annexes the financial statements to the listing document, a statement that such financial statements form part of the listing document.
- 14.55 Where the issuer has, since the date to which the latest published annual financial statements have been made up, acquired or disposed of an undertaking or assets which would be classified as material by the Exchange, a pro forma net assets statement showing the effect of the acquisition or disposal on the net assets of the issuer is required.
- 14.56 Where the applicant satisfies condition 14.2(c), a summary of its business plan including information required in that rule, as appropriate.
- 14.57 A statement of any material adverse change in the financial or trading position or prospects of the issuer or, if the issuer is a member of a group, of the group since the end of the period for which audited annual financial statements have been published or since incorporation, or an appropriate negative statement.
- 14.58 General information on the trend of the business of the group since the date to which the latest audited accounts of the issuer were made up or since incorporation.
- 14.59 Where historical performance data appears in the listing document, the source of such information and the basis of any calculations must be disclosed. The Exchange may require the issuer to appoint an independent firm of reporting accountants to report on the historical performance data.
- 14.60 Where a profit forecast appears in the listing document, a statement of the principal assumptions upon which it is based. The accounting policies and calculations for the forecast must be examined and reported on by the reporting accountants and their report must be set out in the listing document. In addition, the reporting accountants and the listing agent must report that they have satisfied themselves that the forecast has been made by the directors after due and careful enquiry, and such reports must be set out in the listing document.
- 14.61 The date of the issuer's financial year end and details of any arrangements for the preparation and distribution of its annual and interim financial statements.

- 14.62 Where an issuer incorporates its annual financial statements by reference into the listing document a statement that the listing document must be read with those statements and details of where they are available for inspection.

### **Material contracts**

- 14.63 The dates of and parties to all material contracts (being contracts not entered into in the ordinary course of business) entered into by any member of the group within the two years immediately preceding the date of the listing document, together with a summary of the principal contents of such contracts and particulars of any consideration passing to or from any member of the group in connection with such contracts.

### **Documents for inspection**

- 14.64 A statement that for a reasonable period of time (being not less than fourteen calendar days from the date of the listing document or the period during which the issue or offer of securities will remain open, whichever is longer) during which, at a place in the Cayman Islands or such other place as the Exchange may agree or require, the following documents (or copies thereof), where applicable, may be inspected, without charge:

- (a) the constitutional documents of the issuer;
- (b) each contract disclosed pursuant to rules 14.47, 14.50 and 14.63 or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof;
- (c) all reports, letters or other documents, balance sheets, valuations and statements by any expert or any part of which is referred to in the listing document; and
- (d) the audited financial statements of the issuer or, in the case of a group which has produced consolidated financial statements, the consolidated audited financial statements of the issuer and its subsidiaries for each of the two financial years immediately preceding the issue of the listing document, together with any interim financial statements published subsequently.

### **Rights issues**

- 14.65 In the case of a rights issue the listing document must also contain the following information:

- (a) the pro rata entitlement;
- (b) the last date on which transfers will be recognised for participation in the issue;
- (c) the rights, powers and privileges of the shares with respect to dividends, voting, repurchase, redemption and the right to surplus assets on liquidation or winding-up of the issuer;

- (d) whether the shares rank equally in all respects with any existing listed securities;
- (e) how any fractional shares will be treated; and
- (f) how shares not taken up will be dealt with and the time in which the offer may be accepted.

## General

- 14.66 The Exchange may allow the non-publication of certain information, which would otherwise have been required to be published in the listing document of a specialist company, provided the Exchange receives satisfactory written confirmation that the non-publication of such information would not be likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the assessment of the securities in question.
- 14.67 Issuers must include in the listing document a statement confirming whether any corporate governance code or other similar provisions will apply to its operations.
- 14.68 An issuer which meets the Exchange's definition of a start-up, mineral company or shipping company will in addition be required to comply with rules 6.71 to 6.72, 6.73 to 6.75 or 6.76 to 6.78 respectively. The Exchange may modify the application of these rules to specialist companies in such cases and circumstances as it considers appropriate.

## EQUITY SECURITIES - LISTING APPLICATION PROCEDURES

- 14.69 The listing document must be formally approved by the Exchange before publication. Such approval will only be given if the Exchange considers that the information in the listing document is complete.
- 14.70 The following must be submitted to the Exchange in either hardcopy or electronic format before formal approval is given:
- (a) an application for admission to listing, in the form set out in Appendix 1A to these listing rules;
  - (b) copy of the listing document in final form;
  - (c) a declaration by the issuer in the form set out in Appendix 2A to these listing rules;
  - (d) a declaration for each director and proposed director of the issuer, unless such a declaration has previously been filed with the Exchange in the form set out in Appendix 3A to these listing rules;

- (e) a declaration by the listing agent, in the form set out in Appendix 4 to these listing rules;
  - (f) a letter from the issuer or its duly authorised representative confirming which of the listing requirements, if any, do not apply;
  - (g) a letter from the issuer or its duly authorised representative requesting, where relevant, non-publication of certain information, giving reasons for such request;
  - (h) a shareholders' statement in the form set out in Appendix 5 to these listing rules;
  - (i) such other documents as may be required by the Exchange; and
  - (j) the initial listing fee and the annual fee in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange's website.
- 14.71 The Exchange may, at any time before or after the admission to listing, require the issuer to produce to the Exchange a copy of any of the documents listed in rule 2.26 where applicable.

## EQUITY SECURITIES - CONTINUING OBLIGATIONS

Each issuer of securities listed pursuant to this chapter must undertake, as a condition of being granted and maintaining a listing on the Exchange, to comply with the continuing obligations set out herein.

### **New developments**

- 14.72 The issuer must notify the Exchange, for release, of any new developments or changes which are not public knowledge and which may reasonably be expected to affect materially the market activity in and the price of the listed securities.
- 14.73 Where matters are in the course of negotiation and subject to strict confidentiality amongst insiders, the issuer must notify the Exchange once the negotiations have reached a state of reasonable certainty but may request that the Exchange delays announcement of the matters until conclusion of the negotiations or until the issuer or the Exchange has reason to believe there has been breach of such confidentiality.

### **Matters requiring prior consultation**

- 14.74 The issuer or its listing agent must consult the Exchange in advance of any matter which, in the reasonable opinion of the issuer, may affect the suitability of the issuer for listing or may materially adversely affect the interests of security holders.

- 14.75 Transactions resulting in a fundamental change of business are likely to affect the issuer's suitability for listing and therefore the Exchange must be consulted at the earliest opportunity.
- 14.76 Following admission to listing, the issuer must ensure transfer of its securities listed pursuant to this chapter 14 is at all times restricted to qualified investors, as defined in chapter 1.

### **Operations**

- 14.77 Within the first two years following admission to listing, a company which has listed under the provisions of rule 14.2(c) must prepare and deliver to the Exchange, for dissemination, each update of its activities for the relevant period of its financial year, subject to a minimum of one update in each financial year. The update must be delivered to the Exchange within one month of the end of each relevant period and shall contain financial and non-financial operating data relating to the business operations of the issuer and progress made towards meeting its business objectives. Financial data need not be audited but any unaudited financial data must be clearly identified as such.
- 14.78 The issuer must carry on, directly or indirectly, a sufficient level of operations or have tangible assets of sufficient value or intangible assets for which a sufficient potential value can be demonstrated to the Exchange to warrant the continued listing on the Exchange of the issuer's securities.

### **Equality of treatment**

- 14.79 The issuer must ensure equal treatment of all holders of its listed securities of the same class in respect of all rights attaching to such securities.

### **Exercise of rights**

- 14.80 The issuer must ensure that all the necessary information and facilities are made available to holders of its listed securities to enable them to exercise their rights in relation to such securities.

### **Financial statements**

- 14.81 The issuer must prepare annual financial statements. The first set of published annual financial statements must be in respect of a period not exceeding eighteen months from the first date of issue of the securities in the issuer. The annual financial statements must:
- (a) have been prepared in accordance with International Accounting Standards, United States, United Kingdom or Canadian generally accepted accounting principles or other standards acceptable to the Exchange;
  - (b) have been independently audited and reported on in accordance with International Standards on Auditing or other standards acceptable to the Exchange;

- (c) have been reported upon without qualification. Where the auditor's opinion has been qualified or modified to highlight a matter affecting the financial statements, the Exchange must be satisfied that the qualification or emphasis of matter is acceptable to the Exchange and has been adequately explained so as to enable the investors to make a properly informed assessment of the significance of the matter;
  - (d) where the issuer has subsidiary undertakings, be in consolidated form, unless the Exchange otherwise agrees. The issuer's own financial statements must be published if they contain significant additional information; and
  - (e) be published as soon as possible after the accounts have been approved and in any event within nine months of the end of the financial period to which they relate and not less than fourteen calendar days before the date of the issuer's annual general meeting. In exceptional circumstances the Exchange will grant an extension to this time limit.
- 14.82 The issuer must make available a copy of its audited annual financial statements to every holder of its listed securities as soon as they have been published and must make further copies available to investors or prospective investors upon request.
- 14.83 At the same time as the audited annual financial statements are published, the issuer must send one copy to the Exchange.

### **Other disclosures**

- 14.84 In addition to any notification pursuant to the general requirement in rule 14.72 the issuer must notify the Exchange (as far in advance as practicable to allow for any necessary consultation with the Exchange) for announcement, of any of the following matters:
- (a) any changes in the composition of the board of directors or significant changes to the senior management personnel of the issuer (including any change in the chairmanship). The issuer must procure and lodge with the Exchange as soon as practicable after their appointment a signed declaration and undertaking for each new director in the form set out in the appendices to these listing rules;
  - (b) any change in the issuer's constitution or its registered or principal office;
  - (c) any change in the rights of any class of listed securities. Where the listed securities are convertible this requirement will also apply to any change in the rights of any class of securities into which the listed securities are convertible;
  - (d) any change in the capital structure of the issuer or group;
  - (e) any significant changes in the holdings or identity of those holders of equity securities holding in aggregate more than five per cent. of the issuer's shares, so far as the directors are aware;

- (f) any new issues of equity or debt securities;
- (g) any changes in the issuer's auditor. The issuer must not appoint new auditor without seeking the Exchange's prior approval;
- (h) any involvement in material litigation proceedings (where the amount involved is equal to or greater than twenty per cent. of the book value of the existing net assets of the issuer);
- (i) the issuer's securities ceasing to be listed on another stock exchange or if it is the subject of disciplinary action by another stock exchange or any other securities regulatory body;
- (j) any decision to declare, recommend or pay any dividend or to make any other distribution on the issuer's listed securities and the rate and amount thereof (the record date for such distribution should be at least seven days after such notification);
- (k) any decision not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in the normal course of events; or
- (l) any decision to call, repurchase, draw, redeem or offer to buy any of the issuer's securities and the total amount thereof.

### **Public Announcement**

14.85 The Exchange will upon notification of any of the above matters make a public announcement with respect to such matters.

### **Equivalent information**

14.86 Where securities listed on the Exchange are also listed on another stock exchange, the issuer must ensure that copies of all documents required to be filed and information required to be notified to the Exchange are promptly made available to such other stock exchange.

### **Distribution of documents**

14.87 The issuer must send a copy to the Exchange of every circular sent to shareholders and all documents relating to take-overs, mergers, consolidations and offers, notices of meetings, forms of proxy, reports, announcements or other similar documents, promptly after they are issued.

### **Subsequent listings**

14.88 The issuer must apply to the Exchange for the listing of any further securities of the same classes as securities already listed on the Exchange prior to their issue, and must not issue

such securities unless it has applied for the listing of those securities and the Exchange has approved the application.

### **Annual fee**

14.89 Issuers are required to pay an annual fee to the Exchange in accordance with the schedule of fees published on the Exchange's website, as updated from time to time.

### **Exception**

14.90 Where, in the opinion of any issuer, disclosure of any matter required by the listing rules would be unduly detrimental to the issuer, the issuer may apply for a waiver from the relevant requirement. The information, together with a statement of the reasons why the issuer believes the information should not be disclosed at that time, must be provided to the Exchange. The Exchange will deal with the information on a strictly confidential basis. However, the Exchange may at any time order that an announcement be delivered to it for dissemination by the Exchange.

## DEBT SECURITIES - CONTENTS OF LISTING DOCUMENT

The information which is required to be included in the listing document is set out below.

### **The issuer, its advisers and the listing document**

14.91 On the cover page of the listing document a declaration in the following form:

There may be significant risks associated with an investment in the issuer. The issuer [is/is applying to be] listed on the Cayman Islands Stock Exchange as a ‘specialist company’ which requires that the ownership and transfer of its listed debt securities [is/will be] restricted to investors who represent that (i) they have the knowledge and experience in financial and business matters to enable them to evaluate the merits of a proposed transaction and investing in the issuer; (ii) are aware of the risks inherent in investing in the securities; and (iii) can afford the loss of their entire investment; and who are either (i) an individual who owns not less than US\$1,000,000 in investments or an entity which in the aggregate owns not less than US\$5,000,000 in investments or (ii) a director or manager of the issuer. An active secondary market in the securities may not develop. Prospective investors who are in any doubt should consult their professional advisers as to the suitability of an investment in the issuer.

14.92 (a) On the inside cover page of the listing document:

- (i) the official name and jurisdiction of incorporation or other formation of the issuer;
- (ii) the name, number and class of securities being offered by the listing document and the offer price;
- (iii) a statement that application has been made to the Exchange for the securities to be admitted to the official list;
- (iv) a declaration in the following form:

This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The issuer accepts full responsibility for the accuracy of the information contained in the listing document and confirms, having made reasonable enquiry, that to the best of its knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.

This declaration should be appropriately adapted where persons other than the issuer are responsible for part of the listing document or where certain information has been reproduced from information published by a third party who has not participated in the preparation of the listing document. In such circumstances the issuer must accept responsibility for accurately reproducing such information but need not accept any other responsibility in respect of such information.

- (b) the address of its principal or registered office;
- (c) the date of incorporation or other establishment of the issuer;
- (d) The names and addresses of the arranger(s), distributor(s), trustee or other representative for the holders of the securities, fiscal agent, paying agent, calculation agent, registrar or transfer agent, legal advisers, where applicable, and of the listing agent for the issue;
- (e) the name, address and professional qualifications of the issuer's auditors; and
- (f) Particulars of any other stock exchange on which any class or part of any equity or debt securities of the issuer is listed, traded or dealt in or on which listing or permission to deal is being or is proposed to be sought.

### **Risk factors**

14.93 An explanation of all material risks associated with investing in the debt securities, including any risks specific to the issuer or its industry. Any such explanation should be given appropriate prominence, depending on the nature of the matter concerned and its significance to investors.

### **Terms of the securities to be listed**

14.94 The following information, so far as is appropriate, concerning the terms and conditions of the issue of the securities in respect of which the application for listing is made:

- (a) the currency of the issue;
- (b) the aggregate principal amount of the issue or, if this amount is not fixed, a statement to that effect;
- (c) details of whether the securities are guaranteed or secured, and if so, the nature of the guarantee or security;
- (d) the status of the securities (i.e. whether they are subordinated to any other debts of the issuer, whether already incurred or to be incurred);

- (e) details of whether the securities are interest bearing and if so, whether the interest rate is fixed, floating or variable;
  - (f) the redemption price;
  - (g) the final principal repayment date;
  - (h) the series designation, if applicable; and
  - (i) except in the case of continuous issues, the issue price (or, if different, offer price), or, where securities are to be purchased by the arranger or another party and offered for sale in negotiated transactions at varying prices to be determined at the time of sale, a statement to that effect.
- 14.95 Details of any issue discount or premium payable, or of any expenses of the issue which are to be charged to subscribers or purchasers.
- 14.96 The method of payment for the securities, if payment is to be made in instalments.
- 14.97 The principal rights of the holders of the securities.
- 14.98 The events of default and the remedies available.
- 14.99 Details of the dealing and settlement arrangements for the securities.
- 14.100 A description of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.

### Rating

- 14.101 Where the securities are rated or are to be rated on issue as a result of the engagement by the issuer with a rating agency in respect of the securities, the credit rating assigned or expected to be assigned on issue to the securities and the name of the rating agency responsible for such rating.

### Form, denomination and title

- 14.102 The form and denomination of the securities.
- 14.103 The procedures and time limits for delivery of the securities, whether there will be any temporary documents of title and, if so, the procedures for the delivery and exchange thereof.
- 14.104 The details of the arrangements for transfer of the securities.

### Interest

14.105 The interest rate on the outstanding principal amount or, if the interest rate is not fixed, the basis of its calculation. If several interest rates are provided for, an explanation of the conditions for changes in the rate.

14.106 The date from which interest accrues.

14.107 The due dates for interest payments.

### Redemption

14.108 If the securities will be redeemed or may be redeemed at the option of the issuer or the holder prior to their stated maturity, the terms applicable to such redemption including any early repayment dates, the basis of calculation of the redemption price and the redemption procedure.

### Payment

14.109 The method of payment of the principal and interest on the securities.

### Prescription

14.110 The prescription period for claims to interest and repayment of principal.

### Taxation

14.111 The details of any taxes on the payment of principal and interest on the securities which is withheld at source in the country of origin and a statement as to whether the issuer assumes responsibility for the withholding of tax at source.

### Provisions of the trust deed or such other similar document

14.112 A summary of the following:

- (a) the principal duties, rights and obligations of the trustee under the trust deed; and
- (b) any provisions for the indemnification or restriction of liability of the trustee.

### Notices

14.113 The method by which notices shall be or shall be deemed to have been given to holders of the securities.

### Governing law

14.114 The laws by which the securities are governed and the jurisdiction to which the parties will submit in the event of any disputes.

### **Transfer restrictions**

14.115 If permitted by the Exchange, details of any restrictions on the free transferability of the securities.

### **The issuer**

14.116 The date of incorporation or other formation of the issuer.

14.117 The general nature of the business of the group and, in cases where two or more activities are carried on which are material in terms of profits or losses, assets employed or any other factor, such figures and explanation as are necessary to demonstrate the relative importance of each such activity and details of the main categories of products sold or services performed and an indication of any significant new products or activities.

14.118 A geographical analysis of the group's trading operations and assets which are material in relation to its business.

14.119 If the issuer is a member of a group, a brief description of that group covering the issuer's position within that group and, if a subsidiary, the names of and the number of shares held, directly or indirectly, by each holding company of the issuer.

14.120 Particulars, including location, of the principal investments (if any), including such investments as new plant, factories and research and development, being made or planned by the group.

14.121 With regard to every material subsidiary, particulars of the name, date and country of incorporation, general nature of business, issued capital and the proportion held or intended to be held by the issuer.

### **Directors**

14.122 The names, addresses, qualifications and a summary of relevant experience over at least the past three years of the directors of the issuer.

14.123 A statement as to whether each director is independent and details of any potential conflicts of interest which may arise.

14.124 A statement showing the interest, whether legal, beneficial or both, of each director of the issuer in the equity or debt securities of the group or any options in respect of such securities.

14.125 Full particulars of any contract or arrangement to which any member of the group is a party in effect at the date of the listing document in which any director of the issuer or any associate of that director is materially interested and which is significant in relation to the business of the group, or an appropriate negative statement.

**Financial and other information**

- 14.126 A statement as at the most recent practicable date (which must be stated) of the total amount of all short and long term borrowings or indebtedness of the issuer on a consolidated basis, if appropriate, or an appropriate negative statement. If such information is unaudited, that fact must be stated. Where the issuer has published financial statements and there has been no material change to the information regarding borrowings and indebtedness disclosed in those financial statements a statement to that effect will satisfy this requirement.
- 14.127 The financial statements of the issuer for the latest available financial year preceding the issue of the listing document, or, if shorter, since the date of establishment and the auditor's report that accompanies those financial statements. Where the issuer has subsidiary undertakings, the financial statements of the issuer and its subsidiary undertakings must be in consolidated form, unless the Exchange agrees otherwise. These financial statements must:
- (a) be made up to a date not more than eighteen months prior to the date of the listing document;
  - (b) have been prepared in accordance with International Accounting Standards, United States, United Kingdom or Canadian generally accepted accounting principles or other standards acceptable to the Exchange;
  - (c) have been independently audited and reported on in accordance with International Standards on Auditing or other standards acceptable to the Exchange;
  - (d) have been reported upon without qualification. Where the auditor's opinion has been qualified or modified to highlight a matter affecting the financial statements, the Exchange must be satisfied that the qualification or emphasis of matter is acceptable to the Exchange and has been adequately explained so as to enable the investors to make a properly informed assessment of the significance of the matter.
- 14.128 A copy of any interim financial statements of the issuer published subsequently stating whether such statements have been audited or not.
- 14.129 Where an issuer annexes the financial statements to the listing document, a statement that such financial statements form part of the listing document.
- 14.130 Where the issuer has, since the date to which the latest published annual financial statements have been made up, acquired or disposed of an undertaking or assets which would be classified as material by the Exchange, a pro forma net assets statement showing the effect of the acquisition or disposal on the net assets of the issuer is required.
- 14.131 An issuer need only include the information required by rules 14.127 to 14.130 insofar as it is available.

- 14.132 A statement of any material adverse change in the financial or trading position or prospects of the issuer or, if the issuer is a member of a group, of the group since the end of the period for which audited annual financial statements have been published or since incorporation, or an appropriate negative statement.
- 14.133 General information on the trend of the business of the group since the date to which the latest audited accounts of the issuer were made up or since incorporation.
- 14.134 Where historical performance data appears in the listing document, the source of such information and the basis of any calculations must be disclosed. The Exchange may require the issuer to appoint a firm of reporting accountants to report on the historical performance data.
- 14.135 Where a profit forecast appears in the listing document, a statement of the principal assumptions upon which it is based. The accounting policies and calculations for the forecast must be examined and reported on by the reporting accountants and their report must be set out in the listing document. In addition, the reporting accountants and the listing agent must report that they have satisfied themselves that the forecast has been made by the directors after due and careful enquiry, and such reports must be set out in the listing document.
- 14.136 The date of the issuer's financial year end and details of any arrangements for the preparation and distribution of its annual and interim financial statements.
- 14.137 Where an issuer incorporates its annual financial statements by reference into the listing document a statement that the listing document must be read with those statements and details of where they are available for inspection.
- 14.138 A statement showing the name, so far as is known to the issuer or any director of the issuer, of each person who is, directly or indirectly, interested in five per cent. or more of the nominal value of any class of securities carrying rights to vote in all circumstances at general meetings of any member of the group and the amount of each person's interest in such securities, together with particulars of any options in respect of such capital, or, if there are no such persons, an appropriate negative statement.
- 14.139 Where the applicant satisfies condition 14.2(c), a summary of its business plan including information required in that rule, as appropriate.

### **Material contracts**

- 14.140 A summary of the principal contents of all material contracts pertaining to the issue entered into by the issuer or, if the issuer is a member of the group, by any member of the group, including particulars of the dates, parties and a summary of terms and conditions of such contracts.

## General information

- 14.141 If an offer or placement has been or is being made simultaneously on the market of one or more other countries, and if a tranche of securities has been or is being reserved for certain of these offerings, details of any such tranche.
- 14.142 The intended application of the proceeds of the issue.
- 14.143 Particulars of any litigation or claims, of material importance, pending or threatened against the issuer or any member of the group, or an appropriate negative statement.

## Documents for inspection

- 14.144 A statement that at the Exchange (for not more than fourteen calendar days from the date of the listing document) or at the issuer's registered office or such other place (including the issuer's website) acceptable to the Exchange (for the entire duration of the listing), the following documents (or copies thereof), where applicable, may be inspected, without charge:
- (a) the constitutional documents of the issuer;
  - (b) any trust deed of the issuer, paying agency agreement, guarantee or any other material contracts pertaining to the issue;
  - (c) all reports, letters, valuations or other documents any part of which is included or referred to in the listing document; and
  - (d) the audited financial statements of the issuer or, in the case of a group which has produced consolidated financial statements, the consolidated audited financial statements of the issuer and its subsidiaries for each of the two financial years immediately preceding the issue of the listing document, together with any interim financial statements published subsequently.

## Issues of securities under programmes

- 14.145 Issuers are expected to follow the application procedure outlined in chapter 2 and rules 14.150 to 14.151 below which involves the preparation of a listing document (the "programme memorandum"). The programme memorandum must contain the general terms and conditions applicable to all securities that may be issued and listed under the programme. The application for listing must cover the maximum nominal amount of securities which may be in issue and listed at any one time under the programme. If the Exchange approves the application, it will admit to listing all securities which may be issued under the programme within five years of the publication of the programme memorandum, subject to the Exchange:
- (a) being advised of the final terms of each issue;

- (b) receiving a letter from the issuer confirming which of the listing requirements, if any (other than the listing requirements already included in accordance with rule 14.151(f) at the time of application for listing in respect of the programme), do not apply to the issue;
  - (c) receiving a letter from the issuer requesting non-publication of certain information relating to an issue, giving reasons for such request;
  - (d) receiving and approving for publication any supplementary programme memorandum that may be appropriate;
  - (e) receiving confirmation that the securities in question have been issued; and
  - (f) receiving the issuance fee payable on admission of the securities to listing and the annual fee in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange's website.
- 14.146 For issues in excess of the notified maximum or made more than five years after publication of the programme memorandum, the initial application and publication procedures as set out in chapter 2 and rules 14.150 to 14.151 below must be followed.
- 14.147 A document describing the final terms of each issue which is intended to be listed (the "pricing supplement"), which may also comprise a supplementary programme memorandum, must be submitted to the Exchange as soon as possible after they have been agreed.
- 14.148 The pricing supplement relating to an issue, when read together with the programme memorandum and any supplementary programme memorandum in respect of the programme, must provide an investor with the full terms and conditions of the issue.
- 14.149 Where the securities to be issued under a programme have already been approved for listing on an exchange which is recognised by the Exchange an issuer may apply to the Exchange for a listing for any tranche or series of securities to be issued under that programme. In such circumstances the Exchange will accept the programme memorandum prepared in connection with the issuer's application to list on such other exchange. In all other respects issuers must follow the application procedure outlined above.

## DEBT SECURITIES - LISTING APPLICATION PROCEDURES

14.150 The listing document must be formally approved by the Exchange before publication. Such approval will only be given if the Exchange considers that the information in the listing document is complete.

14.151 The following must be submitted to the Exchange in either hardcopy or electronic format before formal approval is given:

- (a) an application for admission to listing, in the form set out in Appendix 1B to these listing rules;
- (b) copy of the listing document in final form;
- (c) a declaration by the issuer in the form set out in Appendix 2A to these listing rules;
- (d) a letter from the issuer or its duly authorised representative confirming which of the listing requirements, if any, do not apply;
- (e) a letter from the issuer or its duly authorised representative requesting, where relevant, non-publication of certain information, giving reasons for such request;
- (f) such other documents as may be required by the Exchange; and
- (g) the initial listing fee and the annual fee in respect of the first year, which are calculated in accordance with the schedule of fees published on the Exchange's website.

14.152 The Exchange may, at any time before or after the admission to listing, require the issuer to produce to the Exchange a copy of any of the documents listed in rule 2.26 where applicable.

## DEBT SECURITIES - CONTINUING OBLIGATIONS

Each issuer of securities listed pursuant to this chapter must undertake, as a condition of being granted and maintaining a listing on the Exchange, to comply with the continuing obligations set out herein.

### **New developments**

14.153 The issuer must notify the Exchange, for release, of any new developments which are not public knowledge and which may reasonably be expected to affect materially the market activity in and the price of the listed securities, or the ability of the issuer to meet its commitments.

### **Matters requiring prior consultation**

14.154 Following admission to listing, the issuer must ensure transfer of its securities listed pursuant to this chapter 14 is at all times restricted to qualified investors, as defined in chapter 1.

### **Operations**

14.155 Within the first two years following admission to listing, a company which has listed under the provisions of rule 14.2(c) must prepare and deliver to the Exchange, for dissemination, each update of its activities for the relevant period of its financial year, subject to a minimum of one update in each financial year. The update must be delivered to the Exchange within one month of the end of each relevant period and shall contain financial and non-financial operating data relating to the business operations of the issuer and progress made towards meeting its business objectives. Financial data need not be audited but any unaudited financial data must be clearly identified as such.

14.156 The issuer must carry on, directly or indirectly, a sufficient level of operations or have tangible assets of sufficient value or intangible assets for which a sufficient potential value can be demonstrated to the Exchange to warrant the continued listing on the Exchange of the issuer's securities.

### **Equality of treatment**

14.157 The issuer must ensure equal treatment of all holders of its listed securities of the same class in respect of all rights attaching to such securities.

### **Exercise of rights**

14.158 The issuer must ensure that all the necessary information and facilities are made available to holders of securities to enable them to exercise their rights. In particular, the issuer

must notify the Exchange and publish notices or distribute circulars concerning the meetings of holders of its listed securities and the exercise of any conversion rights.

## **Financial statements**

14.159 The issuer must prepare annual financial statements. The first set of published annual financial statements must be in respect of a period not exceeding eighteen months from the first date of issue of the securities in the issuer. The annual financial statements must:

- (a) have been prepared in accordance with International Accounting Standards, United States, United Kingdom or Canadian generally accepted accounting principles or other standards acceptable to the Exchange;
- (b) have been independently audited and reported on in accordance with International Standards on Auditing or other standards acceptable to the Exchange;
- (c) have been reported upon without qualification. Where the auditor's opinion has been qualified or modified to highlight a matter affecting the financial statements, the Exchange must be satisfied that the qualification or emphasis of matter is acceptable to the Exchange and has been adequately explained so as to enable the investors to make a properly informed assessment of the significance of the matter;
- (d) where the issuer has subsidiary undertakings, be in consolidated form, unless the Exchange otherwise agrees. The issuer's own financial statements must be published if they contain significant additional information; and
- (e) be published as soon as possible after the accounts have been approved and in any event within nine months of the end of the financial period to which they relate and not less than fourteen calendar days before the date of the issuer's annual general meeting. In exceptional circumstances the Exchange will grant an extension to this time limit.

14.160 The issuer must make available a copy of its audited annual financial statements to every holder of its listed securities as soon as they have been published and must make further copies available to investors or prospective investors upon request.

14.161 At the same time as the audited annual financial statements are published, the issuer must send one copy to the Exchange.

14.162 Where the listed debt securities may be converted into securities of another entity, or are guaranteed by another entity, the issuer must, at the same time as the audited annual financial statements are published by such other entity, send a copy to the Exchange, unless that entity is listed or adequate information is otherwise available.

## Other disclosures

14.163 In addition to any notification pursuant to the general requirement in rule 14.153 the issuer must notify the Exchange (as far in advance as practicable to allow for any necessary consultation with the Exchange) for announcement, of any of the following matters:

- (a) any changes in the composition of the board of directors or significant changes to the senior management personnel of the issuer or guarantor (including any change in the chairmanship);
- (b) any change in the constitution of the issuer, guarantor or the group or its registered or principal office;
- (c) any decision to change the general character or nature of the business of the issuer, guarantor or group;
- (d) any change in the rights of any class of listed securities. Where the listed securities are convertible this requirement will also apply to any change in the rights of any class of securities into which the listed securities are convertible;
- (e) any significant changes in the holdings or identity of those holders of equity securities holding in aggregate more than five per cent. of the issuer's shares, so far as the directors are aware;
- (f) any new issues of debt securities, including any further issues of securities of a class already listed on the Exchange, and any guarantee or surety in respect thereof must be notified to the Exchange;
- (g) any changes in the issuer's or guarantor's auditor. The issuer must not appoint new auditor without seeking the Exchange's prior approval;
- (h) any involvement in material litigation proceedings (where the amount involved is equal to or greater than twenty per cent. of the book value of the existing net assets of the issuer);
- (i) the issuer's securities ceasing to be listed on another stock exchange or if it is the subject of disciplinary action by another stock exchange or any other securities regulatory body;
- (j) any decision in relation to any listed securities not to make any interest payment contemplated by the terms of the issue of such securities; or
- (k) any decision to call, repurchase, redeem or cancel any of the issuer's listed securities and the total amount thereof.

**Notification of purchases**

14.164 The issuer must notify the Exchange immediately where any purchase, redemption or cancellation of securities of an aggregate of ten per cent. of the initial nominal amount of the listed securities has been made. Once this threshold has been crossed, the issuer must notify the Exchange of any further purchases, redemptions or cancellations of each additional five per cent. or more of the initial nominal amount of such securities.

14.165 Such notification must state the nominal amount of the securities purchased or redeemed, whether such securities are to be cancelled and the nominal amount of the securities remaining outstanding.

**Paying agent**

14.166 The issuer must maintain a paying agent in the Cayman Islands or other financial centre acceptable to the Exchange until the securities are finally redeemed. The Exchange must be notified of any change of such paying agent. The issuer itself may perform this function if it can demonstrate to the Exchange that it is capable of doing so.

**Public Announcement**

14.167 The Exchange will upon notification of any of the above matters make a public announcement with respect to such matters.

**Clearance and settlement**

14.168 The issuer must make arrangements acceptable to the Exchange to facilitate the efficient clearance and settlement of all trades and, where applicable, the registration of all transfers of its listed securities.

**Conversion information about other companies**

14.169 Where listed debt securities carry rights of conversion or exchange into or subscription for the share capital of another company, or are guaranteed by another company, the issuer must ensure that adequate information is at all times publicly available about the other company and about any changes in the rights attaching to the shares to which such rights of conversion, exchange or subscription relate. This must include the availability of the annual report and financial statements of the other company together with any interim financial reports and any other information necessary for a realistic valuation of such listed debt securities to be made.

**Equivalent information**

14.170 Where securities listed on the Exchange are also listed on another stock exchange, the issuer must ensure that copies of all documents required to be filed and information required to be notified to the Exchange are promptly made available to such other stock exchange.

### **Distribution of documents**

14.171 The issuer must send a copy to the Exchange of every circular sent to shareholders and all documents relating to take-overs, mergers, consolidations and offers, notices of meetings, forms of proxy, reports, announcements or other similar documents, promptly after they are issued.

### **Subsequent listings**

14.172 The issuer must apply to the Exchange for the listing of any further securities of the same classes as securities already listed on the Exchange prior to their issue, and must not issue such securities unless it has applied for the listing of those securities and the Exchange has approved the application.

### **Annual fee**

14.173 Issuers are required to pay an annual fee to the Exchange in accordance with the schedule of fees published on the Exchange's website, as updated from time to time.

### **Exception**

14.174 Where, in the opinion of any issuer, disclosure of any matter required by the listing rules would be unduly detrimental to the issuer, the issuer may apply for a waiver from the relevant requirement. The information, together with a statement of the reasons why the issuer believes the information should not be disclosed at that time, must be provided to the Exchange. The Exchange will deal with the information on a strictly confidential basis. However, the Exchange may at any time order that an announcement be delivered to it for dissemination by the Exchange.