

Chapter 28

DEBT SECURITIES

CONVERTIBLE DEBT SECURITIES

- 28.01 This Chapter does not apply to convertible debt issues to professional investors only. All convertible debt securities must, prior to the issue thereof, be approved by the Exchange and the Exchange should be consulted at the earliest opportunity as to the requirements which will apply.
- 28.02 All convertible debt securities which are convertible into new equity securities or outstanding securities of the issuer or a company in the same group as the issuer for which a listing is to be sought must comply both with the requirements applicable to the debt securities for which listing is sought and with the requirements applicable to the underlying equity securities to which such convertible debt securities relate. In the event of any conflict or inconsistency between the various requirements, those applicable to such equity securities shall prevail.
- 28.03 Convertible debt securities which are convertible into equity securities may be listed only if such equity securities are (or will become at the same time):—
- (1) a class of listed equity securities; or
 - (2) a class of equity securities listed or dealt in on another regulated, regularly operating, open stock market recognised by the Exchange.

However, the Exchange may list convertible debt 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 equity securities to which such convertible debt securities relate. This rule does not apply to an issue of convertible debt securities by a State or a Supranational.

- 28.04 Convertible debt securities which are convertible into property other than equity securities may be listed only if the Exchange is satisfied that holders have the necessary information available to form an opinion concerning the value of the other property to which such convertible debt securities relate. This rule does not apply to an issue of convertible debt securities by a State or a supranational.
- 28.05 Any alterations in the terms of convertible debt securities after issue must be approved by the Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities.

28.06 Paragraphs 19 to 31 of Part C of Appendix 1 set out additional requirements for the contents of listing documents relating to the issue of convertible debt securities.