

NPC SHARE CERTIFICATES IN A DEMATERIALIZED ENVIRONMENT

The Ministry of Finance issued **Legal Notice No. 269 of 2022** titled “*The dematerialisation of deposited, registered, or listed securities*”. When Nkonyeni Precast Limited listed in a dematerialised environment, the handling of share certificates underwent significant changes. In a dematerialised system, physical share certificates are replaced by electronic records. This process is part of a broader trend in financial markets aimed at increasing efficiency, reducing costs, and enhancing security.

- 1. Electronic Registry:** Nkonyeni Precast Limited will keep a shareholder registry to reflect ownership electronically. This registry is maintained by a Central Securities Depository (CSD), which securely holds all shares in electronic format. Each shareholder’s ownership is recorded digitally, allowing for easier tracking and management of shares.
- 2. Benefits of Dematerialisation:** The transition to a dematerialised environment offers several advantages:
 - **Increased Security:** Electronic records reduce the risk of loss or theft associated with physical certificates.
 - **Faster Transactions:** Buying and selling shares can be executed more quickly since there is no need for physical transfer.
 - **Lower Costs:** Administrative costs related to printing and mailing physical certificates are eliminated.
 - **Easier Management:** Shareholders can manage their holdings more conveniently through online platforms provided by brokers or CSDs.
- 3. Shareholder Actions Post-Dematerialisation:** After dematerialisation, shareholders will receive statements reflecting their holdings instead of physical certificates. They may also have access to view their investment details, transaction history, and other relevant information through the **Custodian Bank** each investor used while creating their CSD account. There are four (4) Custodian Banks in Eswatini being **Nedbank, FNB, Swazi Bank, and Standard Bank**.
- 4. Regulatory Compliance:** Nkonyeni Precast Limited must comply with local regulations governing securities and dematerialisation processes. This includes ensuring that all shareholders are informed about the transition and understand that all shares will be issued in a dematerialised format.

In summary, since Nkonyeni Precast Limited listed in a dematerialised environment, its share certificates have been converted from physical form into electronic records held within a secure digital registry managed by a central securities depository. No physical share certificates were issued to **NPC** shareholders since **Nkonyeni Precast Limited** was listed in a dematerialised environment.



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