Examples of Listing on Trop-X

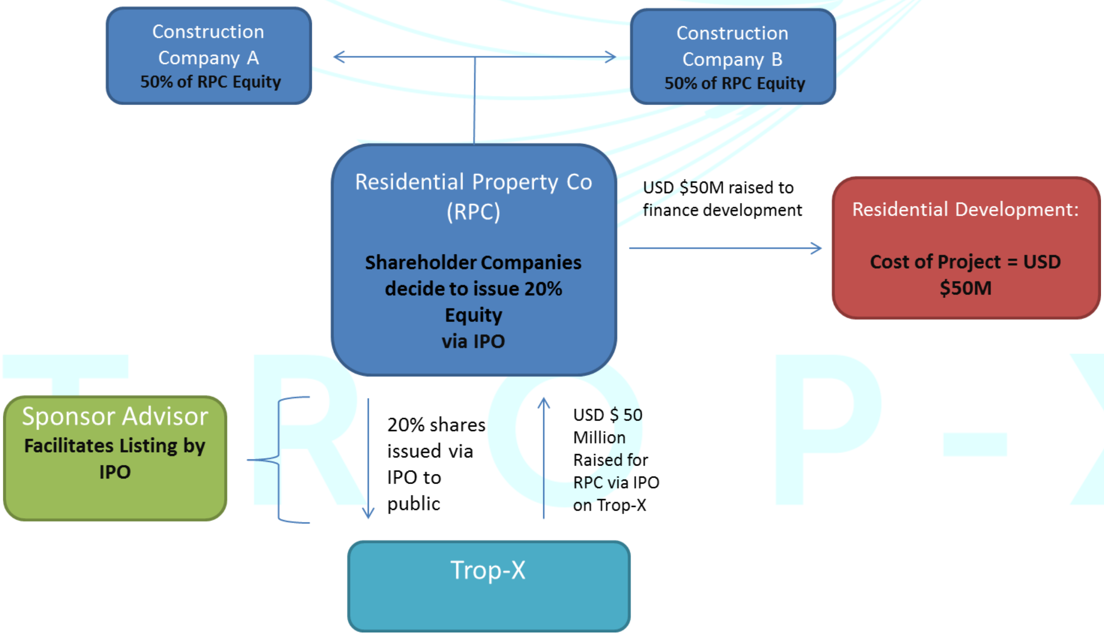
This article will give practical examples of the various scenarios through which a company can list. Companies can either list through an Initial Public Offering (IPO), a Private Placement or through a listing by way of Introduction.

Scenario 1: Initial Public Offering Listing (IPO)

A listing via an Initial public offering allows the company to raise capital by making an offer to the general public. Company A and Company B are two construction companies who have bought a property and would now like to develop this land into a luxury housing project. Both companies A and Company B have their cash tied up in other development projects. In order to develop the property, the companies have two options; they could either finance the project through traditional means (such as borrowing from banks) or alternatively, they could raise the capital for the project through Trop-X.

In order for them to raise the capital on the Exchange, they could form a new company called "Residential Property Co"(RPC) which holds the rights to the property and the development. Construction Company A and Construction Company B, each have 50% shareholding of RPC. RPC, decides to issue 20% of their shares on the Exchange to the general public in order to raise capital (e.g. USD $50 million). This process is facilitated by the Sponsor Advisor.

Initial Public Offering Listing (IPO)



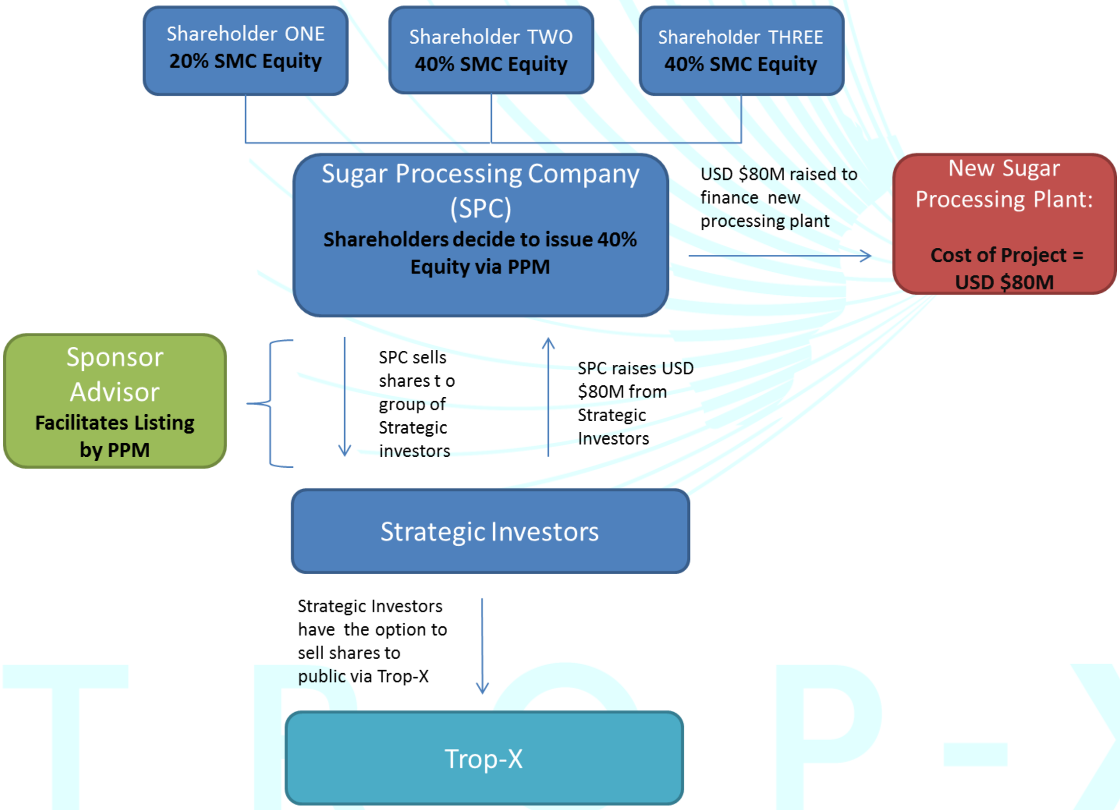
Scenario 2: Private Placement

A private placement is appropriate for companies who wish to raise additional capital through issuing new shares through a private network of individuals.

A listing by Private Placement is a private offering very similar to an IPO; however funds are raised through a private network of individuals or companies. A listing by Private Placement does not require a prospectus but rather a pre-listing statement, often referred to as a Private Placement Memorandum (PPM).

The 'Sugar Processing Company' (SPC) has three shareholders; Shareholder One, Shareholder Two and Shareholder Three who wish to raise funds for the development of a new sugar factory. They have found a group of strategic investors from a successful Sugar Company in Sri Lanka. Shareholders One, Two and Three decide to sell some of their shares to these strategic investors in order to build the sugar factory. The Sponsor Advisor helps to draft the PPM and once approved by Trop-X, the sale of shares is executed and the money obtained from the sale is used to build the new sugar factory. The company is then listed on Trop-X and now has a platform for Shareholders to buy and sell their shares whenever they like.

Private Placement



Scenario 3: Listing by introduction

Listing by way of introduction is appropriate for companies wanting to simply list their shares to unlock shareholder value.

Existing shareholders are assured a fair valuation on the value of the company; this is usually obtained by a thorough due-diligence review.

Let us take an established telecommunications company which has grown significantly over the last few years and now wishes to list its securities to unlock shareholder value. The company may either decide to issue its existing shares on the market or a percentage of them. In order to ensure sufficient interest, it is encouraged that a minimum of 20% of the existing shares be listed on Trop-X. A greater number of shares available for trading would encourage a higher level of participation by the general public and the investment community as a whole. The Telecommunications Company then prepares itself for a listing and once their Sponsor Advisor and Trop-X is satisfied that all the requirements are met, the company lists.

Listing by introduction