

Being: SPX Guidance Note

For: Rights Issue

Last Updated: 15th April, 2019

INTRODUCTION

The SPX has developed this document to provide practical guidance to listed entities when they are undertaking a Rights Issue as a form of raising capital. The Guidance Note complements the SPX Listing Rules and must always be read in conjunction to avoid any form of ambiguity.

Need for the Guidance Note

The rules do not have a procedure which can be followed when the SPX receives an application for a rights issue by a listed entity. This notice would therefore provide a practical guideline which needs to be followed when the Exchange decides to undertake the above action and it will ensure the protection of the market as a whole.

GUIDELINE FOR APPROVAL OF RIGHTS ISSUE BY THE SPX

1. **Rule 31** of the SPX Listing Rules stipulates requirements for offer of securities to existing members.
2. **Rule 32** requires a listed entity to take approval for listing additional shares from the SPX.
3. **Rule 33** requires a draft offer document to be lodged with RBF and simultaneously be submitted to the Exchange. All copies of documents to be sent to shareholders must also be sent to the SPX together with the board/ shareholders' resolution. The information submitted must also include the proposed dates including but not limited to the record date, ex – benefit and the offer period so that the SPX can discuss and approve the same.

NB: This application should be received at least 14 days prior to the proposed Record Date. The fee for additional quotation should also be furnished as per the SPX Listing Rules.

4. Then approval from the RBF for the offer Document needs to be awaited in order to finalise the dates.
5. Once the RBF registers the Offer Document, the Exchange will provide conditional approval for additional quotation.
6. The entity is required to make another Market Announcement at this point announcing the initiation of Rights Issue with relevant dates.
7. Important dates for the Rights Issue is calculated below following release of the Market Announcement;
 - a. Ex-Benefit Date – 3 days before Record date.

- b. Record Date – 14 days following announcement. Everyone on the register as at 5pm on this date is entitled to participate in the offer.
 - c. Company dispatches offer document within 7 days from the Record date. (Offer is open as soon as shareholders receive the offer document)
 - d. Offer closes at least after 15 days of despatch of the offer document. Longer period can also be warranted if approved. (Offer period is between 15 – 90 days)
 - e. Allot and issue statements of shareholding within 5 days after the closing of offer period. It is the duty of the listed entity to inform the SPX immediately of any under or over subscriptions and how it will be dealt with. A Market Announcement of the same also needs to be released.
 - f. A list of final allottees needs to be furnished to the Exchange.
 - g. The SPX issues final approval for additional quotation to the entity.
8. The Exchange will consider the application and make a decision. The timeframe within which the decision is conveyed to the members is dependent on the specifics of the application.
 9. The SPX quotes the additional shares 3 days after the approval is granted and issues a Press Release of the same.

Guideline Review

This guideline must be reviewed every two years from the guideline implementation date or earlier if required.

Guideline Implementation

This guideline is implemented and effective from 15th April, 2019.

