

***The rules for
Development &
Enterprise Market
(DEM)
companies***

(Amended March 2009)

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Introduction

Terms in this booklet which are in bold are defined terms, whose definitions can be found in the Glossary.

The **Development & Enterprise Market (DEM)** rules govern the admission to the **DEM**, the on-going obligations of entities admitted on this market, the enforcement of those obligations and sanctions for contravention of the rules.

The **DEM** rules are designed to ensure that investors have and can maintain confidence in the market and in particular that:

- the issue and marketing of securities is conducted in a fair and orderly manner;
- potential investors and the public are given sufficient information to enable them to make a properly informed assessment of an **applicant** and of the securities for which **admission** is sought;
- once **admission** has been granted, there is sufficient disclosure of information to investors and the public to ensure that they are kept fully informed by **DEM companies** of all factors which might affect their interests and in particular that immediate disclosure is made on any information which may reasonably be expected to have a material effect on market activity in, and the prices of their securities;
- all holders of **DEM securities** are treated fairly and equally; and
- directors of a **DEM company** act in the interest of its shareholders as a whole.

The **DEM** rules apply equally to **applicants** incorporated overseas, so far as compliance is not contrary to the law in the country of its incorporation.

These rules shall supersede all previous rules of the **SEM** with regard to the operation of a second market, including provisions of the *Règlement Général de la Bourse de Maurice*.

Where a **DEM company** has concerns about the interpretation of these rules, it should consult the **SEM's** Listing Division. The responsibility for ensuring compliance with these rules lies with the **DEM company**.

The rules for trading **DEM securities** are set out in the *“Stock Exchange (Conduct of Trading Operations) Rules 2001 and Schedule of Trading Procedures” as amended*.

In complying with the disclosure requirements of these rules, a **DEM company** must ensure compliance with the requirements of the Securities Act 2005 and/or any Regulations and/or FSC Rules made under the **Act**.

The **Development & Enterprise Market** Rules

Entry requirements

1. Eligibility for the **Development & Enterprise Market**

1.1 An **applicant** must have:

- (i) published financial statements for at least 1 year , which must have been prepared according to **IFRS** and audited according to **ISA** without qualification;
- (ii) a minimum market capitalisation of MRU 20 million; and
- (iii) a minimum of 100 shareholders and 10% in **public hands**.

1.2 Admission may be granted to:

- (i) a class of securities where less than 10 % of that class is in public hands or where the number of shareholders is less than 100 provided that the applicant undertakes to increase the shareholding in public hands to 10 % and the number of shareholders to 100 not later than the end of the first year of admission failing which the company's admission to the **DEM** may be cancelled; or
- (ii) an applicant even though such applicant has no proven track record, provided the applicant submits to the **SEM** a sound business plan, certified by an independent financial adviser acceptable to the **SEM**, covering at least 3 years and demonstrating clearly the sustained viability of the applicant. The applicant shall also disclose risk factors as specified under paragraph 4 of Schedule Two.

1.3 An **applicant** which is an **investment company** must comply with the requirements of these rules and with the additional requirements set out in Schedule Nine.

2. Application

2.1 The **SEM** will not, save in exceptional circumstances, admit securities until each of the application documents referred to in Schedule One have been lodged. Failure to comply may result in delayed consideration of the application by the **SEM**.

2.2 The **applicant** must lodge with the Listing Division of the **SEM** the initial application business documents at least 10 clear business days and the final application documents at least three business days prior to the date of the meeting to consider the application. The relevant documents are set out in Schedule One. An **applicant** must also supply any further documents and information, which the **SEM** may require in a particular case.

2.3 The **SEM** will not, save in exceptional circumstances, consider an application for admission of the securities of an **applicant** to the **DEM** for a period of 3 years following the coming into operation of the **DEM**, where the securities of such applicant are listed on the Official List of the **SEM**.

2.4 An applicant which has been withdrawn from the Official List of the **SEM** cannot, save in exceptional circumstances, submit an application for the admission of its securities to the **DEM** unless 3 years have elapsed from the date of its withdrawal from the Official List.

3. Admission document

3.1 An **applicant** must produce an admission document disclosing the information specified by Schedule Two.

3.2 An applicant shall submit a certified copy of its Board resolution authorising the making of the application for admission to the **DEM** and the signing of the undertaking as set out in Schedule Eight.

4. Omissions from admission documents

4.1 The **SEM** may authorise the omission of information from an **admission document** of an **applicant** where the applicant confirms that:

- (i) the information is of minor importance only and not likely to influence assessment of the **applicant's** assets and liabilities, financial position, profits and losses and prospects; or
- (ii) disclosure of that information would be seriously detrimental to the **applicant** and its omission would not be likely to mislead investors with regard to facts and circumstances necessary to form an informed assessment of the **applicant's** securities.

5. Formal notice

5.1 A formal notice complying with Schedule Three must be published in at least one widely read daily newspaper on the date of approval of the **admission document**.

5.2 The **applicant** must make sufficient copies of the **admission document** available to the public, free of charge at the registered office of the applicant or such other place as may be agreed by the **SEM** to satisfy public demand for a reasonable period (not being less than 14 days) from the date on which the formal notice is published.

6. Admission to the DEM

6.1 An **applicant** will be **admitted** to the **DEM** only when the **SEM** issues a **dealing notice** to that effect and when the decision of the **SEM**:

- (i) has been communicated to the applicant; and
- (ii) has been announced to the public by way of a press release by the **SEM** in at least one widely read daily newspaper.

Special conditions for certain applicants

7. Lock-ins for new businesses

Where an **applicant** has a trading record of less than 3 years, it must ensure that all **related parties** and **applicable employees** as at the date of **admission** agree not to dispose of any interest in its securities for one year from the **admission** of its securities.

8. Suitability for admission

8.1 The **SEM** may make the **admission** of an **applicant** subject to special conditions, impose additional conditions or waive certain conditions in particular circumstances. The FSC shall be informed of any waiver granted under these rules.

8.2 Where matters are brought to the attention of the **SEM** which could affect an **applicant's** appropriateness for the **DEM**, it may delay an **admission**. The **SEM** will inform the **applicant** accordingly.

8.3 The **SEM** may refuse an **admission** to the **DEM** if it considers that:

- (i) the **applicant's** situation is such that **admission** of the securities would be detrimental to the interests of investors; or
- (ii) the **applicant** does not or will not comply with any special condition which the **SEM** considers appropriate and of which the **SEM** has informed the **applicant**.

On-going requirements

Principles of disclosure

9. Notification of information

The information which is required by these rules must be **notified** to the SEM and published in at least one widely read daily newspaper by the **DEM company** no later than it is published in any other market.

10. Responsibility for notification

The Board of Directors or governing body of a **DEM company** must take reasonable care to ensure that any information it **notifies** to the SEM or publishes in the press under these rules is not misleading, false or deceptive and does not omit anything likely to affect the import of such information.

11. Disclosure of material changes

A **DEM company** must immediately **notify** the **SEM** and issue a press release in at least one widely read newspaper where a **material change** in its affairs occurs.

Disclosure of corporate transactions

12. Significant transactions

When a **DEM company** makes a **significant transaction**, it must immediately **notify** the **SEM** and issue a press release in at least one widely read newspaper disclosing the information specified by Schedule Five.

13. Related party transactions

13.1 This rule applies to any **related party transaction** which exceeds 10% in any of the **class tests** (see Schedule Four).

13.2 A **DEM company** must **notify** the SEM without delay and issue a press release in at least one widely read daily newspaper as soon as the terms of a transaction with a **related party** are agreed disclosing:

- (i) the information specified by Schedule Five;
- (ii) the name of the **related party** concerned and the nature and extent of their interest in the transaction; and
- (iii) a statement that with the exception of any **director** who is involved in the transaction as a **related party**, its **directors** consider, that the terms of the transaction are fair and reasonable insofar as its **shareholders** are concerned.

14. Reverse take-overs

14.1 A reverse take-over is an acquisition or acquisitions in a twelve month period which for a **DEM company** would:

- (i) exceed 100% in any of the **class tests** (see Schedule Four); or
- (ii) result in a fundamental change in its business, board or voting control.

14.2 Any agreement which would effect a reverse take-over must be:

- (i) conditional on the consent of the **DEM company's shareholders** being given in the meeting of shareholders;
- (ii) **notified** to the **SEM** without delay and published in at least one widely read daily newspaper disclosing the information specified by Schedule Five and insofar as it is with a **related party**, the additional information required by rule 13; and
- (iii) accompanied by an **admission document**, in respect of the proposed enlarged entity which should be despatched together with the relevant notice convening the meeting of shareholders to each of the **DEM company's** shareholders and made available to the public free of charge at the registered office of the **DEM company** or such other place as may be agreed by the SEM for a period of not less than 14 days prior to the date of the meeting of shareholders.

14.3 Where **shareholder** approval is given for the reverse take-over, trading in the **DEM securities** of the **DEM company** will be **cancelled**. If the enlarged entity seeks **admission**, it must follow the application process in the same manner as any other **applicant** applying for **admission** of its securities for the first time.

15. Aggregation of transactions

Transactions completed during the twelve months prior to the date of the latest transaction must be aggregated with that transaction for the purpose of determining whether rules 12, 13 and/or 14 apply where:

- (i) they are entered into by the **DEM company** with the same **person** or **persons** or their **families**;
- (ii) they involve the acquisition or disposal of securities or an interest in one particular business; or
- (iii) together they lead to a principal involvement in any business activity or activities which did not previously form part of the **DEM company's** principal activities.

16. Cash companies

A **DEM company** which becomes a **cash company** will be suspended and will be given a period of six months from the date of its suspension in which to take the necessary steps to cease to be a **cash company**. If at the end of the six-month period, the company remains a **cash company**, its admission will normally be cancelled.

Disclosure of miscellaneous information

17. Interim (quarterly) financial statements

- 17.1 A **DEM company** must prepare interim (quarterly) financial statements according to **IFRS**, which must be filed with the **SEM** as soon as possible but not later than 45 days after the end of each relevant period. The requirement to file interim (quarterly) financial statements with the **SEM** will not apply for the quarter where the closing date coincides with the balance sheet date.
- 17.2 To file its interim (quarterly) financial statements, a **DEM company** must send both a hard copy (signed) and a soft copy (by e-mail) of its interim (quarterly) financial statements to the Listing Division of the **SEM** at latest on the next day after its approval by or on behalf of the board. A note must be included conspicuously in the interim (quarterly) financial statements, specifying the place where and the person to whom a request should be addressed to receive a copy of the quarterly financial statements. The **DEM company** may also send the interim (quarterly) financial statements to holders of its listed securities.

18. Annual financial statements

- 18.1 A **DEM company** must issue an Annual Report, prepared in accordance with IFRS and audited according to **ISA**, and send to every shareholder a copy thereof (and the auditor's report thereon if not already incorporated into the Annual Report) not less than 14 days before the date of the **DEM company's** annual meeting of shareholders.

An abridged version of the audited annual financial statements, prepared in accordance with **IFRS** and audited according to **ISA**, must be filed with the **SEM** as soon as they are approved by or on behalf of the board and not later than 90 days after the balance sheet date of the **DEM company**.

A copy of the Annual Report shall be filed with the **SEM** (if available) within 90 days of, but not later than 6 months after its balance sheet date.

The **DEM company** shall supply the **SEM** with a soft copy (by e-mail) of its Annual Report (if available).

- 18.2 These financial statements must disclose any transaction with a **related party**, whether or not previously disclosed under these rules.

19. Insiders' interests and changes in insiders' interests

Any interest or change in the interests of an **insider** or associates of an **insider**, which has been advised to the **DEM company** under the **Act**, must be **notified** to the **SEM** before the end of the day following the day of receipt of the relevant notice by the **DEM company**. A soft copy of the notice shall be forwarded to the **SEM** by the **DEM company** without delay. For the purposes of this rule 19, 'associate' shall have the meaning assigned to it in Part I of the Schedule to the **Act**.

20. Restriction on deals

- 20.1 A **DEM company** must ensure that its **directors** and **applicable employees** do not **deal** in any of its **DEM securities** during a **close period**.
- 20.2 This rule will not apply, however, where such individuals have entered into a binding commitment prior to the **DEM company** being in such a **close period**:
- (i) where it was not reasonably foreseeable at the time such commitment was made that a **close period** was likely and
 - (ii) provided that the commitment was **notified** to the **SEM** at the time it was made.

20.3 The **SEM** may permit a **director** or **applicable employee** of a **DEM company** to sell its **DEM securities** during a **close period** to alleviate severe personal hardship. The FSC shall be informed of the name of the director or applicable employee and of the circumstances giving rise to personal hardship where the **SEM** grants an authorisation to sell **DEM securities** during a **close period**.

21. Provision of information

21.1 Generally and apart from compliance with all the specific requirements of these rules, a **DEM company** shall keep the **SEM** and holders of its **DEM securities** informed, as soon as reasonably practicable, of any information relating to the group (including information on any major new developments in the group's sphere of activity which is not public knowledge) which:

- (a) is necessary to enable them and the public to appraise the position of the group;
- (b) is necessary to avoid the establishment of a false market in its securities; and
- (c) might reasonably be expected materially to affect market activity in and the price of its securities.

21.2 The **SEM** may require a **DEM company** to provide it with such information in such form and within such limit as it considers appropriate. The **SEM** may also require the **DEM company** to publish such information.

22. Disclosure of information

The **SEM** may disclose any information in its possession in the following circumstances:

- (i) to co-operate with any **person** responsible for supervision or regulation of financial services under the law or for law enforcement;
- (ii) to enable it to discharge its legal or regulatory functions, including instituting, carrying on or defending proceedings; or
- (iii) for any other purpose where it has the consent of the **person** from whom the information was obtained or, if different, the **person** to whom it relates.

Corporate action timetables

23. Notification of time table

A **DEM company** must inform the **SEM** in advance of any **notification** of the timetable for any proposed action affecting the rights of its existing **shareholders** and issue a press release in at least one widely read daily newspaper.

24. Amendments to time table

Any amendments to the timetable proposed by the **DEM company**, including amendment to the publication details of a **notification**, must be immediately disclosed to the **SEM**, followed by a press release in at least one widely read daily newspaper.

Further issues of securities following admission

25. Further admission documents

A further **admission document** will be required for a **DEM company** only when it is:

- (i) required to issue a prospectus (which will serve as the **admission document**) for an offer to the public of **DEM securities**; or
- (ii) seeking **admission** for a new class of securities; or
- (iii) issuing further securities of the same class; or
- (iv) undertaking a reverse take-over under rule 14.

26. Omissions from further admission documents

The **SEM** may authorise the omission of information from further **admission documents** in the same circumstances as for an **applicant** under rule 4.

27. Applications for further issues

27.1 At least three **business days** before the expected date of the meeting to consider the application for the **admission** of further **DEM securities** a **DEM company** must submit a further **admission document** as set out in the Supplement to Schedule Two.

27.2 Where a **DEM company** intends to issue **DEM securities** on a regular basis, the **SEM** may permit **admission** of those securities under a **block admission** arrangement.

27.3 Under a **block admission** a **DEM company** must **notify** the **SEM** and publish in at least one widely read daily newspaper the information required in Schedule Six every six months.

28. Language

All **admission documents**, any documents sent to **shareholders** and any information required by these rules must be in English, unless the **SEM** otherwise agrees.

29. Directors' responsibility for compliance

A **DEM company** must ensure that each of its **directors**:

- (i) accepts full responsibility, collectively and individually, for its compliance with these rules;
- (ii) discloses without delay all information which it needs in order to comply with rule 18 insofar as that information is known to the **director** or could with reasonable diligence be ascertained by the **director**; and
- (iii) seeks advice regarding its compliance with these rules whenever appropriate and takes that advice into account.

Ongoing eligibility requirements

30. Transferability of shares

A **DEM company** must ensure that its **securities** are freely transferable.

31. Securities to be admitted

- 31.1 Only securities, which have been unconditionally issued, can be **admitted** as **DEM securities**.
- 31.2 A **DEM company** must ensure that application is made to **admit** all securities within a class of **DEM securities**.
- 31.3 If as a result of a corporate action (including, amongst other actions, a private placement of an issuer's securities or a recapitalisation of an issuer) the percentage in public hands goes below 10 per cent, the **SEM** may, accept a lower percentage in public hands provided that the issuer undertakes to restore the percentage in public hands to 10 per cent within one year following the said corporate action or within such other period as may be agreeable to the **SEM**.

32. Retention of a corporate adviser

A **DEM company** shall, as far as is reasonably practicable, ensure that it retains a corporate adviser at all times.

33. Settlement

A **DEM company** must ensure that appropriate settlement arrangements are in place in accordance with Section 3(3) of the Securities (Central Depository, Clearing and Settlement) Act 1996.

General

34. Fees

A **DEM company** must pay the **DEM fees** set by the **SEM** in accordance with Schedule Ten as soon as such payment becomes due. The **DEM fees** may be reviewed on a yearly basis by the **SEM** to reflect general economic and market conditions.

35. Contact Details

Details of a **DEM company** contact, including a valid e-mail address, must be provided to the **SEM** at the time of the application for **admission** and the **SEM** must be immediately informed of any changes thereafter.

36. Purchase of own shares

- 36.1 Where a **DEM company** is a domestic company, it shall be subject to the requirements of the Securities Rules 2008 or any amendment thereof.
- 36.2 Where a **DEM company** proposes to redeem, acquire or purchase more than 25 per cent, of any class of its equity securities, it must make a tender offer in the open market to all **shareholders** of that class on the same terms. It must deliver to the **SEM** and publish a Notice of Redemption/Purchase containing the information in Schedule Seven.

Cancellation

37. Cancellation at the request of DEM Company

37.1 A **DEM company** which wishes the **SEM** to **cancel** its **admission** must **notify** the **SEM** of its preferred **cancellation** date and issue a press release in at least one widely read daily newspaper at least two months prior to such date. Save where the **SEM** otherwise agrees, the **cancellation** shall be conditional upon the consent of not less than 75% of votes cast by its **shareholders** given in a meeting of shareholders and not more than 5% of its **shareholders** must vote against the **cancellation**. The **DEM company** shall send a circular to its shareholders giving information relating to the **cancellation**.

The meeting of shareholders must be held at least one month prior to the preferred cancellation date.

37.2 The circular to shareholders, **notification** to the **SEM** and press release in at least one widely read daily newspaper should set out the preferred date of cancellation, the reasons for seeking the **cancellation**, a description of how **shareholders** will be able to effect transactions in the securities once they have been **cancelled** and any other matter relevant to **shareholders** reaching an informed decision upon the issue of the **cancellation**.

37A. Precautionary suspension, suspension or cancellation of admission by the SEM

37A.1 The **SEM** may suspend dealings in the securities of a **DEM company** or suspend or cancel the admission of a **DEM company** where:

- (i) required for the protection of investors; or
- (ii) the integrity and reputation of the market has become or may be impaired by dealings in those securities; or
- (iii) the **SEM** considers that the percentage of shares of the **DEM company** in **public hands** is below the limit prescribed in Rule 1.1; or
- (iv) the **SEM** considers that the **DEM company** does not have a sufficient level of operations or tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to the **SEM** to warrant the continued admission of its securities;
- (v) the **SEM** considers that the **DEM company** or its business is no longer suitable for admission on the **DEM**.

37A.2 Where dealings have been suspended, the procedure for lifting the suspension will depend on the circumstances and the **SEM** may impose such conditions as it considers appropriate. For example a temporary suspension pending an announcement will usually be lifted when the announcement is made. Further, a suspension will not normally be lifted unless:

- (a) where the suspension was at the request of the **DEM company**, the **DEM company** has announced the reason for the suspension and, where appropriate, the anticipated timing of the lifting of the suspension;
- (b) where the suspension was otherwise than at the **DEM company's** request, the **DEM company** has satisfied such conditions for the lifting of the suspension as imposed by the **SEM**.

37A.3 The **SEM** will **cancel** the **admission** of the **DEM company** where **admission** has been suspended for six months. **Cancellations** are effected by a **dealing notice**.

Sanctions and appeals

38. Sanctions against a Development & Enterprise Market company

38.1 If the **SEM** considers that a **DEM company** has contravened these rules, it may, depending on the nature and seriousness of the breach, take the following measures:

- (i) censure the company;
- (ii) publish the fact that the company has been censured in at least one widely read daily newspaper;
- (iii) suspend the **admission** of the **DEM company**; and/or
- (iv) **cancel** the **admission** of the **DEM company**.

39. Appeals

Appeals against decisions of the **SEM** in relation to an applicant's initial suitability for admission or suspension or cancellation of the admission of a **DEM company** shall be heard and determined in accordance with such procedures as shall be established by the **SEM**.

40. Power to amend rules

The Board of Directors of the **SEM** may, with the approval of the FSC, from time to time decide to amend the **DEM** Rules.

The Board shall give written Notice to all stakeholders of any amendment to the Rules.

Schedule One

APPLICATION PROCEDURES

1. General

Where any document is amended after the initial submission, a like number of further copies must be submitted to the **SEM** (in the same manner as the original document was submitted) for approval, marked in the margin to indicate the changes made to conform to any comments previously made by the **SEM**, any other changes and indicating where the relevant items from Schedule Two have been met.

The **admission document** or any supplementary document must not be issued until they have received the approval of the **SEM**. However, circulation of a draft or preliminary document, which is clearly marked as such and which states that it has not been approved by the **SEM** is permitted for the purposes of arranging underwriting.

Applicants are reminded of the provision of the **Act** relating to control of advertisements.

1.1 Initial application documents

The following documents must be lodged with the Listing Division of the **SEM**:

- (a) 1 draft of the **admission document** marked in the margin to indicate where the relevant items from Schedule Two have been met;
- (b) payment of the appropriate initial **DEM fee** ;
- (c) the non-applicability letter, as per Rule 4.1, where relevant ;
- (d) the omitted information letter.

1.2 Final application documents

The following documents must be lodged in final form with the Listing Division of the **SEM**:

- (a) a formal application signed by a duly authorised officer of the issuer;
- (b) 1 copy of the final proof of the **admission document**, which must be signed and dated by at least two directors on behalf of the Board;
- (c) a declaration and undertaking duly signed by each director and proposed director; and
- (d) such other documentation as may be required by the **SEM**.

Schedule Two

CONTENTS OF ADMISSION DOCUMENT

A company, which is required to produce an **admission document**, must ensure that document discloses the following:

1. INFORMATION REQUIRED BY THE ACT

1.1 Information equivalent to that which would be required by the **Act** whether or not it is required to produce a document under the **Act**, if applicable.

2. PERSONS RESPONSIBLE

2.1 A statement signed by at least two directors of the company on behalf of the Board to the effect that they accept responsibility for the contents or completeness of the document and that where applicable, to the best of their knowledge and belief, and after making reasonable inquiries the document complies with the **Act**, or any rules or regulations made under the **Act** as applicable.

2.2. Where a document is required by the **Act**, a statement to the effect that **the SEM** nor the **FSC** does not take responsibility for its contents.

2.3. These statements shall appear in a prominent place in the admission document.

3. THIRD PARTY INFORMATION

3.1. Names and addresses of the company's licensed auditors for the period covered by the historical financial information.

3.2. The names and addresses of the applicant's company secretary, principal bankers, corporate adviser (if any), legal advisers and trustees (if any), legal advisers to the issue, public accountants and any other expert to whom a statement or report included in the **admission document** has been attributed.

4. RISK FACTORS

Prominent disclosure of risk factors that are specific to the company or its industry and that are material to the securities being offered and/or admitted to trading in order to assess the market risk associated with these securities in a section headed "Risk Factors".

In the case of a company with a trading record of less than 3 years, the following paragraph should be inserted prominently and in bold on the first page:

"The Development & Enterprise Market is a market designed to include emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The Development & Enterprise Market securities are not admitted to the Official Market of the SEM.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with a professional financial adviser."

5. INFORMATION ABOUT THE COMPANY

5.1. History and Development of the Company

5.1.1. the legal and commercial name of the company;

5.1.2. the place of registration of the company and its registration number;

5.1.3. the date of incorporation and the length of life of the company, except where indefinite;

- 5.1.4. the domicile and legal form of the company, the legislation under which the company operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);
- 5.1.5. the important events in the development of the company's business.

5.2. Investments

- 5.2.1. A description, (including the amount) of the company's principal investments for each financial year for the period covered by the historical financial information up to the date of the **admission document**;
- 5.2.2. A description of the company's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external);
- 5.2.3. Information concerning the company's principal future investments on which its management have already made firm commitments.

6. BUSINESS OVERVIEW

6.1. Principal Activities

- 6.1.1. A description of, and key factors relating to, the nature of the company's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information; and
- 6.1.2. An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of development.

6.2. If material to the company's business or profitability, a summary information regarding the extent to which the company is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.

7. ORGANIZATIONAL STRUCTURE

7.1. If the company is part of a group, a brief description of the group and the company's position within the group.

7.2. A list of the company's significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held.

8. PROPERTY, PLANT AND EQUIPMENT

8.1. Information regarding any existing or planned material tangible fixed assets, including leased properties, and any major encumbrances thereon.

8.2. A description of any environmental issues that may affect the company's utilisation of the tangible fixed assets.

9. OPERATING AND FINANCIAL REVIEW

9.1. Financial Condition

To the extent not covered elsewhere in the **admission document**, provide a description of the company's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required, including the causes of material changes from year to year in the financial information to the extent necessary for an understanding of the company's business as a whole.

9.2. Operating Results

- 9.2.1. Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the company's income from operations, indicating the extent to which income was so affected.
- 9.2.2. Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.

9.2.3. Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the company's operations.

10. CAPITAL RESOURCES

10.1. A statement by its directors that in their opinion having made due and careful enquiry, the working capital available to it and its group will be sufficient for its present requirements, that is for at least twelve months from the date of **admission** of its securities.

11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

Where material, provide a description of the company's research and development policies for each financial year for the period covered by the historical financial information, including the amount spent on company-sponsored research and development activities.

12. TREND INFORMATION

12.1. The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the **admission document**.

12.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the company's prospects for at least the current financial year.

13. PROFIT FORECASTS OR ESTIMATES

13.1. Where a document contains a profit forecast, estimate or projection (which includes any form of words which expressly or by implication states a minimum or maximum for the likely level of profits or losses for a period subsequent to that for which audited financial statements have been published, or contains data from which a calculation of an approximate figure for future profits or losses may be made, even if no particular figure is mentioned and the words "profit" or "loss" are not used):

- (i) a statement by its **directors** that such forecast, estimate or projection has been made after due and careful enquiry;
- (ii) a statement of the principal assumptions for each factor which could have a material effect on the achievement of the forecast, estimate or projection. The assumptions must be readily understandable by investors and be specific and precise.

14. MANAGEMENT

14.1. The following information relating to each **director** and each proposed **director**:

- (i) the **director's** full name and age together with any previous names;
- (ii) the names of all companies and partnerships of which the **director** has been a **director** or partner at any time in the previous five years, indicating whether or not the **director** is still a **director** or partner;
- (iii) any unspent convictions in relation to indictable offences;
- (iv) details of any bankruptcies or individual voluntary arrangements of such **director**;
- (v) details of any receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where such **director** was a **director** at the time of or within the twelve months preceding such events;

- (vi) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such **director** was a partner at the time of or within the twelve months preceding such events;
- (vii) details of receiverships of any asset of such **director** or of a partnership of which the **director** was a partner at the time of or within the twelve months preceding such events; and
- (viii) details of any public criticisms of such **director** by statutory or regulatory authorities (including recognised professional bodies), and whether such **director** has ever been disqualified by a court from acting as a **director** of a company or from acting in the management or conduct of the affairs of any company;

14.2. Conflicts of interests

14.2.1. Potential conflicts of interests between any duties to the company, of the persons referred to in item 14.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.

14.2.2. Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.

14.2.3. Details of any restrictions agreed by the persons referred to in item 14.1 on the disposal within a certain period of time of their holdings in the company's securities.

14.2.4. A statement showing the interests of each of the persons referred to in item 14.1 and of the chief executive of the applicant and associates of any of them in so far as is known to the applicant or an appropriate negative statement.

15. REMUNERATION AND BENEFITS

In relation to the last full financial year:

15.1. The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the persons referred to in item 14.1 by the company and its subsidiaries for services in all capacities to the company and its subsidiaries by any person. That information may be provided on an aggregate basis.

15.2. The total amounts set aside or accrued by the company or its subsidiaries to provide pension, retirement or similar benefits.

16. EMPLOYEES

16.1. Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the **admission document** (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the company employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.

16.2. Description of any arrangements for involving the employees in the capital of the company.

17. MAJOR INFORMATION ON SHAREHOLDERS

The name of any **person** who, insofar as known to its **directors**, is interested directly or indirectly in 5% or more of its capital, together with the amount, expressed as a percentage, of each such **person's** interest.

18. RELATED PARTY TRANSACTIONS

Details of related party transactions that the company has entered into during the period covered by the historical financial information and up to the date of the **admission document**, must be

disclosed.

19. FINANCIAL INFORMATION CONCERNING THE COMPANY'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

19.1. Historical Financial Information

Audited historical financial information covering at least the latest financial year and the audit report in respect of each year. Such financial information must be prepared according to **IFRS**.

The financial information required under this heading must include at least:

- (a) balance sheet;
- (b) income statement;
- (c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;
- (d) the total amount of borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowings and debt or an appropriate negative statement;
- (e) mortgages and charges, or an appropriate negative statement;
- (f) the total amount of any contingent liabilities or guarantees, or an appropriate negative statement;
- (g) cash flow statement; and
- (h) accounting policies and explanatory notes.

19.2. Financial statements

If the company prepares both own and consolidated annual financial statements, the consolidated annual financial statements must be included in the **admission document**.

19.3 Auditing of historical annual financial information

19.3.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the licensed auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.

19.3.2. Indication of other information in the **admission document** which has been audited by the licensed auditors.

19.3.3. Where financial data in the **admission document** is not extracted from the company's audited financial statements state the source of the data and state that the data is unaudited.

19.4. Interim (quarterly) and other financial information

19.4.1. If the company has published interim (quarterly) financial information since the date of its last audited financial statements, these must be included in the **admission document**. If the interim (quarterly) financial information has been reviewed or audited, the audit or review report must also be included. If the interim (quarterly) financial information is unaudited or has not been reviewed state that fact.

19.4.2. If the **admission document** is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year.

The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.

19.5. Dividend policy

A description of the company's policy on dividend distributions and any restrictions thereon.

19.5.1. The amount of the dividend per share for each financial year for the period covered by

the historical financial information adjusted, where the number of shares in the company has changed, to make it comparable.

19.6. Legal and arbitration proceedings

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the company is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the company and/or group's financial position or profitability, or provide an appropriate negative statement.

19.7. Significant change in the company's financial or trading position

A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim (quarterly) financial information have been published, or provide an appropriate negative statement.

20. ADDITIONAL INFORMATION

20.1. Share Capital

The following information as of the date of the most recent balance sheet included in the historical financial information:

20.1.1. The amount of stated capital, and for each class of share capital:

- (a) the number of shares issued and fully paid and issued but not fully paid;
- (b) the par value per share, or that the shares have no par value; and
- (c) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.

20.1.2. The number, book value and face value of shares in the company held by or on behalf of the company itself or by subsidiaries of the company.

20.1.3. The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.

20.1.4. Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.

20.1.5. A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.

20.2. Constitution

20.2.1. A description of the company's objects and purposes and where they can be found in the constitution.

20.2.2. A summary of any provisions of the company's constitution, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies.

20.2.3. A description of the rights, preferences and restrictions attaching to each class of the existing shares.

20.2.4. A description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law.

20.2.5. A description of the conditions governing the manner in which annual meetings and special meetings of shareholders are convened including the conditions of admission.

20.2.6. A brief description of any provision of the company's constitution or articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the company.

20.2.7. An indication of the constitution, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed.

20.2.8. A description of the conditions imposed by the constitution, statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law.

21. MATERIAL CONTRACTS

A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the company or any member of the group is a party, for the two years immediately preceding publication of the **admission document**.

22. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

22.1. Where a statement or report attributed to a person as an expert is included in the **admission document**, provide such person's name, business address, qualifications and material interest if any in the company. If the report has been produced at the company's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the **admission document**.

22.2. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.

23. INFORMATION ON HOLDINGS

23.1. Information relating to the undertakings in which the company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

24. KEY INFORMATION

24.1. Interest of natural and legal persons involved in the issue/offer

A description of any interest, including conflicting ones that is material to the issue/offer, detailing the persons involved and the nature of the interest.

The name of any **person** (excluding professional advisers otherwise disclosed in the **admission document** and trade suppliers) who has:

received, directly or indirectly, from it within the twelve months preceding the application for **admission** to the **DEM** or entered into contractual arrangements (not otherwise disclosed in the **admission document**) to receive, directly or indirectly, from it on or after **admission** any of the following:

- (i) fees totalling MRU 200,000 or equivalent amount in foreign currency or more;
- (ii) its securities where these have a value of MRU 200,000 or more calculated by reference to the issue price or, in the case of an introduction, the expected opening price; or
- (iii) any other benefit with a value of MRU 200,000 or more at the date of **admission**;

giving full details of the relationship of such **person** with the **applicant** and of the fees, securities or other benefit received or to be received;

24.2. Reasons for the offer and use of proceeds

Reasons for the offer and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented by order of priority of such uses. If the company is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, state the amount and sources of other funds needed. Details must be given with regard to the use of the proceeds, in particular when they are being used to acquire assets, other than in the ordinary course of business, to finance announced acquisitions of other business, or to discharge, reduce or retire indebtedness.

25. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ ADMITTED TO TRADING

25.1 A description of the type and the class of the securities being offered and/or admitted to trading, including the ISIN (International Security Identification Number) or other such security identification code.

25.2 Legislation under which the securities have been created.

25.3 An indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.

25.4 Currency of the securities issue.

25.5 A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights.

- Dividend rights:
 - Fixed date(s) on which the entitlement arises,
 - Time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates,
 - Dividend restrictions and procedures for non-resident holders,
 - Rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments.
- Voting rights.
- Pre-emption rights in offers for subscription of securities of the same class.
- Right to share in the company's profits.
- Rights to share in any surplus in the event of liquidation.
- Redemption provisions.
- Conversion provisions.

25.6 In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.

25.7 In the case of new issues, the expected issue date of the securities.

25.8 An indication of the existence of any mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities.

25.9 An indication of public takeover bids by third parties in respect of the company's equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.

26. TERMS AND CONDITIONS OF THE OFFER

26.1 Conditions, offer statistics, expected timetable and action required to apply for the offer

- 26.1.1.** Conditions to which the offer is subject.
- 26.1.2** Total amount of the issue/offer, distinguishing the securities offered for sale and those offered for subscription; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer.
- 26.1.3** The time period, including any possible amendments, during which the offer will be open and description of the application process.
- 26.1.4** An indication of when, and under which circumstances, the offer may be revoked or suspended.
- 26.1.5** A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by subscribers to the offer.
- 26.1.6** Details of the minimum and/or maximum amount of subscription (whether in number of securities or aggregate amount to invest).
- 26.1.7** An indication of the period during which an application for subscription may be withdrawn, provided that investors are allowed to withdraw their subscription.
- 26.1.8** Method and time limits for paying up the securities and for delivery of the securities.
- 26.1.9** A full description of the manner and date in which results of the offer are to be made public.
- 26.1.10** The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

26.2 Plan of distribution and allotment

- 26.2.1.** The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.
- 26.2.2.** To the extent known to the company, an indication of whether major shareholders or members of the company's management, supervisory or administrative bodies intended to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.
- 26.2.3. Pre-allotment Disclosure:**
- a)** The division into tranches of the offer including the institutional, retail and company's employee tranches and any other tranches;
 - b)** The conditions under which the claw-back may be used, the maximum size of such claw back and any applicable minimum percentages for individual tranches;
 - c)** The allotment method or methods to be used for the retail and company's employee tranche in the event of an over-subscription of these tranches;
 - d)** A description of any pre-determined preferential treatment to be accorded to certain categories of investors in the allotment, the percentage of the offer reserved for such preferential treatment and the criteria for inclusion in such categories.
 - e)** Whether the treatment of subscriptions or bids to subscribe in the allotment may be determined on the basis of which firm they are made through or by;
 - f)** A target minimum individual allotment if any within the retail tranche;
 - g)** The conditions for the closing of the offer as well as the date on which the offer may be closed;
 - h)** Whether or not multiple subscriptions are admitted, and where they are not, how any multiple subscriptions will be handled.

26.2.4. Process for notification to applicants of the amount allotted.

26.2.5. Over-allotment and 'green shoe':

- a) The existence and size of any over-allotment facility and/or 'green shoe'.
- b) The existence period of the over-allotment facility and/or 'green shoe'.
- c) Any conditions for the use of the over-allotment facility or exercise of the 'green shoe'.

26.3 Pricing

26.3.1. An indication of the price at which the securities will be offered. If the price is not known or if there is no established and/or liquid market for the securities, indicate the method for determining the offer price, including a statement as to who has set the criteria or is formally responsible for the determination. Indication of the amount of any expenses and taxes specifically charged to the subscriber or purchaser.

26.3.2. Process for the disclosure of the offer price.

26.3.3. If the company's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn, indication of the basis for the issue price if the issue is for cash, together with the reasons for and beneficiaries of such restriction or withdrawal.

26.3.4 Where there is or could be a material disparity between the public offer price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management, or affiliated persons, of securities acquired by them in transactions during the past year, or which they have the right to acquire, include a comparison of the public contribution in the proposed public offer and the effective cash contributions of such persons.

26.4. Placing and Underwriting

26.4.1. Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the company or to the offeror, of the placers in the various countries where the offer takes place.

26.4.2. Name and address of any paying agents and depository agents in each country.

26.4.3. Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Indication of the material features of the agreements, including the quotas.
Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.

26.4.4. When the underwriting agreement has been or will be reached.

27. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

27.1 An indication as to whether the securities offered are or will be the object of an application for **admission** to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance must be mentioned, without creating the impression that the **admission** to trading will necessarily be approved. If known, the earliest dates on which the securities will be **admitted** to trading.

27.2 All the regulated markets or equivalent markets on which, to the knowledge of the company, securities of the same class of the securities to be offered or **admitted** to trading are already **admitted** to trading.

27.3 If simultaneously or almost simultaneously with the creation of the securities for which **admission** to a regulated market is being sought securities of the same class are subscribed for

or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number and characteristics of the securities to which they relate.

28. HOLDERS OFFERING TO SELL SECURITIES

28.1 Name and business address of the person or entity offering to sell the securities, the nature of any position office or other material relationship that the selling persons has had within the past three years with the company or any of its predecessors or affiliates.

28.2 The number and class of securities being offered by each of the selling security holders.

28.3 Lock-in agreements

The parties involved.

Content and exceptions of the agreement.

Indication of the period of the lock in.

29. EXPENSE OF THE ISSUE/OFFER

29.1. The total net proceeds and an estimate of the total expenses of the issue/offer.

30. DILUTION

30.1 The amount and percentage of immediate dilution resulting from the offer.

30.2. In the case of a subscription offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer.

31. ADDITIONAL INFORMATION

31.1. If advisors connected with an issue are mentioned in the **admission document**, a statement of the capacity in which the advisors have acted.

31.2. An indication of other information in **admission document**, which has been audited or reviewed by licensed auditors.

31.3 Where rule 7 applies, a statement that its **related parties** and **applicable employees** have agreed not to dispose of any interests in any of its **DEM securities** for a period of twelve months from the **admission** of its securities;

31.4 Any other factual information which it reasonably considers necessary to enable investors to form a full understanding of the matters contained in the **admission document**.

Supplement to Schedule Two, for further issues of DEM securities

A **DEM company** issuing further securities to its existing shareholders required to produce a further admission document under Rule 27, must ensure that the document discloses all the information as per hereunder.

Rights issue:

A rights issue is an offer to existing holders of securities to subscribe for further securities in proportion to their holdings by means of the issue of a renounceable provisional letter of allotment (or other negotiable document) which may be traded (as "nil paid" rights) for a period before payment for the securities is due.

The further admission document of the applicant shall comprise:

- (i) 1 draft of the **admission document** marked in the margin to indicate where the relevant items from the Second Supplement to Schedule Two have been met;
- (ii) a formal application signed by a duly authorised officer of the issuer; and
- (iii) 1 draft of the final proof of the **admission document**; which must be signed and dated by at least two directors on behalf of the Board.

The admission document shall disclose the following items of information:

Schedule Two – Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14.1(i), 14.2.4, 15.1, 16, 17, 19, 20.1.1, 20.1.4, 20.1.7; 20.2.1, 21, 22, 24.2, 25.1, 25.3, 25.5, 26.3, 26.4.3, 26.4.4, 29, 30, 31.1, 31.2, 31.4;

Schedule Three – Items (c), (e), and (g); and

A statement as to the pro rata entitlement, the last date on which transfers were or will be accepted for registration for participation in the issue, how the securities rank for dividend, whether the securities rank pari passu with any **DEM securities**, the nature of the document of title, its proposed date of issue and whether or not it is renounceable and how fractions (if any) are to be treated.

Capitalisation issue:

A capitalisation issue is an allotment of further securities to existing shareholders, credited as fully paid up out of the applicant's reserves or profits, in proportion to their existing holdings, or otherwise not involving any monetary payments. A capitalisation issue includes a bonus issue and a scrip dividend scheme under which profits are capitalised.

No applicant shall proceed with a capitalisation issue involving a payment up of securities out of reserves, unless it has obtained the prior written confirmation of its licensed auditors that its reserves are sufficient for this purpose.

The admission document shall disclose the following items of information:

Schedule Two – Items 2.1, 5.1.1, 5.1.2, 5.1.3, 5.1.4, 20.1.1, 20.1.4, 25.1, 25.3, 25.5;

Schedule Three – Items (e), and (g); and

A statement as to the pro rata entitlement, the last date on which transfers were or will be accepted for registration for participation in the issue, how the securities rank for dividend, whether the securities rank pari passu with any **DEM securities**, the nature of the document of title, its proposed date of issue and whether or not it is renounceable and how fractions (if any) are to be treated.

Schedule Three

CONTENTS OF FORMAL NOTICE

A formal notice must be not less than 12 centimetres by 16 centimetres in size and must state at least the following:

- (a) the name and country of incorporation or other establishment of the **applicant**;
- (b) the amount and title of the securities for which **admission** is sought;
- (c) the address in Port Louis (and elsewhere if appropriate) at which copies of the **admission document** are available to the public;
- (d) the date of publication of the notice;
- (e) a statement that application has been made to the **SEM** for **admission** of the securities;
- (f) a statement that an **admission document** has been published and times at which copies are available to the public;
- (g) the date upon which dealings in the securities are expected to commence; and
- (h) the names of the investment dealer or underwriter and, if applicable, any distributor(s).

Schedule Four

DETERMINATION OF CLASS TESTS

The **class tests** for determining the size of a transaction pursuant to rules 13, 14 and 15 are as follows:

The Gross Assets test

$$\frac{\text{Gross assets the subject of the transaction}}{\text{Gross assets of the DEM company}} \times 100$$

Figures to use for the Gross assets test:

1. The “Gross assets the subject of the transaction” means the book value of the assets.
2. The “Gross assets of the **DEM company**” means the total of its fixed assets plus total current assets. These figures should be taken from the last published annual consolidated financial statements.

The Profits test

$$\frac{\text{Profits attributable to the assets the subject of the transaction}}{\text{Profits of the DEM company}} \times 100$$

Figures to use for the Profits test:

3. The “Profits of the **DEM company**” means profits before taxation as stated in the last published annual consolidated financial statements.

The Consideration test

$$\frac{\text{Consideration}}{\text{Aggregate market value of all the ordinary shares of the DEM company}} \times 100$$

Figures to use for the Consideration test:

4. The “Consideration” means the amount paid to the vendors, but the **SEM** may require the inclusion of further amounts.
 - (a) Where all or part of the consideration is in the form of securities to be **listed**, or traded on the **DEM**, the consideration attributable to those securities means the aggregate market value of those securities.
 - (b) If deferred consideration is, or may be, payable or receivable by the **DEM company** in the future, the consideration means the maximum total consideration payable or receivable under the agreement.

Substitute Tests

In circumstances where the above tests produce anomalous results or where the tests are inappropriate to the sphere of activity of the **DEM company**, the **SEM** may (except in the case of a transaction with a **related party**), disregard the calculation and substitute other relevant indicators of size, including industry specific tests. Only the **SEM** can decide to disregard one or more of the **class tests**, or substitute another test. The FSC shall be informed of any substitute tests applied by the **SEM**.

Schedule Five

DISCLOSURE OF CORPORATE TRANSACTIONS

In respect of transactions which require **notifications** pursuant to rules 12, 13 and 14 a **DEM company** must **notify** the following information:

- (a) particulars of the transaction, including the name of any company or business, where relevant;
- (b) a description of the business or the assets which are the subject of the transaction;
- (c) the profits attributable to those assets;
- (d) the value of those assets;
- (e) the full consideration and how it is being satisfied;
- (f) the effect on the **DEM Company**;
- (g) details of any service contracts of its proposed **directors**;
- (h) in the case of a disposal, the application of the sale proceeds;
- (i) in the case of a disposal, if shares or other securities are to form part of the consideration received, a statement whether such securities are to be sold or retained; and
- (j) any other information necessary to enable investors to evaluate the effect of the transaction upon the **DEM company**.

Schedule Six

BLOCK ADMISSIONS

Pursuant to a **block admission**, a **DEM company** must make **notification** of the following:

- (a) name of the company;
- (b) name of the scheme;
- (c) period of return (from/to);
- (d) number and class of securities not issued under the scheme;
- (e) number of securities issued under the scheme during the period;
- (f) balance under the scheme of securities not yet issued at the end of the period;
- (g) number and class of securities originally **admitted** and the date of **admission**; and
- (h) a contact name and telephone number.

Schedule Seven

CONTENTS OF REDEMPTION/PURCHASE NOTICE

A redemption/purchase notice must contain the following information:

- (a) a statement of the total number and description of securities which the **DEM company** proposes to redeem or purchase and the duration of the share-buy-back;
- (b) a statement by the directors of the reasons for the proposed redemption or purchase;
- (c) a description of the terms and conditions of the tender offer, where appropriate;
- (d) a statement by the **directors** as the proposed source of funds for making the proposed redemption or purchase;
- (e) a statement as to any material adverse impact on the working capital in the event that the proposed redemption or purchase would be carried out in full at any time during the proposed redemption or purchase period, or an appropriate negative statement; and
- (f) statement of the name of any **directors**, and to the best of the knowledge of the **directors** after having made all reasonable enquiries, statement of the name of any associates of the directors and any **related parties**, who have a present intention to redeem or sell equity securities in the proposed redemption or purchase, or an appropriate negative statement.

Schedule Eight

UNDERTAKING TO COMPLY WITH THE DEM RULES

Form of Undertaking required to be entered into by an applicant in support of its application for admission to the Development & Enterprise Market of the Stock Exchange of Mauritius Ltd.

To: The Stock Exchange of Mauritius Ltd.

From: ("the applicant")

In consideration of the Stock Exchange of Mauritius Ltd (SEM) granting the applicant's application for admission to the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius, and for permission to deal in the securities specified in the application, the applicant **HEREBY ACKNOWLEDGES** that it shall remain on the DEM, and that trading in the applicant's listed securities shall continue, only at the approval of the SEM, and the applicant **HEREBY UNDERTAKES AND AGREES** to comply with the on-going obligations of the SEM as set out in the Stock Exchange of Mauritius Rules Governing the Development & Enterprise Market and the applicant **FURTHER ACKNOWLEDGES** that the SEM may censure the DEM company pursuant to Rule 38 if in the event of breach of the DEM Rules.

Dated this..... day of20.....

.....

For and on behalf of the applicant as authorised thereto by resolution of the board of directors (or equivalent body) dated

Schedule Nine

Requirements for Investment Companies

Conditions for investment companies

An investment company must, except as provided under The Securities (Collective Investment Schemes and Closed End Funds) Regulations 2008:

- (i) invest in ten or more securities, each of which has been issued by non-related parties;
- (ii) not lend to or invest in the securities of any one company or group (including loans to or shares in its subsidiaries) more than 20% of its gross assets at the time when the investment or loan is made; for this purpose any existing holding in the company concerned must be aggregated with the proposed new investment (this restriction does not apply to cash deposits awaiting investment);
- (iii) not take legal or management control of investments in its portfolio;
- (iv) not pay dividends unless such dividends are covered by income received from underlying investments;

The board of directors (or equivalent body) of an investment company must be able to demonstrate that it will act independently of any investment manager of the investment company.

Where equity securities are held by an investment company, every one percentage point shareholding shall be deemed to be held by eight individual shareholders.

The **SEM** may waive the requirement regarding the minimum number of 100 shareholders in the case of **investment companies**.

Admission Requirements

Where an **applicant** is an **investment company**, the **admission document** must include in addition to the requirements under Schedule Two of these Rules and, where applicable, The Securities (Collective Investment Schemes and Closed End Funds) Regulations 2008, such matters as:

- (i) A description of its investment policy;
- (ii) the precise business sector(s), geographical area(s) and type of company in which it can invest;
- (iii) whether it will be an active or passive investor;
- (iv) how widely it will spread its investments;
- (v) what expertise its directors or those managing its investments have in respect of evaluating its proposed investments and how and by whom any due diligence on those investments will be effected;
- (vi) the name of any investment manager together with an indication of the terms and duration of its appointment, the basis for its remuneration and any arrangements relating to the termination of its appointment.

Where some of the items of information specified under Schedule Two may be inappropriate to the applicant's sphere of activity or legal form, the item should be appropriately adapted so that equivalent information is given.

On-going requirements

An **investment company** must comply with the on-going requirements under these rules and, where applicable, The Securities (Collective Investment Schemes and Closed End Funds) Regulations 2008. In addition, an investment company must submit to the **SEM** on a quarterly basis valuation of its investments and a statement of its net asset value within 15 days of each quarter. The statement of net asset value shall be published in at least two widely read daily newspapers.

The financial statements of an **investment company** must contain, in addition to the requirements under The Securities (Collective Investment Schemes and Closed End Funds) Regulations 2008 (where applicable):

- (i) a management report on the investment performance;
- (ii) a statement of assets and liabilities and incorporating a list of all investments with a value greater than 5% of the company's investment portfolio, and at least the 10 largest investments, stating, with comparative figures where relevant, in relation to the company or group in which each such investment is held the following information: a brief description of the business; the proportion of capital owned or intended to be owned; and the cost of the investment and market value (if any) at the latest practicable date or a director's valuation;
- (iii) a statement of income and distribution, distinguishing realised and unrealised surplus, stating profits and losses on quoted and unquoted investments;
- (iv) such other information as may be required by the SEM to enable investors to reach an informed judgement on the performance of any other investment.

Schedule Ten

Fees

Application Fee

An application fee of MRU 50, 000 shall be charged to every new applicant.

Further issue of securities

A fee of MRU 25, 000 shall be charged in respect of every application for the admission of further **DEM securities** (where applicable) under rule 25.

Annual Listing Fee Structure

Av. Mkt Capitalisation	Initial Listing Rate	Additional Listing Rate
(Rs)	(Rs)	(Rs)
up to 50M	30,000	15,000
Rs 50,000,001 to 100M	45,000	22,500
Rs 100,000,001 to 200M	65,000	32,500
Rs 200,000,001 to 400M	80,000	40,000
Rs 400,000,001 to 800M	95,000	47,500
Rs 800,000,001 to 1,000M	110,000	55,000
Rs 1, 000,000,001 to 2,000M	135,000	67,500
Rs 2, 000,000,001 to 5,000M	150,000	75,000
Rs 5, 000,000,001 to 10,000M	175,000	87,500
Above Rs10, 000M	175,000 + .001% on excess over Rs 10,000M	87,500 + .001 % on excess over Rs 10,000M

Foreign Investment Companies, Foreign Unit Trusts, Offshore Companies, Offshore Trusts or Other Types of Funds

1. In the case of a foreign investment company, a foreign unit trust, an offshore company, an offshore trust or any other type of fund, an initial listing fee of US \$ 1,000 and an annual fee of US \$ 1,000 is applicable.

2. In the case of a “multi-class fund” or an “umbrella fund”, (a collective investment scheme which is divided into a number of subfunds), the following will apply in respect of the initial and annual listing fees payable:

No. of Different Classes	Initial Fee / Annual Fee
1-3	US \$ 1,000 (per subfund)
4-10	US \$ 3,500 (fixed)
10-20	US \$ 5,000 (fixed)
Over 20	US \$ 7,000 (fixed)

Glossary

The following terms have the following meanings when used in these rules unless the context otherwise requires.

Term	Meaning
Act	The Securities Act 2005
admission/admit/admitted	Admission of a DEM company effected by a dealing notice under rule 6.
admission document	A document produced pursuant to rules 3 or 25.
applicable employee	Any employee of a DEM company , its subsidiary or parent undertaking who: (a) for the purposes of rule 7, together with that employee's family , has a holding or interest, directly or indirectly, in 0.5% or more of a class of DEM securities ; or (b) for the purposes of rule 20, is likely to be in possession of unpublished price-sensitive information in relation to the DEM company because of his or her employment in the DEM company , its subsidiary or parent undertaking, irrespective of his or her holding or interest.
applicant	An issuer that is applying to have its securities admitted to the DEM .
application form	The standard form which must be completed by an applicant .

associate

(a) in relation to any **director, chief executive** or **controlling shareholder** who is an individual means:

- (i) his spouse and any child or stepchild under the age of 18 years of the **director, chief executive** or **controlling shareholder** (“together the individual’s family”) and;
- (ii) the trustees (acting as such) of any trust of which the individual or any of the individual’s family is a beneficiary or discretionary object; and
- (iii) any company in the equity capital of which the individual and/or any member or members of the individual’s family (taken together) are directly or indirectly interested so as to exercise or control the exercise of 20 per cent or more of the voting power at the meeting of shareholders, or to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters, and any other company which is its subsidiary; and

(b) in relation to a **controlling shareholder** which is a company means any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company or one in the equity capital of which it and/or such other company or companies taken together are directly or indirectly interested so as to exercise or control the exercise of 20 per cent or more of the voting power at the meeting of shareholders, or to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters.

block admission

The **admission** of a specified number of the **DEM securities**, which are to be issued on a regular basis.

business day

Any day upon which the **SEM** is open for business.

cancel/cancelled/cancellation

The cancellation of the **admission** of a **DEM company** effected by a **dealing notice**.

cash company

A company whose assets consist wholly or substantially of cash or short dated securities because it has disposed of all or a substantial part of its business or otherwise has ceased to have a business of sufficient substance to support its market capitalisation.

chief executive

A person who is or will be responsible under the immediate authority of the board of directors for conducting of the business of a **DEM company**

class tests

The tests set out in Schedule Four which are used to determine whether rules 13, 14 or 15 of these rules apply.

close period

- (i) The period of one month preceding the publication of a **DEM company's** annual results (or, if shorter, the period from its financial year end to the time of publication);
- (ii) the period of one month immediately preceding the **notification** of its interim (quarterly) results to the SEM or, if shorter, the period from the relevant financial period end up to and including the time of the **notification**; and
- (iii) any other period when the DEM company is in possession of unpublished price sensitive information; or
- (iv) any time it has become reasonably probable that such information will be required by these rules to be notified to the SEM or by way of press release.

controlling shareholder

Any person who is (or in the case of a **related party transaction** only was within the 12 months preceding the date of that transaction) entitled to exercise, or control the exercise of, 20 per cent or more of the voting power at the meeting of shareholders of the **DEM company** or one which is in a position to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters.

corporate adviser

An adviser to the **DEM company** whose responsibilities to the **SEM** are to:

- ◆ advise and guide the **directors** of a **DEM company** for which it acts about their obligations to ensure compliance by the **DEM company** on an ongoing basis with these rules;
- ◆ provide the **SEM** with any other information, in such form and within such time limits as the **SEM** may reasonably require;
- ◆ liaise with the **SEM** where requested so to do by a **DEM company** for which it acts;
- ◆ inform the **SEM** when it ceases to be the **corporate adviser** to a **DEM company**.

deal

Any change whatsoever to the **holding** of **DEM securities** in which the holder is a **director** of the **DEM company** or part of a **director's family** (and for the purpose of rule 20 an **applicable employee**) including:

- (i) any sale or purchase, or any agreement for the sale or purchase of such securities;

- (ii) the grant to, or acceptance by such a person of any option relating to such securities or of any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of any such securities;
- (iii) the acquisition, disposal, exercise or discharge of, or any dealing with, any such option, right or obligation in respect of such securities;

dealing notice	An announcement and/or press release by the SEM which either admits a DEM company or Cancels , suspends or restores the admission of a DEM company .
Development Market or DEM	& Enterprise A listed market operated by the SEM .
DEM company	A company with a class of securities admitted to the Development & Enterprise Market .
DEM fees	The fees charged by the SEM to DEM companies in respect of admission and annual fees as set out in Schedule Ten.
DEM securities	Securities of DEM companies , which have been admitted .
director	As defined in The Companies Act 2001. (See also the definition of deal which includes the director's family).
family	In relation to any person his or her spouse and any child where such child is under the age of eighteen years. It includes any trust in which such individuals are trustees or beneficiaries and any company over which they have control or more than 20% of its equity or voting rights in a general meeting. It excludes any employee share or pension scheme where such individuals are beneficiaries rather than trustees.
FSC	The Financial Services Commission established under the Financial Services Act 2007
holding	Any legal or beneficial interest, whether direct or indirect, in the DEM securities .
IFRS	International Financial Reporting Standards or such other standards as may be issued under the Financial Reporting Act 2004.
insider	As defined in the Act .

investment company	A body corporate, whether open-ended or closed-ended, which has as its purpose the investment of its funds with the aim of spreading investment risk and giving its members the benefit of the results of the management of those funds by or on behalf of that body.
investment dealer	As defined in the Act .
ISA	International Standards on Auditing or such other standards as may be issued under the Financial Reporting Act 2004.
issuer	Any company or other legal person or undertaking, any of whose securities are or are proposed to be the subject of an application for admission or some of whose securities are already admitted on the Development & Enterprise Market.
material change	As defined under Section 87(5) of the Act .
notify/notified/notification	The delivery of an announcement to the SEM by the DEM company .
person	An individual, corporation, partnership, association, trust or other entity as the context admits or requires.
prospectus	As defined in the Act .
public hands	In relation to shares mean shares being held by the public and shares will not be regarded as being held in public hands if they are held, directly by: <ul style="list-style-type: none"> (a) a director of the applicant or of any of its subsidiary undertakings; (b) a person who is a related party with a director of the applicant or of any of its subsidiary undertakings; (c) the trustees of any employees share scheme or pension fund established for the benefit of any directors and employees of the applicant and its subsidiary undertakings; (d) any person who by virtue of any agreement has a right to nominate a person onto the board of directors of the applicant.
record date	The last date upon which investors must appear on the share register of the DEM company in order to receive a benefit from the company.
related party	in relation to a company means a director , chief executive or controlling shareholder of the company or any of its subsidiaries or associates of any of them

related party transaction	<ul style="list-style-type: none"> (i) a transaction (other than a transaction of a revenue nature in the ordinary course of business) between a company, or any of its subsidiaries, and a related party; or (ii) any arrangements pursuant to which a company, or any of its subsidiaries, and a related party each invests in, or provides finance to, another undertaking or asset.
securities	As defined in the Act and in the Stock Exchange (Prescribed Securities) Regulations 2002.
SEM	The Stock Exchange of Mauritius Limited established under the repealed Stock Exchange Act 1988.
shareholder	A holder of any legal or beneficial interest, whether direct or indirect, in a DEM security .
significant transaction	As defined in the Act .
subsidiary	As defined in the Companies Act 2001.
unpublished information	<p>price sensitive Information which:</p> <ul style="list-style-type: none"> (a) relates to particular DEM securities or to a particular DEM company rather than securities or issuers in general; (b) is specific or precise; (c) has not been made public; and (d) if it were made public would be likely to have a significant effect on the price or value of any DEM security.