

Chapter 22

EQUITY SECURITIES

CONVERTIBLE EQUITY SECURITIES

- 22.01 All convertible equity securities which are issued or granted by an issuer or any of its subsidiaries and which are convertible into new equity securities or outstanding equity securities of the issuer or a company in the same group as the issuer including convertible preference shares (but excluding convertible bonds, to which the provisions of Chapter 34 apply) must, prior to the issue thereof, be approved by the Exchange. The Exchange should be consulted at the earliest opportunity as to the requirements which will apply.
- 22.02 Convertible equity securities may be listed only if the underlying securities are (or will become at the same time) a class of equity securities listed on GEM.
- However, the Exchange may list convertible equity securities in other circumstances if it is satisfied that holders have the necessary information available to form an opinion concerning the value of the underlying shares to which such convertible equity securities relate.
- 22.03 Any alterations in the terms of convertible equity securities after issue must be approved by the Exchange, except where the alterations take effect automatically under the existing terms of such convertible equity securities.
- 22.04 Paragraph 19 of Part A and paragraph 21 of Part B of Appendix 1 set out additional requirements for the contents of listing documents relating to convertible equity securities.