

## NSX MARKET INSIGHTS

### UPDATE 1/20 – APRIL 2020

#### 1. ISSUER UPDATES

##### New Listings

10th January 2020 – Kemao Industries Limited (NSX: KEM), is a manufacturer of tinplate packaging material and cold-rolled steel strips based in China, announced its listing on the National Stock Exchange after successfully completing its \$0.5 million capital raising – [link](#).

25th February 2020 – Pyx Resources Ltd (NSX: PYX), a mineral Sands Exploration & Development company located in Indonesia, announced its listing on the National Stock Exchange after successfully completing its \$14 million capital raising – [link](#).

#### 2. COVID-19 RELATED MATTERS

NSX recognises the challenges relating to disclosure for listed entities arising from the continually evolving and unprecedented situation surrounding the coronavirus pandemic ('COVID-19') and that different listed entities are being affected in varying ways by COVID-19.

It's noted that a listed entity's continuous disclosure obligations do not extend to predicting the unpredictable.

NSX does not expect listed entities to announce information that comprises matters of supposition or that is insufficiently definite to necessitate disclosure nor does NSX expect listed entities to make forward-looking statements to the market unless they have a clear and reasonable basis for doing so.

##### Practical Guidance on Disclosure Obligations

- **Material operational decisions:** an entity that makes an operational decision that is likely to have a material effect on the price or value of its securities should immediately announce that decision to the market. This might include, for example, a decision to stand down a material number of employees or to close or suspend certain operations or facilities.
- **Capital raisings:** an entity that is proposing a capital raising to restore its financial position will need to

announce it to the market as soon as it is committed to proceeding with the capital raising.

- **Entities in financial difficulty:** a listed entity in financial difficulty is subject to the same disclosure standards as any other entity. If there is an adverse development affecting the financial condition or prospects of an entity that a reasonable person would expect information about that development to have a material effect on the price or value of its securities, the listed entity must immediately disclose that information.

##### Misleading COVID-19 Announcements

Announcements concerning new or revised business cases related to or including COVID-19 treatments, detection, preventative solutions, or inventions should have regard to the disclosure principles set out in the [Code of Best Practice for Reporting by Life Sciences Companies, Second Edition](#).

Where NSX has concerns relating to a COVID-19-related announcement, NSX is likely to immediately suspend trading in the entity's securities pending further enquiries by NSX to establish that the announcement meets the requirements of the listing rules.

##### ASIC Guidance

- Guidelines for meeting upcoming AGM and financial reporting requirements - [link](#):  
For listed and unlisted public companies with 31 December balance dates that are required to hold an AGM by 31 May 2020, ASIC:
  - Confirms it will take no action if the AGMs are postponed for two months; that is, until the end of July;
  - Supports the holding of AGMs using appropriate technology.
- Facilitating capital raisings during COVID-19 period – [link](#):  
ASIC is helping listed companies raise capital quickly by giving temporary relief to enable certain 'low doc' offers (including rights offers, placements and share purchase plans) to be made to investors, even if they do not meet all the normal requirements.
- COVID-19 relief - [link](#)
- Industry funding payment plans - [link](#):

Payment plans for levies and penalties are available for account balances of \$500 or more in cases of financial hardship. A payment plan allows you to pay your levy by instalments. Late payment penalties will be suspended while the payment plan is in place and complied with.

### 3. ISSUER DISCLOSURE REMINDERS

Disclosure queries are raised when the Exchange identifies information in the public domain relating to an issuer, where that information has not formally been announced to the market via the Exchange. The key themes observed across all company queries include:

- unexplained substantial change in price;
- a significant change in financial reporting without explanation or a supporting announcement; and
- general financial disclosure addressing audit matters.

Issuers are reminded that in the event that an announcement cannot be lodged due to (exceptional) circumstances or time constraints, a trading halt must be requested to ensure that the market is appropriately informed.

### 4. PARTICIPANT UPDATES

#### Name Changes

NSX Participant Canaccord Genuity Patersons Limited has changed its name to Canaccord Genuity Financial Limited with effective date of 15<sup>th</sup> January 2020.

### 5. NSX UPDATES

20th February 2020 – NSX announced that iSignthis Limited (ASX: ISX | DE: TA8) has taken a 12.96% strategic investment in NSX via a \$4.2 million placement at \$0.145 per share.

20th February 2020 – NSX has entered into a Joint Venture agreement with iSignthis Limited (ASX: ISX | DE: TA8) to form a joint venture vehicle, ClearPay Pty Ltd, to develop a multicurrency, real-time, same day DvP platform.

TAS – NSX formally lodged its proposed Operating Rule changes with ASIC in early April 2020. The launch date of TAS has been postponed and is currently being reviewed given the current COVID-19 situation – a revised launch date circa 3<sup>rd</sup> Quarter 2020 will be communicated with stakeholders shortly.