

## ENHANCEMENTS TO CONTINUOUS DISCLOSURES

### AMENDMENTS TO CATALIST RULES

*Legend: Deletions are struck-through and insertions are underlined.*

#### Definitions and Interpretation

~~“books closure date”~~

~~the date fixed by an issuer for the purpose of determining entitlements to dividends or other distributions or rights of holders of its securities~~

“Code”

the Code of Corporate Governance issued by the Committee on Corporate Governance on 4 April 2001, as from time to time amended, modified or supplemented

“Exchange's listing rules”, “Rules” or “this Manual”

the provisions of this Manual (excluding ~~the Best Practices Guide~~, the Code and the Practice Notes) as from time to time amended, modified or supplemented

“financial assistance”

includes:—

- (a) the lending of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and
- (b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of another, or the assuming of the obligations of another

“preliminary offer document”

an offer document that does not contain the information set out in the Second Schedule, Securities and Futures (Offers of Investments)~~(Shares and Debentures)~~ (Securities and Securities-based Derivatives Contracts) Regulations 20052018

“principal subsidiary”

a subsidiary whose latest audited consolidated pre-tax profits (including discontinued operations that have not been disposed and excluding the minority non-controlling interest relating to that subsidiary) as compared with the latest audited consolidated pre-tax profits of the group (including discontinued operations that have not been disposed and excluding the minority non-controlling interest relating to that subsidiary) accounts for 20% or more of such pre-tax profits of the group. ~~In determining profits, exceptional and extraordinary items are to be excluded~~

“qualified person”

a person who has the appropriate experience in the type of activity undertaken or to be undertaken by a mineral, oil and gas company, meeting the following minimum requirements:

- (i)(a) is professionally qualified and a member or licensee in good standing of a relevant Recognised Professional Association;

~~(ii)(b)~~ has at least five years of relevant professional experience in the estimation, assessment and evaluation of:

~~(a)(i)~~ the mineral or minerals, oil or gas that is under consideration; and

~~(b)(ii)~~ the activity which the issuer is undertaking; and

~~(iii)(c)~~ has not been found to be in breach of any relevant rule or law and is not:

~~(a)(i)~~ denied or disqualified from membership of;

~~(b)(ii)~~ subject to any sanction imposed by;

~~(c)(iii)~~ the subject of any disciplinary proceedings by; or

~~(d)(iv)~~ the subject of any investigation which might lead to disciplinary action by,  
any relevant regulatory authority or professional association.

“Recognised Professional Association”

a self-regulatory organisation of professionals recognised by the Exchange in the mineral, oil or gas industries which:

~~(i)(a)~~ admits members on the basis of academic qualifications and experience;

~~(ii)(b)~~ requires compliance with organisation's professional standards of competence and ethics established; and

~~(iii)(c)~~ has disciplinary powers to suspend or expel a member.

“record date”

the date fixed by an issuer for the purpose of determining entitlements to dividends, rights, allotments or other distributions of holders of its securities

“SAS”

~~Singapore Statements of Accounting Standard or the equivalent accounting standards prescribed by law~~

“SGXNET”

Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the Exchange or any other system networks prescribed by the Exchange for the purpose of the Exchange making that information available to the market

“SIBA Due Diligence Guidelines”

~~the “Guidelines on Due Diligence in the Context of an Initial Public Offering in Singapore” issued by the Singapore Investment Banking Association~~

## Chapter 1 Introduction

### Part 1 Scope of Section B of Listing Manual

102

In general:

- (1) the roles and obligations of sponsors and their registered professionals are set out in Chapter 2 (Sponsors) and Chapter 3 (Disciplinary and Appeals Procedures); and
- (2) the obligations of listing applicants, the manner in which their securities are to be offered and the continuing obligations of the issuers are set out in Chapter 4 (Equity Securities), Chapter 7 (Continuing Obligations), Chapter 8 (Changes in Capital), Chapter 9 (Interested Person Transactions), Chapter 10 (~~Acquisitions and Realisations~~ Significant Transactions), Chapter 11 (Takeovers), Chapter 12 (Circulars and Annual Reports) and Chapter 13 (Trading Halt, Suspension and Delisting).

## Chapter 2 Sponsors

### Part V Rights and Obligations of Sponsors and Registered Professionals

225

- (1) A full sponsor, in preparing a listing applicant for admission or advising an issuer in a very substantial acquisition or reverse takeover, must be satisfied that, having made reasonable due diligence enquiries and having considered all relevant matters, the listing applicant, or in the case of a very substantial acquisition or reverse takeover, the enlarged group, is suitable to be listed. This includes doing each of the following, having regard to the guidance in Practice Notes 2B and 4A:
  - (c) conduct the due diligence process for the offer document or shareholders' circular, including at a minimum, complying with the ~~SIB Due Diligence Guidelines~~ due diligence guidelines issued by The Association of Banks in Singapore where applicable or such other satisfactory and no less strict due diligence guidelines or processes;
  - (g) undertake independent verification directly or by a reputable agent, of the listing applicant or enlarged group, its management and controlling shareholders, including:
    - (i) key persons' personal and business backgrounds and integrity, role in the listing applicant's or enlarged group's business, interests in other companies, and any criminal or other records or links to money laundering or organized crime; and
    - (ii) the listing applicant's or enlarged group's history, structure, accounts, business reputation and development, its related companies, its other businesses, and the influence of key persons; ~~and~~
  - (h) ensure that its declaration regarding the listing applicant or the enlarged group (Appendix 4B) is submitted to the Exchange; ~~;~~
  - (i) where the listing applicant or enlarged group is a mineral, oil and gas company, the full sponsor must ensure that it will obtain appropriate technical expertise relevant to the business and products of the listing applicant or enlarged group to enable it to properly discharge its obligations as a sponsor. Such expertise can be from a third-party expert or an internal resource of equivalent standards within the full sponsor, but must be independent of, and have no conflict of interests with, the listing applicant; and

- (4) A sponsor undertaking continuing activities for an issuer that is executing a corporate action must be satisfied, having made reasonable due diligence enquiries (including, at a minimum, complying with the ~~SIBA Due Diligence Guidelines~~ due diligence guidelines issued by The Association of Banks in Singapore where applicable or such other satisfactory and no less strict due diligence guidelines or processes) and having considered all relevant matters, of the following:
- (a) the suitability and competence of other professionals and consultants involved in the corporate action;
  - (b) compliance with any rule requirements or legal requirements; and
  - (c) that any difference in effect of the corporate action on minority shareholders compared to other shareholders, is clearly disclosed.

### Chapter 3 Disciplinary and Appeals Procedures, and Enforcement Powers of the Exchange

#### Part II Types of Committees

##### Appeals Committee

304

- (3) The Appeals Committee shall hear and determine ~~charges~~ appeals by convening an Appeals Committee hearing, subject to the following conditions:
- (a) an Appeals Committee hearing shall have an initial quorum of 5 members, including the chairman or deputy chairman of the Appeals Committee, but may conclude with a quorum of 3 members; and
  - (b) the quorum of an Appeals Committee hearing shall comprise at least 1 member with legal experience and the remaining members with any of the following experience:
    - (i) corporate finance experience
    - (ii) directorship experience in an issuer listed on the Exchange; and
    - (iii) accounting experience.

#### Part III Administrative and Enforcement Powers of the Exchange

305

- (3) The Exchange may exercise investigative and enforcement powers for the purposes of enforcing the Rules, including the powers to:
- (a) initiate and conduct investigations against a Relevant Person;
  - (b) initiate ~~and conduct~~ disciplinary proceedings against a Relevant Person;
  - (c) take enforcement action against a Relevant Person including the following:
    - (i) issuing a private warning to a Relevant Person;
    - (ii) offering a composition sum to an issuer, sponsor or registered professional;

- (iii) requiring an issuer to implement an effective education or compliance programme;
- (iv) requiring an issuer's directors or executive officers to undertake a mandatory education or training programme;
- (v) requiring an issuer to undertake an independent review of internal controls and processes;

## Part VI Miscellaneous Matters

### Composition sums, ~~and fines~~ and costs and Compliance Fund

327

All composition sums, fines and costs payable to the Exchange shall be used for investor education and related expenses.

## Chapter 4 Equity Securities

### Part III Catalist Admissions

406

#### (3) Directors and Management

- (b) The character and integrity of the directors, management and controlling shareholders of the listing applicant will be a relevant factor for consideration. In considering whether the directors, management and controlling shareholders have the character and integrity expected of a listed issuer, the sponsor must take into account the disclosures made in the declaration by each of the listing applicant's director, executive officer, controlling shareholder, and officer occupying a managerial position and above who is a relative of ~~any such~~ director or controlling shareholder, in the form set out in paragraph 8, Part ~~VII~~ of the Fifth Schedule, Securities and Futures (Offers of Investments) ~~(Shares and Debentures)~~ (Securities and Securities-based Derivatives Contracts) Regulations 2005/2018 submitted to the sponsor.

- (d) A director will not be independent under any of the following circumstances:

- (i) if he is employed or has been employed by the listing applicant or any of its related corporations ~~for~~ in the current or any of the past three financial years;
- (ii) if he has an immediate family member who is employed or has been employed by the listing applicant or any of its related corporations ~~for~~ in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the listing applicant; or

#### (11) ~~Undertaking Not to Make Exempt Offer~~

~~The listing applicant's undertaking not to make an exempt offer, made under Regulation 10 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, must be submitted by the sponsor to the Exchange acting as an agent of the Authority.~~

~~Refer to Practice Note 4B — General Requirements for Lodgement or Submission of Documents.~~ [Deleted]

## Part IV Requirements for Offer Documents

407

An offer document must meet the following requirements:

- (1) It must comply with applicable law and, in particular, Parts ~~4~~2 to ~~11~~11 of the Fifth Schedule, Securities and Futures (Offers of Investments) ~~(Shares and Debentures)~~(Securities and Securities-based Derivatives Contracts) Regulations ~~2005~~2018 ("Fifth Schedule"), where references therein to the following terms shall be interpreted as follows:
- (6) If the offer document is a preliminary offer document lodged under section 240(2) of the SFA with the Exchange acting as agent of the Authority, it must meet the following requirements:
  - (a) The requirements in Rule 407(1) to (4), but the listing applicant may omit the information described in paragraphs 2 to 11 of the Second Schedule, Securities and Futures (Offers of Investments) ~~(Shares and Debentures)~~(Securities and Securities-based Derivatives Contracts) Regulations ~~2005~~2018, where references therein to a "preliminary document" shall mean a reference to a "preliminary offer document".

## Part V Transfers between Catalist and SGX Main Board

### Transfers from Catalist to SGX Main Board

408

A Catalist issuer may apply to the Exchange in writing for transfer to SGX Main Board. The Exchange may allow the transfer if the issuer meets the following requirements:

- (7) For the purpose of the transfer, an ~~listing applicant~~issuer may be required to increase the proportion of its issued and paid-up capital held in public hands to meet the minimum shareholding spread requirements applicable to SGX Main Board listing applicants set out in Main Board Listing Rule 210(1).

## Part VI Listing Requirements for Foreign Listing Applicants

### Accounting and Auditing Standards

415

- (1) The financial statements and future periodic financial reports, must be prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), or International Financial Reporting Standards ("IFRS"), or US Generally Accepted Accounting Principles ("US GAAP"). Accounts that are prepared in accordance with IFRS or US GAAP need not be reconciled to SFRS(I)s.
- (2) The annual financial statements must be audited by certified public accountants in accordance with Singapore Standards on Auditing, International Standards on Auditing, or US Generally Accepted Auditing Standards, as the case may be.

## Part VII Additional Listing Requirements for Property Development Companies

416

In addition to the requirements for listing on Catalist, a property development company applying for admission to the Official List must also meet the following requirements:

(1) Minimum Leasehold Period

Properties that have remaining leases of less than 30 years must not, in aggregate, account for more than 50% of the group's operating profits for the past three years.

## Part VIII Conflicts of Interest

417

A listing applicant should resolve or ~~eliminate~~mitigate conflict situations prior to listing. The Exchange may accept a proposal (submitted through the sponsor) to resolve or ~~eliminate~~mitigate conflicts of interest within a reasonable period after listing. Conflicts of interest include situations in which interested persons (as defined in Rule 904(4)):

- (1) Carry on business transactions with the listing applicant or provide services to or receive services from the listing applicant or its group;
- (2) Lend to or borrow from the listing applicant or its group;
- (3) Lease property to or from the listing applicant or its group; or
- (4) Have an interest in businesses that are competitors, suppliers or customers of the listing applicant or its group.

## Part IX Moratorium

### Period of Moratorium

422

The period of moratorium must not be shorter than the following:

- (1) A promoter's entire shareholdings at listing for at least 6 months after listing, and no less than 50% of the original shareholding (adjusted for any bonus issue ~~or~~ subdivision or consolidation) for the next 6 months.

## Part XI Admission Procedures

### Treasury Shares

437

~~Chapter 8 will apply to the issue of shares out of treasury. The issuer must submit to the Exchange a confirmation of compliance with the provisions of Chapter 8. [Deleted]~~

## Part XII Additional Listing Requirements for Mineral, Oil and Gas Companies

### 443 Period of Moratorium

Rule 422 will not apply to a promoter of a mineral, oil and gas company. Instead, the period of moratorium will apply to the promoter's entire shareholdings at listing for at least 12 months after listing, and no less than 50% of the original shareholding (adjusted for any bonus issue or subdivision or consolidation) for the next 6 months.

## Chapter 7 Continuing Obligations

### Part I Scope of Chapter

#### 701

This Chapter sets out continuing requirements which an issuer on Catalist is required to observe once admitted to the Official List. Additional continuing requirements are set out in the following chapters:

Chapter 8 Changes in Capital

Chapter 9 Interested Person Transactions

Chapter 10 ~~Acquisitions and Realisations~~ Significant Transactions

Chapter 11 Takeovers

Chapter 12 Circulars and Annual Reports

### Part II Equity Securities — Immediate Announcements

#### Announcement of Specific Information

#### 704

In addition to Rule 703, an issuer must immediately announce the following:

#### Acquisitions and Realisations

#### (16) Any acquisition of:

- (a) shares resulting in the issuer holding 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings, of a quoted company; and
- (b) except for an issuer which is a bank, finance company, securities dealing company or approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment exceeding each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must state:
  - (i) the ~~aggregate cost of the issuer's~~ aggregate cost of investment in quoted investments securities before and after the acquisition, and such amounts as a percentage of the latest audited consolidated net tangible assets of the issuer;
  - (ii) the total market value of its investment in quoted investments securities before and after the acquisition; and
  - (iii) the amount of any provision for diminution in value of ~~investments;~~ investment in quoted securities.

An issuer should not include the issuer's holdings in its subsidiaries and associated companies listed or quoted on the Exchange or on a foreign stock exchange when computing its investment in quoted securities.

- (c) ~~shares resulting in a company becoming a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and [Deleted]~~
  - (d) ~~shares resulting in the issuer increasing its shareholding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5)). [Deleted]~~
- (17) Any sale of:
- (a) shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares and subsidiary holdings, of a quoted company; and
  - (b) except for an issuer which is a bank, a finance company, a securities dealing company or an approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment in quoted securities falling below each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must contain the same information as required under Rule 704(14)(16)(b)(i) to (iii), relating to a sale instead of an acquisition;;
  - (c) ~~shares resulting in a company ceasing to be a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and [Deleted]~~
  - (d) ~~shares resulting in the issuer reducing its shareholding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5)). [Deleted]~~

#### Winding Up, Judicial Management, etc

- (21) ~~Any breach of any loan covenants or any notice received from principal bankers or from the trustee of any debenture holders to demand repayment of loans granted to the issuer or any of its subsidiaries which, in the opinion of the issuer's directors, would result in the issuer facing a cash flow problem. [Deleted]~~
- (22) Where Rule 704(19), (20) or ~~(21)~~(34) applies, a monthly update must be announced regarding the issuer's financial situation, including:
- (a) the state of any negotiations between the issuer and its principal bankers or trustee; and
  - (b) the issuer's future direction, or other material development that may have a significant impact on the issuer's financial position.

If any material development occurs between the monthly updates, it must be announced immediately. No monthly updates are required for a voluntary liquidation of a dormant subsidiary by the issuer that is announced pursuant to Rule 704(20).

#### Announcement of Results, Dividends, etc

- (24) After the end of each of the first three quarters of its financial year, half year or financial year, as the case may be, an issuer must not announce any:
- (a) dividend;
  - (b) ~~capitalisation~~ bonus issue or rights issue;

- (c) ~~closing of the books~~record date;

#### ~~Books Closure~~Record Date

- (25) Any intention to fix a ~~books closure date~~record date, stating the date, reason and address of the share registry at which the relevant documents will be accepted for registration. At least 5 market days of notice (excluding the date of announcement and the ~~books closure date~~record date) must be given for any ~~books closure date~~record date. Issuers could consider a longer notice period, where necessary. ~~Subject to the provisions of the Companies Act, the~~The Exchange may agree to a shorter books closure period. In fixing a ~~books closure date~~record date, an issuer must ensure that the last day of trading on a cum basis falls at least 1 day after the general meeting, if a general meeting is required to be held.
- (26) The issuer must not ~~close its books~~fix a record date for any purpose until at least 8 market days after the ~~last day of the previous books closure period~~record date. This rule does not prohibit identical ~~books closure dates~~record dates for different purposes.

#### Use of Proceeds

- (30) The use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the offer document or the announcement of the issuer. Where the proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the issuer must also announce the reasons for such deviation.

#### ~~Loan agreements~~Agreements / Issue of Debt Securities

- (33) When the issuer or any of its subsidiaries enters into a loan agreement or issues debt securities that contain a ~~specified condition making reference to shareholding interests of any controlling shareholder in the issuer, or places restrictions on any change in control of the issuer, and the breach of this specified condition or restriction will cause a default in respect of the loan agreement or debt securities~~be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the principal amount of the loan or debt securities, significantly affecting the operations of the issuer or results in the issuer facing a cash flow problem:
- (a) ~~The~~the details of the ~~specified condition(s) making reference to shareholding interests of such controlling shareholder in the issuer or restrictions placed on any change in control of the issuer; and~~
- (b) ~~The~~the aggregate level of these facilities that may be affected by a breach of such ~~specified condition or restriction.~~

For the purpose of Rule 704(33) and Rule 728, a “specified condition” is a condition that makes reference to the shareholding interests of any controlling shareholder of the issuer, or a restriction on any change in control of the issuer.

- (34) ~~Any breach of the terms of loan agreements or debt issues which may have a significant impact on the operations of the issuer.~~For any loan agreement or debt securities of the issuer or any of its subsidiaries, any breach of, or occurrence of any event under the terms of, the loan agreement or debt securities if it, in the opinion of the issuer’s directors, may:
- (a) have a significant impact on the operations of the issuer; or

- (b) result in the issuer facing a cash flow problem.

#### Restatement of Financial Statements Required by Regulatory Authority

- (36) Any requirement by a regulatory authority to restate or re-file financial statements, indicating clearly the reasons for being required to do so.

#### Public Sanctions

- (37) Any public reprimand or public sanction relating to non-compliance with applicable laws or regulations, including any applicable accounting standards.

#### Part III Equity Securities – Periodic Reports

##### Acquisitions and Realisations

##### 706A

- (1) An issuer must make a periodic announcement, in accordance with the timelines prescribed in Rule 705 on the announcement of its financial statements, on:

- (a) any acquisition of:

(i) shares resulting in a company becoming a subsidiary or an associated company of the issuer; and

(ii) shares resulting in the issuer increasing its shareholding percentage in a subsidiary or an associated company; and

- (b) any sale of:

(i) shares resulting in a company ceasing to be a subsidiary or an associated company of the issuer; and

(ii) shares resulting in the issuer reducing its shareholding percentage in a subsidiary or an associated company,

for the relevant financial period reported on under Rule 705.

- (2) In the announcement required by Rule 706A, the issuer must, in respect of each acquisition or sale of shares, also include:

(a) the aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment; and

(b) in the case of unlisted shares, the net asset value represented by such shares and in the case of listed shares, the market value represented by such shares.

#### Annual Report

##### 707

- (1) The time between the end of an issuer's financial year and the date of its annual general meeting (if any) must not exceed four months. An issuer must hold its annual general meeting within four months from the end of its financial year.

## 709A

The annual financial statements must be audited by certified public accountants in accordance with Singapore Standards on Auditing, International Standards on Auditing, or US Generally Accepted Auditing Standards, as the case may be.

### Appointment of Auditors

#### 712

- (3) A change in auditing firm must be specifically approved by shareholders in a general meeting. The notice of meeting must incorporate:
- (a) confirmation from the outgoing auditors as to whether they are aware of any professional reasons why the new auditors should not accept appointment as auditors of the issuer, and if so, to provide reasons;
  - (b) confirmation from the issuer as to whether there were disagreements with the outgoing auditors on accounting treatments within the last 12 months, and if so, to provide details;
  - (c) confirmation from the issuer as to whether it is aware of any circumstances connected with the change of auditors that should be brought to the attention of the shareholders of the issuer; ~~and~~
  - (d) specific reasons for the change of auditors, including whether the outgoing auditors resigned, declined to stand for election or were dismissed; and
  - (e) confirmation from the issuer that it complies with Rule 712 and Rule 715 or 716 in relation to the appointment of the new auditing firm.

### Part IV Equity Securities – Other Obligations

#### Directors and Management

#### 720 Directors and Management

#### (2)

- (b) The circumstances under which the Exchange may effect Rules 720(2)(a) include but are not limited to:—
- (i) Where the issuer is the subject of an investigation into the affairs of the issuer by a special auditor appointed under Rule 704(13), or a regulatory or enforcement agency;

#### Share Pledging Arrangements

#### 728

- (1) Where any borrowings or loans of the issuer or any of its subsidiaries contains any ~~provisions which makes reference to the shareholding interest of any controlling shareholder(s)~~ specified condition (as defined in Rule 704(33)), the issuer must obtain an undertaking from such controlling shareholder(s), to notify the issuer, as soon as it becomes aware, of any share pledging arrangements relating to these shares, and of any event which ~~may result in a breach of the issuer's loan provisions~~ will be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the principal amount of the loan or debt securities.

## Restriction on Transfers of Securities

729

Where the trading of securities of an issuer is suspended, there must not be any transfers of securities, unless approved by the Exchange.

## Change in Financial Year End

730B

An issuer must announce any change in its financial year end, stating the reasons for the change.

## Part V Operational and Trading Matters

### Proxy Forms

737 Proxy Forms

Proxy forms must be designed in a manner that will allow a shareholder appointing a proxy to indicate how the shareholder would like the proxy to vote (whether to vote in favour of or against, or to abstain from voting) in relation to each resolution.

### Documents

743

An issuer (through its sponsor) must supply the Exchange with ~~30 final printed copies or~~ such number of final printed copies as the Exchange may require from time to time (and one soft copy in such format as the Exchange may require) of the following documents for public release:

- (1) all periodic and special reports, circulars, etc., released or issued by the issuer for the information of holders of any of the issuer's listed securities; and
- (2) the published accounts of the issuer and all documents annexed thereto, as soon as issued.

## **Chapter 8 Changes in Capital**

### Part I Scope of Chapter

801

This Chapter deals with issuers on Catalist changing their capital either by issuing additional equity securities or adjusting existing capital (~~including the issue of shares out of treasury~~). It also sets out the requirements and procedures for listing additional equity securities.

Unless otherwise stated, the provisions in this Chapter will apply to the issue of shares out of treasury, and the issuer must submit to the Exchange a confirmation of compliance with the relevant provisions of this Chapter.

## Part II General Requirements for an Issue of Securities

### General Mandate

806

- (3) For the purpose of Rule 806(2), the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings is based on the issuer's total number of issued shares excluding treasury shares and subsidiary holdings at the time of the passing of the resolution approving the mandate after adjusting for:
- (a) new shares arising from the conversion or exercise of convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards ~~outstanding or subsisting at the time of the passing of the resolution approving the mandate~~, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares.

Adjustments in accordance with Rule 806(3)(a) or Rule 806(3)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

### Part V Rights Issues

814

- (1) An issuer which intends to make a rights issue must announce (having regard to Rule 704(24)) the issue promptly. The announcement must include the following:
- (a) ~~price, terms and purpose of the issue;~~ on the first page, to be presented in the following format:

<b>Principal Terms of the Issue</b>	<b>Description</b>
<u>Price</u>	
<u>Discount (specifying benchmarks and periods)</u>	
<u>Allotment Ratio</u>	
<u>Use of Proceeds</u>	
<u>Purpose of Issue</u>	

- (b) terms of the issue;
- ~~(b)~~(c) the amount of proceeds proposed to be raised from the issue;
- ~~(c)~~(d) ~~breakdown of the proposed use of proceeds~~ the intended use of such proceeds on a percentage allocation basis (which could be expressed as a range if the exact allocation has not been determined);
- ~~(d)~~(e) where the issue is proposed to be used mainly for general working capital purposes, the issuer must provide reasons for such use taking into account its working capital position;
- ~~(e)~~(f) whether the issuer's directors are of the opinion that, after taking into consideration:

- (i) the group's present bank facilities, the working capital available to the group is sufficient to meet its present requirements and if so, the directors must provide reasons for the issue; and
- (ii) the group's present bank facilities and the net proceeds of the issue, the working capital available to the group is sufficient to meet its present requirements, unless the directors have opined, pursuant to Rule 814(1)(f)(i) above, that, after taking into consideration the group's present bank facilities, the working capital available to the group is sufficient to meet its present requirements.

"Present requirements" in this Rule 814(1)(f) includes the transaction which will be funded (in whole or in part) by the net proceeds of the issue;

- ~~(f)~~(g) whether the issue will be underwritten;
- ~~(g)~~(h) the financial circumstances which call for the issue; ~~and~~
- ~~(h)~~(i) whether it has obtained a listing and quotation notice from the Exchange or will be seeking the listing and quotation of the new shares arising from the rights issue; ~~;~~
- (j) a statement from the issuer's directors on why the issue is in the interest of the issuer and their basis for forming such views including the factors taken into consideration in arriving at any discount; and
- (k) if the issuer undertakes the issue within 12 months from its previous equity fund raising, the following details of each fund raising exercise undertaken in the past 12 months:
  - (i) description of equity funds raised;
  - (ii) date of issue of new securities;
  - (iii) amount raised (both gross and net);
  - (iv) amount utilised and breakdown on use of proceeds; and
  - (v) amount not utilised and how it is intended to be used.

The issuer should make a negative statement if there is no such previous equity fund raising.

In addition, an issuer must observe the disclosure requirements in Appendix 8A.

- (2) If a rights issue involves an issue of convertible securities, the issuer must also comply with Part VI of this Chapter.

815

~~An issuer must announce any significant disbursement of the proceeds raised from the rights issue. [Deleted]~~

821

No record date must be fixed ~~for the closing of books~~ until the Exchange has issued a listing and quotation notice in respect of the rights issue.

An issuer must issue the following to persons entitled within 3 market days (within 5 market days in the case of a scrip counter), or such longer period as the Exchange may approve, after a ~~books closure date~~ record date:

- (1) Letter of Entitlement, if any;
- (2) Application Forms for rights shares and excess rights shares ("ARE"). In the case of a rights issue of warrants, warrant and excess warrants application form ("WAF" or "WEWAF");
- (3) Provisional Allotment Letters ("PALs") for shareholders whose names appear on the share register, incorporating item (2) as well as:
  - (a) Form of Acceptance;
  - (b) Request for Splits;
  - (c) Form of Renunciation;
  - (d) Form of Nomination;
  - (e) Excess Shares Application Form; and
- (4) Such other documents as the Exchange may require.

- (1) An issuer making a rights issue must, having regard to Practice Note 8A, provide a proposed time-table to the Exchange showing the following dates:
  - (a) ~~books closure date~~ record date to determine rights entitlement;
  - (b) commencement of trading of nil-paid rights;
  - (c) last day for exercise and payment of rights; and
  - ~~(e)~~ (d) last day for receipt and acceptance of SRAFs.
- (2) An issuer making a rights issue must observe any time-table published by the Exchange.

#### Part VI Issue of Company Warrants and Other Convertible Securities

The terms of the issue must provide for:

- (1) adjustment to the exercise price or conversion price and, where appropriate, the number of company warrants or other convertible securities, in the event of a rights issue, bonus or other capitalisation issues or subdivision or consolidation of shares, setting out the specific formula;
- (2) the expiry of the company warrants or other convertible securities to be announced, and notice of expiry to be sent to all holders of the company warrants or other convertible securities at least 1 month before the expiration date; and

- (3) ~~Any material alteration~~amendment to the terms of the company warrants or other convertible securities after issue to the advantage of the holders of such securities to be approved by shareholders, except where the ~~alterations are~~amendment is made pursuant to the terms of the issue.

830

An issuer must announce any adjustment or amendment made ~~pursuant to Rule 829(1)~~to the terms of the issue. In the case of an adjustment, the announcement must state the specific formula, whether the adjustment has been reviewed to be in accordance with the formula, the identity of the reviewer and its relationship to the issuer.

831

- (1) An issuer must not:
- (a) extend the exercise period of an existing company warrant; or
  - (b) issue a new company warrant to replace an existing company warrant;;
- (2) Except where the adjustments are made pursuant to the terms of the issue, an issuer must not:
- ~~(c)~~(a) change the exercise price of an existing company warrant ~~except where the alterations are made pursuant to the terms of an issue in accordance with Rule 829(1);~~ or
  - ~~(d)~~(b) change the exercise ratio of an existing company warrant.

#### Part VII Bonus Issues, ~~Capitalisation Issues~~ and Subdivision and Consolidation of Shares

836

An issuer that intends to make a ~~capitalisation~~bonus issue ~~or a subdivision of shares~~ must promptly make an announcement, stating the following:

- (1) ~~The~~ terms of the bonus issue ~~or the subdivision~~; and
- (2) ~~Whether the issuer has obtained a listing and quotation notice from the Exchange's approval is~~ required and has been obtained.

836A

An issuer that intends to undertake a subdivision or consolidation of shares must:

- (1) promptly make an announcement, stating the terms of the subdivision or consolidation;
- (2) make an application for the listing of the subdivided or consolidated shares in accordance with the requirements for the listing of additional securities in this Chapter; and
- (3) obtain specific shareholder approval for the subdivision or consolidation.

837

No record date must be fixed ~~for the closing of books~~ until the Exchange has issued a listing and quotation notice in respect of the ~~capitalisation~~bonus issue or subdivision or consolidation of shares.

838

The daily weighted average price of an issuer's quoted securities, adjusted for the ~~capitalization~~bonus issue or subdivision of shares ("adjusted price"), must not be less than \$0.20, taking into account the issuer's adjusted price for the month preceding the application date.

839

An issuer making a ~~capitalisation~~bonus issue or subdivision of shares must state in the shareholder circular (if required) whether it expects to maintain the quantum of dividend declared and paid in the previous year.

#### Part VIII Share Option Schemes or Share Schemes

##### Terms of Schemes

849

- (1) A scheme must provide for adjustment of the subscription or option price or the number or amount of securities under the scheme not already allotted, in the event of a ~~capitalisation~~bonus issue and other circumstances (e.g. rights issue, capital reduction, ~~sub-division~~subdivision or consolidation of shares or distribution).
- (2) The adjustment must be made in such a way that a participant will not receive a benefit that a shareholder does not receive.
- (3) The issue of securities as consideration for an acquisition will normally not be regarded as a circumstance requiring adjustment.
- (4) Adjustments other than on a ~~capitalisation~~bonus issue must be confirmed in writing by the company's auditors to be fair and reasonable.

#### Part IX Scrip Dividend Schemes

861

Any scheme which enables shareholders to elect to receive shares in lieu of the cash amount of any dividend must comply with the following:-

- (3) Notwithstanding Rule 861(2), an issuer may determine that foreign shareholders will not be eligible to participate if:
  - (a) they have not supplied CDP or the issuer (as the case may be), addresses in Singapore for services of notices, or
  - (b) the participation of foreign shareholders will result in a breach of regulations or is not permitted by the relevant authorities of the jurisdictions in which the foreign shareholders are located.

In addition, if any foreign shareholding limit computed as at the ~~Books Closure Date ("BCD")~~record date will be breached (assuming that all foreign shareholders elect for shares), the scheme shall not apply for that dividend and the cash amount of the dividend declared will be paid in the usual way.

- (5) The dividend payment date for a dividend where a share alternative is offered must be ~~not less than 30 market days, but~~ not more than 35 market days, after the ~~BCD~~record date.

862

An issuer must announce whether or not a scheme is to apply to a particular dividend. Such an announcement must be made promptly after the decision is taken and in any event, no later than the market day following the BCD record date for that particular dividend.

#### Part X Listing of Additional Securities

864

The following sets out the usual steps in the additional listing process (other than for rights issues):

(1)

- (e) The issuer fixes the books closure and entitlement record dates (if applicable) and the sponsor informs the Exchange;

865

An offer information statement lodged under section 277(1)(b) of the SFA with the Exchange acting as agent of the Authority, must meet the following requirements:

- (1) It must comply with applicable law and, in particular, Parts ~~#2~~ to ~~X11~~ of the Sixteenth Schedule, Securities and Futures (Offers of Investments) (~~Shares and Debentures~~)(Securities and Securities-based Derivatives Contracts) Regulations ~~2005~~2018 ("Sixteenth Schedule"), where a reference to the "Authority" shall mean a reference to the Exchange.

#### Part XI Share Buy-Back

##### Dealing Restriction

869

An issuer may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. For this purpose, the average closing market price is:

- (1) the average of the closing market prices of the shares over the last 5 market days, on which transactions in the share were recorded, before the day on which the purchases are made; and
- (2) deemed to be adjusted for any corporate action that occurs after during the relevant 5-day period and the day on which the purchases are made.

### Chapter 9 Interested Person Transactions

#### Part I Scope of Chapter

902

In applying these rules, regard must be given to:

- (1) the objective of this Chapter; and
- (2) the economic and commercial substance of the interested person transaction, instead of legal form and technicality.

## Part II Definitions

904

For the purposes of this Chapter, the following definitions apply:

- (3) ~~"financial assistance" includes:~~
- ~~(a) the lending or borrowing of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and~~
  - ~~(b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of another, or the assuming of the obligations of another. [Deleted]~~
- (4) "interested person" means:
- (a) a director, chief executive officer, or controlling shareholder of the issuer; or
  - (b) an associate of any such director, chief executive officer, or controlling shareholder.
- (4A) The Exchange may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into: (a) a transaction with an entity at risk; and (b) an agreement or arrangement with an interested person in connection with that transaction.
- (4B) "primary interested person" means a person or an entity in Rule 904(4)(a).
- (6) "transaction" includes:
- (c) the provision or receipt of goods or services;
- whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).
- (7) "defence funding" means:
- (a) The provision of a loan to a director or a chief executive officer of an entity at risk to meet expenditure incurred or to be incurred:
    - (i) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by that person in relation to the entity at risk; or
    - (ii) in connection with an application for relief; or
    - (iii) in defending himself in an investigation by a regulatory authority or against any action proposed to be taken by a regulatory authority, in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the entity at risk; or
  - (b) any action to enable such director or chief executive officer to avoid incurring such expenditure.
- (8) "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

### Part III General Requirements

905

- (1) An issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited net tangible assets.
- (2) If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.
- (3) Rule 905(1) and (2) does not apply to any transaction below \$100,000.
- (4) If the group's latest audited net tangible assets is negative, the issuer should consult the Exchange on the appropriate benchmark to calculate the relevant thresholds in Rule 905(1) and 905(2), which may be based on its market capitalisation.
- (5) While transactions below \$100,000 are not normally aggregated under Rule 905(3), the Exchange may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902.

906

- (1) An issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:
  - (a) 5% of the group's latest audited net tangible assets; or
  - (b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.
- (2) Rule 906(1) does not apply to any transaction below \$100,000.
- (3) If the group's latest audited net tangible assets is negative, the issuer should consult the Exchange on the appropriate benchmark to calculate the relevant threshold in Rule 906(1), which may be based on its market capitalisation.
- (4) While transactions below \$100,000 are not normally aggregated under Rule 906(2), the Exchange may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902.

An issuer must disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person, nature of relationship and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented in the following format:

Name of interested person	<u>Nature of relationship</u>	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
---------------------------	-------------------------------	---	---

In interpreting the term "same interested person" for the purpose of aggregation in Rules 905 ~~and~~, 906 and 907, the following applies:—

- (1) Transactions between (a) an entity at risk and a primary interested person; and (b) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person.

Transactions between (i) an entity at risk and a primary interested person; and (ii) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person.

- ~~(1)~~(2) Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

- ~~(2)~~ If an interested person, (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons ~~and their associates~~ and have audit committees whose members are completely different.

As an example, Entity-At-Risk A, Listed B, ~~and~~ Listed C and Unlisted D are all subsidiaries of Ultimate ~~DE~~. Listed B, Listed C and Ultimate ~~DE~~ have boards, the majority of whose directors are different and are not accustomed to act on the instructions of Ultimate ~~DE~~ and its associates and have audit committees whose members are completely different. Transactions between Entity-At-Risk A and Listed B need not be aggregated with transactions between Entity-At-Risk A and Listed C or with transactions between Entity-At-Risk A and Ultimate ~~DE~~. Transactions between Entity-At-Risk A and Ultimate E must be aggregated with transactions between Entity-At-Risk A and Unlisted D.

The value of a transaction is the amount at risk to the issuer. This is illustrated by the following examples:

- (1) In the case of a partly-owned subsidiary or associated company, the value of the transaction is the issuer's effective interest in that transaction;
- (2) In the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the entity at risk; ~~and~~
- (3) In the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. In the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan; and
- (4) In the case that the market value or book value of the asset to be disposed of is higher than the consideration from an interested person, the value of the transaction is the higher of the market value or book value of the asset.

#### Part V Exceptions

The following transactions are not required to comply with Rules 905, 906 and 907:

- (1) A payment of dividends, a subdivision or consolidation of shares, an issue of securities by way of a bonus issue, a preferential offer, or an off-market acquisition of the issuer's shares, made to all shareholders on a pro-rata basis, including the exercise of rights, options or company warrants granted under the preferential offer.

#### Part VI Announcement Requirements

An announcement under Rule 905 must contain all of the following information:

- (1) Details of the interested person transacting with the entity at risk, and the nature of that person's interest in the transaction.
- (2) Details of the transaction including, where applicable, the book value, the net profits attributable to the assets and the latest available open market value, relevant terms of the transaction, and the bases on which the terms were arrived at.

#### Part VIII General Mandate

- (1) An issuer may seek a general mandate from shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.
  - (b) A circular to shareholders seeking a general mandate must include:
    - (i) unless the Exchange requires otherwise, the class of names of the interested persons with which whom the entity at risk will be transacting;

## **Chapter 10 ~~Acquisitions and Realisations~~ Significant Transactions**

### Part I Scope of Chapter

1001

This Chapter sets out the rules for significant transactions by issuers, principally acquisitions and realisations and the provision of financial assistance. It does not matter whether the consideration paid or received is cash, shares, other securities, other assets, or any combination of these. This Chapter also describes how transactions are classified, what the requirements are for announcements, and whether a circular and shareholder approval is required.

### Part II Definitions

1002

Unless the context otherwise requires:

- (1) "transaction" refers to the acquisition or disposal of assets, or the provision of financial assistance, by an issuer or a subsidiary that is not listed on the Exchange or an approved ~~Exchange~~ exchange, including an option to acquire or dispose of assets. It excludes ~~an acquisition or disposal a transaction~~ which is in, or in connection with, the ordinary course of its business or of a revenue nature. It also excludes the provision of financial assistance to the issuer, or its subsidiary or associated company.
- (2) "assets" includes securities and business undertaking(s).
- (3)
  - (a) "net assets" means total assets less total liabilities.
  - (b) "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax; and minority non-controlling interests and extraordinary items.
- (4) "market value" means the weighted average price of the issuer's shares transacted on the market day preceding the date of the sale and purchase agreement.
- (5) "market capitalisation" of the issuer is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the sale and purchase agreement.
- (6) "financial assistance" excludes the transactions described in Rule 915(9) and Rule 915(10).
- (7) "value of the financial assistance" means the monetary value of the relevant loan, guarantee, debt, indemnity, security provided or obligation.

### Part III Basis of Valuation

1003

In determining the basis of valuation of a transaction, the following rules apply:

- (1) In any acquisition or disposal of shares, the value will be assessed by reference to:
  - (a) in the case of unlisted shares, the net asset value represented by such shares; and

- (b) in the case of listed shares, the market value represented by such shares.
- (2) In any acquisition or disposal of assets other than shares, the value will be assessed by reference to the book value of the assets or, if a valuation has been carried out for the purpose of the acquisition or disposal, the market value of the assets.
- (3) Where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher.
- (4) In any provision of financial assistance:
  - (a) for Rule 1006(a), the reference to “net asset value of the assets to be disposed of” shall mean the aggregate value of the financial assistance; and
  - (b) for Rule 1006(c), the reference to “aggregate value of the consideration given or received” shall mean the aggregate value of the financial assistance.

#### Part IV Classification of Transactions

1007

- (1) If any of the relative figures computed pursuant to Rule 1006 ~~is~~involves a negative figure, this Chapter may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A, or if not so provided, at the discretion of the Exchange. The, in which case, the sponsor should consult the Exchange.

#### Part VI Discloseable Transactions

1010

Where any of the relative figures computed on the bases set out in Rule 1006 exceeds 5%, an issuer must, after terms have been agreed, immediately announce the following:

- (1) ~~Particulars of the assets acquired or disposed of~~transaction, including the name of any company or business, where applicable.
- (3) The aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment. In the case of financial assistance, the aggregate value of the financial assistance and any interest payable on the financial assistance.
- (5) The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation.
- (7) The net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal.

1011

Where a sale and purchase agreement is entered into, or a valuation is conducted on the assets ~~to be acquired~~, the issuer must include a statement in the announcement that a copy of the relevant agreement, or valuation, report is available for inspection during normal business hours at the issuer's registered office for 3 months from the date of the announcement.

1013

- (2) With reference to Rule 1013(1), where the transaction is a major transaction, a very substantial acquisition or a reverse takeover, the shareholders' circular must contain the information in Rule 1013(1) and the following:
- (a) A confirmation from the auditors ~~of the business / assets to be acquired~~ that they have reviewed the bases and assumptions, accounting policies and calculations for the profit guarantee or the profit forecast, and ~~their opinion on the bases, assumptions, policies and calculations~~ that the basis of preparation of the profit guarantee or the profit forecast is consistent with the accounting policies of the issuer; and
  - (b) A statement by the financial advisor to the issuer as to whether or not they are of the view that the transaction is on normal commercial terms and is not prejudicial to the interest of the issuer and its shareholders.
- (3)
- (a) Where the profit guarantee or the profit forecast has been met, the issuer should immediately announce this via SGXNET. Where the profit guarantee or the profit forecast has not been met, the issuer should immediately announce via SGXNET the following:
    - (i) the variance between the profit guarantee or the profit forecast and the actual profit, and the reason for the variance;
    - ~~(i)~~(ii) any variation of the rights of the issuer; and
    - ~~(ii)~~(iii) the possible course(s) of action by the issuer to protect the interests of the shareholders of the issuer, if any. Notwithstanding this, the issuer must provide timely updates on the specific course of action including its progress and outcome of the action.

## Part VII Major Transactions

1014

- (1) Where any of the relative figures as computed on the bases set out in Rule 1006 exceeds:
- (a) for an acquisition, 75% but is less than 100%; or
  - (b) for a disposal or the provision of financial assistance, 50%,
- the transaction is classified as a major transaction. The issuer must, after terms have been agreed, immediately announce the information required in Rules 1010, 1011, 1012 and 1013, where applicable.
- (2) A major transaction must be made conditional upon approval by shareholders in general meeting. A circular containing the information in Rules 1010, 1011, 1012 and 1013 must be sent to all shareholders. If no valuation is available for an acquisition or disposal of assets (other than shares), the issuer must provide an explanation on why it did not commission a valuation. This rule does not apply in the case of an acquisition of profitable assets if the only limit breached is Rule 1006(b).

If the major transaction relates to an acquisition or disposal of mineral, oil or gas asset of a mineral, oil or gas company, the circular to shareholders must contain ~~(i)~~(a) a qualified person's report that is prepared by an independent qualified person; and ~~(ii)~~(b) a statement that no material changes have occurred since the effective date of the qualified person's report. The effective date of the

qualified person's report must not be more than 6 months from the date of publishing the circular. In the case of a major acquisition, the circular to shareholders must contain a valuation report prepared by an independent qualified person in accordance with the VALMIN Code, SPE-PRMS or an equivalent standard that is acceptable to the Exchange. The effective date of the valuation report must not be more than 6 months from the date of publishing the circular and the contents of the qualified person's report must comply with the requirements as set out in paragraph 5 of Practice Note 4C. The valuation report may form part of the qualified person's report. In ascertaining whether or not the issuer is required to seek shareholders' approval for the transaction, the issuer should refer to the general principles set out in Practice Note 10A. Where the issuer is unclear, the issuer should consult and clarify with the sponsor as soon as possible.

- (5) Notwithstanding Rule 1014(2), where a disposal of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 75%, the issuer must appoint a competent and independent valuer to value the assets to be disposed.

#### Part VIII Very Substantial Acquisitions or Reverse Takeovers

##### 1015

- (2) For very substantial acquisition, the enlarged group must comply with the requirements in Rules 406(3) and (7), Part IX of Chapter 4 and if applicable, Part XII of Chapter 4. The issuer must appoint a competent and independent valuer to value the target business assets. For the avoidance of doubt, the valuation report for a mineral, oil and gas company must comply with Rules 441 and 442.
- (3) For reverse takeover, the incoming business and the enlarged group must comply with the following:
- (b) the requirements specified in Rules 420, 421 and 422 or 443 are applicable to:
    - (i) persons who are existing controlling shareholders or who will become controlling shareholders of the issuer as a result of the asset acquisition; and
    - (ii) associates of any person in (i).

Rule 1015(3)(b) is also applicable to very substantial acquisition.

The applicable period of moratorium in Rule 422 will commence upon resumption of trading of the securities.

##### 1017 Cash Companies

- (2) The Exchange will proceed to remove an issuer from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The issuer may (through its sponsor) apply to the Exchange for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period. The ~~extension~~ extension is subject to the issuer providing information to investors on its progress in meeting key milestones in the transaction. In the event the issuer is unable to meet its milestones, or complete the relevant acquisition despite the extension granted, no further extension will be granted and the issuer will be removed from the Official List and a cash exit offer in accordance with Rule 1308 should be made to its shareholders within 6 months.

## Chapter 12 Circulars, Annual Reports and Electronic Communications

### Part II Circulars

1203

Any circular sent by an issuer to its shareholders must:

(4) comply with specific circular requirements in the Listing Manual, for example:

<b>Corporate Action</b>	<b>Rules requiring specific information to be disclosed in the circulars to the shareholders</b>
(b) <del>Capitalisation</del> <u>Bonus</u> issues and subdivision of shares	Rule 839
(h) <del>Acquisitions</del> <u>and realisations</u> <u>Significant transactions</u>	Rule 1014

### Part III Annual Reports

1204

The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including at least the following:

#### General Information

(5)

- (a) The annual audited accounts (consolidated).
- (b) The audited balance sheet (unconsolidated) of the issuer.
- (c) The cashflow statement (consolidated).
- (d) A statement whether or not the financial statements are prepared in accordance with the prescribed accounting standards and audited in accordance with the prescribed auditing standards.
- (e) Disclosure of the nature and financial effect of, and justification for any deviation from the prescribed accounting standards, together with the auditors' confirmation of their agreement to the deviation and a statement by the auditors that the deviation is necessary to present "true and fair" financial statements.
- (f) A status report on the use of proceeds raised from the initial public offer and additional issue of securities. Where the use of proceeds materially deviates from the proposed use previously disclosed, the issuer must state the reasons for the deviation.

(9) A statement (made up to a date not more than 1 month before the date of the notice of the annual general meeting or summary financial statement, whichever is earlier) indicating the date of such statement and setting out:

(b) a distribution schedule of each class of equity securities (including convertible securities) other than share options referred to in Rule 1204(15)(16), setting out the number of holders in the following categories:

- 1–99
- 100–1,000
- 1,001–10,000
- 10,001–1,000,000
- 1,000,001 and above

#### ~~Directors' and Key Executives' Remuneration~~

(12) ~~The issuer should make disclosure as recommended in the Code of Corporate Governance, or otherwise disclose and explain any deviation from the recommendation.~~[Deleted]

(13) ~~The remuneration must include all forms of remuneration from the issuer and any of its subsidiaries. In deciding whether an item or benefit is to be included in the remuneration, regard shall be given to the taxability of that item.~~[Deleted]

(14) ~~The value of an item or benefit must be disclosed as the original cost or value of the amount or benefit, and not the taxable value to the recipient.~~[Deleted]

(15) ~~If a person served in the capacity of a director or key executive for any part of a financial period, disclosure is required of the person's actual remuneration for the period that the person had served as a director or key executive.~~[Deleted]

#### Use of Proceeds

(22) If applicable, a status report on the use of IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use and is in accordance with the percentage allocated in the offer document or the announcement of the issuer. Where the proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the issuer must also announce the reasons for such deviation.

### Chapter 13 Trading Halt, Suspension and Delisting

#### Part III Suspension of Trading

1304

If the trading of the listed securities of an issuer is suspended under Rule 1303(3), it must:

(1) submit a proposal (or proposals) through its sponsor to the Exchange with a view to resuming trading in the issuer's securities ("resumption proposals") within 12 months of the date of suspension. If no resumption proposals are received to enable trading to resume within 12 months of the date of suspension, the Exchange may remove the issuer from the Official List; and

(2) implement the resumption proposals within 6 months from the date the Exchange indicates that it has no objection to the resumption proposals. If the resumption proposals have not been implemented within the 6 months, the Exchange may remove the issuer from the Official List. The

issuer is expected to provide monthly valuation of its assets and utilization of cash and updates of milestones in completing the relevant transactions to the market via SGXNET.

## Appendix 2A Catalyst Sponsor Application Form

*How to complete this application form*

- *Before applying, you should fully understand the eligibility criteria and the obligations of sponsors in the Rules. ~~If you would like to discuss the application process or the eligibility criteria, contact IPO Admissions on 6236 8810 (Frieda Choong) or 6713 6057 (Melissa Giang).~~*
- *Where any of the items below are not applicable to you, please state so explicitly on your application form.*
- *Submit this application form together with all supporting information and documents and the required fee(s). To avoid any delay in processing your application, all information and documents should be provided at the same time as the application.*
- *Return your completed application form in 4 copies to ~~Equities and Fixed Income~~Equity Capital Markets, 2 Shenton Way #02-02, SGX Centre 1, Singapore 068804, ~~Attention: Chew Sutat.~~*

## Appendix 2B Catalyst Registered Professional Registration Form

*How to complete this application form*

- *Before applying, you should fully understand the eligibility criteria and the obligations of registered professionals in the Rules. ~~If you would like to discuss the registration process or the eligibility criteria, contact IPO Admissions on 6236 8810 (Frieda Choong) or 6713 6057 (Melissa Giang).~~*
- *Where any of the items below are not applicable to you, please state so explicitly on your registration form.*
- *Submit this registration form together with all supporting information and documents and the required fee(s). To avoid any delay in processing your registration, all information and documents should be provided at the same time as the registration.*
- *Return your completed registration form in 4 copies to ~~Equities and Fixed Income~~Equity Capital Markets, 2 Shenton Way #02-02, SGX Centre 1, Singapore 068804, ~~Attention: Chew Sutat.~~*

## Appendix 2C Change of Sponsor Confirmation

2. In relation to paragraph 1(a) of the above declaration, we disclose the following.

- (a) \*We, ~~our~~ partners, directors, employees and ~~associates~~ of such partners, directors and employees, either individually or collectively, \*have/do not have any interest# in any class of securities of the sponsored issuer above 5% of the total issued securities. Details of such interest (if any) are as follows: \_\_\_\_\_.
- (b) Our \*partners, directors, employees and ~~associates~~ of such partners, directors and employees involved in providing advice to the sponsored issuer \*have/do not have a directorship in the sponsored issuer. Details of such directorship (if any) are as follows: \_\_\_\_\_.

\*Delete where not applicable.

## Appendix 4A Pre-Admission Notification

### Part 1 Initial Public Offering

2.

- (a) ~~Particulars of~~ Declaration by each of the listing applicant's directors ~~and proposed directors,~~ executive officers, controlling shareholders, and officers occupying a managerial positions and above who ~~are~~ is a relatives of such directors or controlling shareholders. ~~Particulars must include details of any adverse response to the questions, in the form set out in paragraph 8, Part VII of the Fifth Schedule, Securities and Futures (Offers of Investments) (Shares and Debentures)(Securities and Securities-based Derivatives Contracts) Regulations 2005/2018, as amended from time to time.~~
- (b) Resumes and particulars of each of the listing applicant's director, executive officer and controlling shareholder, and if the controlling shareholder is a company or partnership, resumes and particulars of each of its director, executive officer, controlling shareholder and partner. In the case where such entity is listed on a stock exchange and the relevant information relating to each relevant person is publicly available, this requirement is not applicable, but the sponsor must inform the Exchange of any material changes.

### Part II Very Substantial Acquisition / Reverse Takeover

3.

- (a) ~~Particulars of~~ For reverse takeovers, declaration by each of the enlarged group's directors ~~and proposed directors,~~ executive officers, controlling shareholders, and officers occupying a managerial positions and above who ~~are~~ is a relatives of such directors or controlling shareholders ~~of the enlarged group. Particulars must include details of any adverse response to the questions, in the form set out in paragraph 8, Part VII of the Fifth Schedule, Securities and Futures (Offers of Investments) (Shares and Debentures)(Securities and Securities-based Derivatives Contracts) Regulations 2005/2018, as amended from time to time. For very substantial acquisitions, this requirement applies only to each new relevant person.~~
- (b) For reverse takeovers, resumes and particulars of each of the enlarged group's director, executive officer and controlling shareholder, and if the controlling shareholder is a company or partnership, resumes and particulars of each of its director, executive officer, controlling shareholder and partner. In the case where such entity is listed on a stock exchange and the relevant information relating to each relevant person is publicly available, this requirement is not applicable, but the sponsor must inform the Exchange of any material changes.

## Appendix 4B Initial Public Offering Listing Confirmation

Cross-referenced from Rule 406(4)

We \_\_\_\_\_, sponsor of \_\_\_\_\_ (listing applicant) notify the Exchange that the listing applicant may be admitted to Catalist and the following securities quoted:

\_\_\_\_\_ (details of securities)

## Part I Confirmation (Lodgement)

Please provide the following statements of confirmation.

1. We confirm that:
  - (f) ~~The issuer's undertaking not to make an exempt offer made under Regulation 10 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 has been submitted to the Exchange. [Deleted]~~

## Part II Confirmation (Registration)

2. We confirm that, to the best of our knowledge and belief, having made reasonable due diligence enquiries and considered all relevant matters under the Rules in relation to this application for listing:
  - (k) We complied with the ~~SIBA Due Diligence Guidelines~~ due diligence guidelines issued by The Association of Banks in Singapore or \_\_\_\_\_ (such other satisfactory and no less strict due diligence guidelines or processes).
3. In relation to paragraph 2(k)(l) of the above declaration, we disclose the following.
  - (a) \*We, /our partners, directors, employees and /associates of such partners, directors and employees, either individually or collectively, \*have/do not have, or may as a result of the listing or a transaction \*have/do not have, any interest<sup>1</sup> in any class of securities of the listing applicant above 5% of the total issued securities. Details of such interest (if any) are as follows: \_\_\_\_\_.
  - (b) Our \*partners, directors, employees and /associates of such partners, directors and employees involved in providing advice to the listing applicant/issuer \*have/do not have a directorship in the listing applicant. Details of such directorship (if any) are as follows: \_\_\_\_\_.

\*Delete where not applicable.

## Part III Confirmation (After Allotment)

Please provide the following statements of confirmation where applicable.

1. We confirm that:
  - (d) Any allocation and allotment of securities pursuant to a placement has been made in compliance with Rule ~~425~~424.
  - (g) The number of public shareholders is \_\_\_\_\_ and the percentage of issued share capital held in public hands is \_\_\_\_\_ %.

## Appendix 4C Articles of Association

8. Voting and Proxies
  - (d) An instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll.
  - (e) A proxy shall be entitled to vote ~~on a show of hands~~ on any matter at any general meeting.

10. Accounts Annual General Meeting

- (a) ~~The interval between the close of an issuer's financial year and the date of its annual general meeting (if any) shall not exceed four months.~~ An issuer must hold its annual general meeting within four months from the end of its financial year.

**Appendix 4F Steps in the Initial Public Offering / Very Substantial Acquisition / Reverse Takeover Process**

Steps	Activity	Usual Timeline
Lodgement of preliminary offer document	1. Sponsor lodges on behalf of the issuer, the preliminary offer document with the Exchange (Catalist Regulation) for posting on the SGX website, <del>www.sgx.com</del> <u>www.sgxcatalist.com</u> . The preliminary offer document will be exposed for public comment for a minimum period of 14 calendar days, unless extended by the Exchange. The period cannot be shortened.	Registration day minus 15 calendar days
Registration of offer document	2. The Exchange issues a registration notice and posts the marked-up and clean copies of the offer document on the SGX website, <del>www.sgx.com</del> <u>www.sgxcatalist.com</u> .	Registration day

**Appendix 7A Corporate Disclosure Policy**

Part II Issuers' Obligations under Rule 703

Some events requiring disclosure under Rule 703

9. Under Rule 703, the following events, while not comprising a complete list of all the situations which may require disclosure, are likely to require immediate disclosure:—
- (k) ~~the borrowing~~ provision or receipt of a significant amount of funds ~~financial assistance;~~
  - (r) if its sponsor will cease or ceases to sponsor it for any reason, stating the reasons and effective date of such cessation; ~~and~~
  - (s) the appointment of a new sponsor;
  - (t) involuntary striking-off of the issuer's subsidiaries;
  - (u) an investigation on a director or an executive officer of the issuer;
  - (v) loss of a major customer or a significant reduction of business with a major customer; and
  - (w) major disruption to supply of critical goods or services.

Part VI Clarification or Confirmation of Rumours or Reports

17. If rumours indicate that material information has been leaked, a frank and explicit announcement is required. This is because one of the conditions for withholding information, i.e. confidentiality of the information, is no longer fulfilled. If rumours are in fact false or inaccurate, they should be promptly denied or clarified. A statement to the effect that the issuer knows of no corporate developments that could account for the unusual market activity can have a salutary effect. In addition, a reasonable effort should be made to bring the announcement to the attention of the party that initially distributed the information (in the case of an erroneous newspaper article, for example, by sending a copy of the announcement to the newspaper's financial editor, or in the case

of an erroneous market letter, by sending a copy to the broker responsible for the letter). If rumours are correct or there are developments, an immediate statement to the public as to the state of negotiations or corporate plans in the rumoured area must be made. Such statements are essential despite the business inconvenience which may result, even if the matter had yet to be presented to the issuer's board of directors for consideration.

#### Part VIII Policy on Thorough Public Dissemination

23. Material information must be disclosed when it arises, even if during trading hours. The Exchange will expect the issuer to request a trading halt to facilitate the dissemination of the material information during trading hours. As a guide, a trading halt requested for dissemination of material information will last at least ~~half an hour~~30 minutes after the release of the material information, or such other period as the Exchange considers it appropriate. The request for a trading halt, and the request for the lifting of a trading halt, must be announced. There must be at least 15 minutes of dissemination time for an announcement on the request for the lifting of trading halt, before trading resumes. The issuer may request a temporary suspension if it is unable to release the material information by the end of the trading halt. Otherwise, the Exchange will consider whether a temporary suspension in trading of the issuer's securities is necessary to enable the material information to be properly disseminated. As a guide, the temporary suspension may last ~~an hour~~30 minutes after the announcement has been released to the Exchange, or such other period as the Exchange considers it appropriate. The request for a suspension in trading, and the request for the resumption of trading from suspension, must be announced. There must be at least 30 minutes of dissemination time for an announcement on the request for the resumption of trading from suspension, before trading resumes.

#### Part X Policy on Insider Trading

31. Issuers should make insiders (and others who have access to material information on the issuer before it is publicly disclosed) aware that trading in the issuer's securities while in possession of undisclosed material information or tipping such information is an offence under Singapore's securities laws and may also give rise to civil liability. Issuers are advised to refer to ~~the Best Practices Guide~~Rule 1204(19) which provides guidance on the principles and best practices with regard to dealings by the ~~directors and employees~~issuer and its officers ~~of the issuers in their respective~~the issuer's securities.

### Appendix 7C Financial Statements and Dividend Announcement

#### Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements

1. In the case of Q1, Q2 and Q3 announcements, issuers may present the following statements in any format provided that the same format is used for each quarter. In the case of half-year and full year announcements, issuers must present the following statements in the form presented in the issuer's most recently audited annual financial statements:

(a)

- (ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

- (A) Investment income
- (B) Other income including interest income
- (C) Interest on borrowings

- (D) Depreciation and amortisation
- (E) Allowance for doubtful debts and bad debts written off
- (F) Write-off for stock obsolescence
- (G) Impairment in value of investments
- (H) Foreign exchange gain/loss (where applicable)
- (I) Adjustments for under or overprovision of tax in respect of prior years
- (J) Profit or loss on sale of investments, properties, and/or plant and equipment
- (K) ~~Exceptional items~~[Deleted]
- (L) ~~Extraordinary items~~[Deleted]

(d)

- (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Part II Additional Information Required for Full Year ~~Announcement~~Announcement

18. A breakdown of sales as follows:

	<b>Latest Financial Year</b>	<b>Previous Financial Year</b>	<b>% increase/ (decrease)</b>
	<b>\$'000 Group</b>	<b>\$'000 Group</b>	<b>Group</b>
(a) Sales reported for first half year			
(b) Operating profit/loss after tax before deducting <del>minority</del> <u>non-controlling</u> interests reported for first half year			
(c) Sales reported for second half year			

(d) Operating profit/loss after tax before deducting ~~minority~~non-controlling interests reported for second half year

## Appendix 8B Confirmation for Corporate Actions / Additional Listing

### Part I Confirmation for Corporate Actions / Additional Listing

1. We, \_\_\_\_\_, sponsor of \_\_\_\_\_ (issuer), confirm that, to the best of our knowledge and belief, having made reasonable due diligence enquiries and considered all relevant matters under the Rules in relation to this \*circular/additional listing application:
  - (c) Where applicable, we complied with the ~~SIBA Due Diligence Guidelines~~due diligence guidelines issued by The Association of Banks in Singapore or \_\_\_\_\_ (such other satisfactory and no less strict due diligence guidelines or processes).
2. We confirm that:
  - (e) The offer information statement has been signed in accordance with Regulation ~~30(4)~~38 of the Securities and Futures (Offers of Investments) (~~Shares and Debentures~~)(Securities and Securities-based Derivatives Contracts) Regulations ~~2005~~2018.

## Appendix 8E Notification For Listing And Quotation Of Securities To Be Issued Pursuant To A Scrip Dividend Scheme

We, \_\_\_\_\_, sponsor of \_\_\_\_\_ (issuer), confirm that, to the best of our knowledge and belief, having made reasonable due diligence enquiries and considered all relevant matters under the Rules in relation to this additional listing application:

- (a) The Scrip Dividend Scheme is in force; and
- (b) All applicable requirements of the Rules for issuers and sponsors are met (except as waived by the Exchange in writing).

Enclosures:—

- (1) A copy of the Return of Allotment (if any) filed with the relevant authority for the issue of the shares;
- (2) Confirmation of despatch of Share / Stock Certificates; and
- (3) Cheque for additional listing fee;

## Appendix 10A Reverse Takeover / Very Substantial Acquisition Listing Confirmation

### Part I Confirmation (Lodgement)

1. We confirm that, to the best of our knowledge and belief, having made reasonable due diligence enquiries and considered all relevant matters under the Rules in relation to this application for listing:
  - ~~(a)~~ All applicable requirements of the Rules are met (except as waived by the Exchange in writing).
  - ~~(a)~~ We are satisfied that the enlarged group is suitable for listing on Catalist.

- ~~(c)~~(c) The very substantial acquisition/reverse takeover circular contains all information required by the relevant laws and regulations.
- ~~(d)~~(d) The very substantial acquisition/reverse takeover circular contains all information necessary to allow shareholders to make a properly informed decision.
- ~~(e)~~(e) There are no other matters known to us that should be taken into account except \_\_\_\_\_ (if none, write *nil*).
- ~~(f)~~(f) No material information has changed from the very substantial acquisition/reverse takeover circular except \_\_\_\_\_ (if no change, write *nil*. If any changes, *identify the attachment with the changes marked.*).
- ~~(g)~~(g) The issuer has all the requisite approvals, and is in compliance with all laws and regulations, that materially affect its business operations.
- ~~(h)~~(h) The issuer has established adequate procedures, systems and controls (including accounting and management systems) to meet its obligations under the Rules.
- ~~(i)~~(i) The directors of the issuer have received adequate advice and guidance from us (and other appropriate professional advisers) on their legal and regulatory obligations as an issuer on Catalist.
- ~~(j)~~(j) All documents required by the Rules are included with this listing confirmation.
- ~~(k)~~(k) We complied with the ~~SIBA Due Diligence Guidelines~~ due diligence guidelines issued by The Association of Banks in Singapore or \_\_\_\_\_ (such other satisfactory and no less strict due diligence guidelines or processes).
- ~~(l)~~(l) We are independent from the issuer and are able to demonstrate it to the Exchange, if required.
- ~~(m)~~(m) We hold a full mandate to undertake the relevant sponsorship activities for the issuer for at least three years.

2. In relation to paragraph 1(l) of the above declaration, we disclose the following.

- ~~(a)~~(a) We, our partners, directors, employees and associates of such partners, directors and employees, either individually or collectively, have/do not have, or may as a result of the listing or a transaction have/do not have, any interest^ in any class of securities of the listing applicant/-issuer/enlarged group above 5% of the total issued securities. Details of such interest (if any) are as follows: \_\_\_\_\_.

*^ An interest is a direct or indirect interest and includes options or rights to subscribe for securities.*

- ~~(b)~~(b) Our partners, directors, employees and associates of such partners, directors and employees involved in providing advice to the listing applicant/issuer have/do not have a directorship in the listing applicant/issuer/enlarged group. Details of such directorship (if any) are as follows: \_\_\_\_\_.

For additional listing of securities

3. The indicative range of the issue price for the offer is: \_\_\_\_\_.

4. We confirm that:
- ~~(e)~~(a) We have given written consent to being named as sponsor in the offer information statement, and a statement of such consent appears in the offer information statement. Where we act as issue manager to the offer of securities, we have given written consent to being named as issue manager in the offer information statement.
  - ~~(d)~~(b) Each issue manager and underwriter named in the offer information statement has given his written consent to being named, and a statement of such consent appears in the offer information statement.
  - ~~(e)~~(c) Where the offer information statement contains a statement purporting to be made by, or based on a statement made by, an expert, the expert has given his written consent to the issue of such statement, and a statement of his consent appears in the offer information statement.
  - ~~(f)~~(d) The written consents referred to in paragraphs 4(a), (b) and (c) above have been lodged with the Exchange.
  - ~~(g)~~(e) The offer information statement has been signed in accordance with Regulation ~~30(4)38~~ of the Securities and Futures (Offers of Investments) ~~(Shares and Debentures)~~(Securities and Securities-based Derivatives Contracts) Regulations ~~2005~~2018.
  - ~~(h)~~(f) We are satisfied that the securities are suitable for additional listing.

#### **Practice Note 2A Eligibility Criteria for Sponsors**

2. Minimum Capital (Rules 204(1) and 205(1))
- (a) A full sponsor must maintain a minimum base capital of S\$500,000 and a continuing sponsor must maintain a minimum base capital of S\$250,000. The Exchange will calculate minimum base capital in a similar way to that applicable for a capital market services licence.
3. Physical Office (Rules 204(2) and 205(2))
- (a) As part of operating out of a physical office in Singapore, a sponsor should have at least 2 registered professionals based in Singapore.

#### **Practice Note 2B Guidelines for Preparing a Listing Applicant for Admission or Advising an Issuer in a Very Substantial Acquisition or Reverse Takeover**

4. Due diligence (Rule 225(1)(c))
- (a) When preparing a listing applicant for admission or advising an issuer in a very substantial acquisition or reverse takeover, the sponsor should do the following.
    - (i) Undertake due diligence including at a minimum, complying with the ~~SIBA Due Diligence Guidelines~~ due diligence guidelines issued by The Association of Banks in Singapore where applicable, or such other satisfactory and no less strict due diligence guidelines or processes, in addition to any other appropriate due diligence.

## Practice Note 4B Requirements for Lodgement or Submission of Documents

### Part V Administrative Procedures

14. Lodgement of documents must be made by appointment between 9am and 5pm from Mondays to Fridays (except public holidays) ~~at the following address:~~

~~Catalist Regulation Unit~~

~~2 Shenton Way, #19-00 SGX Centre 1~~

~~Singapore 068804~~

## Practice Note 7F Sustainability Reporting Guide

- 3.1 ~~Under the Code of Corporate Governance issued on 2 May 2012, the Board is collectively responsible for the long term success of the issuer. It provides strategic direction and specifically considers sustainability issues as part of its strategic formulation. The Code states as its preamble that sustainability, together with accountability and transparency, is a tenet of good governance. It provides that the Board is collectively responsible for the long-term success of the issuer, and the Board's role includes setting strategic objectives which should include appropriate focus on sustainability.~~ Consistent with its role, the Board should determine the ESG factors identified as material to the business and see to it that they are monitored and managed. The Board's close interaction with management will enable the Board to satisfy itself on the way sustainability governance is structured and functioning through the various levels of management. The Board has ultimate responsibility for the issuer's sustainability reporting. If any question is raised regarding the issuer's sustainability reporting, the Board should make sure it is addressed.

## Practice Note 8A Rights Issue Timetable

The following is the expected timetable for a renounceable rights issue:—

	<del>No of market days after books closure</del> <u>date record date (D)</u>
(a) To despatch SRAFs to shareholders who hold shares in their securities accounts with CDP, and to despatch PALs to CDP and to shareholders whose names appear on the register	D+3
(b) Commencement of trading of nil-paid rights	D+3
(c) Latest day for trading of nil-paid rights	On or after D+9
(d) Last day for receipt and acceptance of SRAFs	On or after D+13

The following is the expected timetable for a non-renounceable rights issue:—

	<del>No of market days after books closure</del> <u>date record date (D)</u>
(a) To dispatch SRAFs to shareholders who hold shares in their securities accounts with CDP, and to dispatch PALs to CDP and to shareholders whose names appear on the register	D+3
(b) Last day for receipt and acceptance of SRAFs	On or after D+9

## **Practice Note 10A ~~Shareholder Approval for Major Transactions~~ Acquisitions and Realisations**

*Cross-referenced from Rule 1014 Chapter 10*

### **Part I Introduction**

1. ~~This Practice Note sets out the circumstances under which the Exchange may grant a waiver of the requirement for shareholder approval of any major transactions.~~
2. ~~This Practice Note sets out general principles only. The Exchange invites companies to consult on a particular transaction if it wants certainty with respect to the application of the Rules.~~

### **Part II Major Transactions**

3. ~~A major transaction is one which will result in a fundamental change in the issuer's business, or where any of the relative figures as computed on the bases set out in Rule 1006 exceeds:~~

~~(a) for an acquisition, 75% but is less than 100%, or~~

~~(b) for a disposal, 50%.~~

~~Pursuant to Rule 1014, a major transaction must be made conditional upon approval by shareholders in general meeting and a circular containing the information in Rule 1010, 1011, 1012 and 1013 must be sent to all shareholders.~~

4. ~~Rule 1006 sets out the following bases for computing the relative size of a transaction:~~

~~(a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.~~

~~(b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.~~

~~(c) The aggregate value of the consideration given or received, compared with the issuer's market capitalisation.~~

~~(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.~~

5. ~~Rule 1002(1) states that, unless the context otherwise requires, "transaction" refers to the acquisition or disposal of assets by an issuer or a subsidiary that is not listed on the Exchange or an approved Exchange, including an option to acquire or dispose of assets. It excludes an acquisition or disposal which is in, or in connection with, the ordinary course of its business or of a revenue nature.~~

### **Part III Transactions in, or in Connection With, the Ordinary Course of an Issuer's Business**

7. ~~Acquisitions~~

~~(a) Shareholder approval is not required if an acquisition will result in an expansion of an issuer's existing core business. The Exchange takes the view that it should not in normal circumstances require an issuer to seek shareholder approval if the expansion is by way of an acquisition of a similar business, when other means to expand its business that are open to the issuer would not require shareholder approval.~~

- (b) — However, should the acquisition change the risk profile of the issuer, shareholders should have an opportunity to have their say on the proposed acquisition. This is so notwithstanding that the acquisition will not change the main business of the issuer.
- (c) — In determining whether an acquisition would change an issuer's risk profile, the Exchange will have regard to the following:
- (i) — whether the acquisition will increase the scale of the issuer's existing operations significantly. An acquisition is regarded as increasing the scale of operations significantly if any of the relative figures computed on the bases set out in Rule 1006(c) and 1006(d) is 100% or more. Rule 1015 requires shareholder approval to be obtained for such an acquisition regardless of whether the acquisition is treated as in the issuer's ordinary course of business. Such an acquisition may be treated as a very substantial acquisition;
  - (ii) — whether the acquisition will result in a change in control of the issuer. Rule 1015 requires shareholder approval to be obtained if the acquisition will result in a change in control of the issuer regardless of whether the acquisition is treated as in the issuer's ordinary course of business. Such an acquisition may be treated as a reverse takeover;
  - (iii) — whether the acquisition will have a significant adverse impact on the issuer's earnings, working capital and gearing;
  - (iv) — the extent to which the acquisition will result in an expansion of the issuer's business to a new geographical market and/or a new business sector; and
  - (v) — the extent to which the intended expansion has been foreshadowed and investors have had an opportunity to vote at previous general meetings on:
    - (A) — the issuer's proposal; or
    - (B) — waiving their rights to approve the issuer's proposal.
- (d) — The above factors are neither exhaustive nor conclusive.

## 8. — Disposals

- (a) — The disposal of an issuer's core business (or a substantial part of its core business) will usually result in a material change to the nature of the issuer's business. Thus, shareholders should have an opportunity to consider the future direction of the issuer, and Rule 1014 will be applied.
- (b) — However, in exceptional circumstances, the Exchange may waive Rule 1014 if the intended disposal has been foreshadowed and investors have had the opportunity to vote at previous general meetings on:
- (i) — the issuer's proposal to dispose of specific assets or businesses; or
  - (ii) — waiving their rights to approve the issuer's proposal.
- (c) — Further, where an issuer proposes to dispose of a non-core business or a non-core asset (for example, a vacant factory) without affecting the nature of its main business, it is reasonable in normal circumstances to expect shareholders not to be overly concerned about the disposal. The Exchange may grant a waiver under such circumstances.

9. Issuers should consult their sponsors as early as possible about whether a proposed transaction must comply with the Rules. Sponsors should consult the Exchange if in doubt on the interpretation or application of the Rules, or on the guidance given in this Practice Note.

In the Exchange's review whether shareholders' approval is required for a transaction, the Exchange will also take into consideration the following:—

- (a) an opinion from the board of directors that there has been no material change in the risk profile of the issuer arising from the transaction, including the basis for their opinion; and
- (b) a confirmation by an independent financial adviser acceptable to the Exchange that the directors' opinion and their basis have been stated by the directors after due and careful enquiry.

Where the opinion of the directors and the qualified independent adviser are submitted, or required by the Exchange, and a waiver is granted, the issuer must announce such opinions and their basis via SGXNET.

#### **Part IV Relative Figures**

10. Under Rule 1014, the profit test does not apply to an acquisition of profitable assets as shareholders are not expected in normal circumstances to be concerned if the assets to be acquired are profit contributors. Similarly, shareholders generally would not be concerned if the assets to be disposed of are non-core or loss-making. Thus, for such disposals, the Exchange may grant a waiver of Rule 1014 from the requirement to seek shareholder approval for the disposal.

11. In some cases, tests based on assets and profits may not give a meaningful indication of the significance of the transaction to the issuer. This can happen where, for example, the issuer or the asset to be acquired is loss-making; or the issuer or the asset to be acquired has a negative net asset value. The limit of 75% in Rule 1013 cannot be applied in such circumstances. The Exchange will assess the significance of the transaction on a case by case basis, and sponsors should consult the Exchange as early as possible.

#### **Part V Voting**

12. Undertaking from Substantial Shareholder(s) Regarding Voting

- (a) The Exchange will not grant a waiver from the requirement for shareholder approval solely on the basis that the substantial shareholders of the issuer have undertaken to vote in favour of the transaction. As a general rule, shareholders should be given the opportunity to have their say on the issuer's proposal.

13. Separate Resolution

- (a) If a transaction requires more than one approval, the issuers should consider whether separate resolutions on the different aspects of the proposal are put to shareholders. One matter that the Exchange will consider when clearing a circular to shareholders is whether the resolutions have been constructed in a way that allows shareholders to properly exercise their voting rights.

#### **Part VI Cost and Inconvenience of Convening a Shareholder Meeting**

14. The Exchange would not in normal circumstances regard only the cost and inconvenience of convening a meeting as sufficient reasons to grant a waiver.

## Part VII Consideration

- ~~15.~~ For the purposes of determining the relative figure of Rule 1006(c), the aggregate value of consideration given or received should include:
- ~~(a)~~ any deferred consideration that may be payable or receivable by the issuer in the future (the consideration is the maximum total consideration payable or receivable under the agreement); and
  - ~~(b)~~ further amounts related to the transaction.
- ~~16.~~ Issuers should consult their sponsors as early as possible about whether further amounts relating to the transaction are part of "consideration". For example, loans or guarantees extended by the purchaser, the discharge of any liabilities (whether actual or contingent), or the provision of other forms of security, may be deemed to be part of "consideration".
- ~~17.~~ Substantive factors should be disclosed to justify the aggregate value of the consideration. For the avoidance of doubt, a statement that the consideration was on a "willing buyer willing seller" basis is not sufficient.

### 1. Introduction

1.1 This Practice Note sets out, in relation to acquisitions and realisations, the following:

- (a) the types of acquisitions and disposals that are regarded to be in, or in connection with, the ordinary course of an issuer's business;
- (b) the considerations to apply in computing the relative figures under Rule 1006;
- (c) the applicability of Chapter 10 where any of the relative figures computed pursuant to Rule 1006 involves a negative figure;
- (d) the factors to be taken into account in arriving at the consideration value of a transaction for the purposes of Chapter 10;
- (e) the considerations to apply where a transaction requires shareholders' approvals for inter-conditional proposals; and
- (f) the circumstances under which the Exchange may grant a waiver of the requirement for shareholders' approval of any major transactions.

1.2 Issuers should consult their sponsors as early as possible about particular transactions if there are questions on the rules. Sponsors may consult the Exchange on the application of the rules in respect of a particular transaction, if necessary. Sponsors are required to furnish the Exchange with the full facts and information on the matters consulted.

1.3 Notwithstanding the classification of the transaction, the Exchange may, in appropriate circumstances, exercise its powers under Chapter 3 to impose additional requirements on the transaction, including to require that the issuer appoint an independent professional, or that the transaction be made conditional upon the approval of shareholders or the Exchange.

1.4 In this Practice Note, "issuer" refers to the issuer or a subsidiary that is not listed on the Exchange or primary listed on an approved exchange, unless the context otherwise requires.

## **2. Acquisitions and Disposals in, or in Connection with, the Ordinary Course of an Issuer's Business**

2.1 Rule 1002(1) states, among others, that, unless the context otherwise requires, "transaction" refers to the acquisition or disposal of assets by an issuer or a subsidiary that is not listed on the Exchange or on an approved exchange, including an option to acquire or dispose of assets. It excludes an acquisition or disposal which is in, or in connection with, the ordinary course of its business or of a revenue nature.

2.2 An acquisition that is regarded to be in, or in connection with, the ordinary course of an issuer's business, is not subject to the requirements under Chapter 10 (except for Part VIII on very substantial acquisitions or reverse takeovers).

2.3 An acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business, if:

(a) the asset to be acquired is part of the issuer's existing principal business; and

(b) the acquisition does not change the issuer's risk profile.

2.4 Existing principal business: An asset is part of the issuer's existing principal business if the acquisition of the asset is required to be reported under the applicable accounting standards within a specific reportable operating segment (excluding any miscellaneous "any other segment" category) that:

(a) contributes more than 20% of the issuer's net profits or total assets; and

(b) has been reported in the issuer's latest audited financial statements.

2.5 Change of risk profile: The following are indications that an acquisition would change the risk profile of an issuer:

(a) notwithstanding Rule 1002(3)(c), a proposed acquisition will result in reduction of the issuer's net profits or net asset value by 20% or more, based on the latest audited financial statements, and assuming that the proposed acquisition had been effected at the end of that financial year;

(b) the asset proposed to be acquired is loss-making or is in a net liability position;

(c) the proposed acquisition will have a significant adverse impact on the issuer's gearing;

(d) the proposed acquisition will result in an expansion into a new jurisdiction that will expose the issuer to significant new risks; or

(e) in the case of a mineral, oil and gas company, a proposed acquisition will result in an expansion into a new resource or commodity type, or into a new jurisdiction. The exploration and extraction methods of different types of minerals, oil and gas are different. Minerals, oil and gas resources are also necessarily situated in specific geographical areas, which may be subject to specific licensing or regulatory regimes. An expansion into a new resource or commodity type, or into a new jurisdiction, is likely to require a reconsideration of the applicable risks.

These indicators are neither exhaustive nor conclusive.

2.6 A disposal of an issuer's business (or a substantial part of its business) will usually not be considered to be in the ordinary course of business.

### 3. Computation of Relative Figures under Rule 1006

3.1 Rule 1006 sets out the following bases for computing the relative size of a transaction:

- (a) Rule 1006(a): The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets;
- (b) Rule 1006(b): The net profits attributable to the assets acquired or disposed of, compared with the group's net profits;
- (c) Rule 1006(c): The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares;
- (d) Rule 1006(d): The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue; and
- (e) Rule 1006(e): The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.

3.2 For the purposes of computing the relative figures of Rule 1006, an issuer shall consider the following:

- (a) in computing the net asset value of a business to be disposed of under Rule 1006(a), if there is a capitalisation, or a waiver or write-off of a loan (in full or in part) extended by the issuer to the business, the amount of the loan, waiver or write-off shall be added to the net asset value of the business; and
- (b) in computing the aggregate value of consideration given or received under Rule 1006(c):
  - (i) any deferred consideration that may be payable or receivable by the issuer in the future shall be included in the aggregate value of consideration (i.e., the consideration is the maximum total consideration payable or receivable under the agreement);
  - (ii) any additional amounts related to the transaction, including loans or guarantees extended by the purchaser or the provision of other forms of security, shall be included in the aggregated value of consideration;
  - (iii) any additional liabilities (whether actual or contingent) to be assumed by the purchaser or waived by the seller under the terms of the transaction shall be included in computing the aggregate value of consideration. For example, in the case of a disposal of a business at a nominal consideration but which obliges the purchaser to repay a loan, or the seller to waive or write-off a loan, that was extended to the business, the value of consideration shall include the amount of the loan; and
  - (iv) if a business to be acquired has negative net asset value, the absolute value of the negative net asset value shall be taken into account in computing the

aggregate value of consideration. For example, in the case of an acquisition at a nominal value of a business with negative net asset value, the value of consideration shall include the absolute value of the negative net asset value of the business.

#### **4. Negative Relative Figures under Rule 1006**

4.1 In some cases, tests based on assets under Rule 1006(a) and profits under Rule 1006(b) may involve a negative figure in the numerator, denominator or both, which may not give a meaningful indication of the significance of the transaction to the issuer. Such situations arise where a transaction concerns any of the following:

- (a) an issuer with a negative net asset value;
- (b) a disposal of an asset with negative net asset value;
- (c) a loss-making issuer; and
- (d) an acquisition or a disposal of a loss-making asset.

By way of example, (i) the disposal of an asset with negative net asset value by an issuer with a negative net asset value; or (ii) the acquisition or disposal of a loss-making asset by a loss-making issuer, will result in a negative relative figure computed pursuant to Rule 1006(a) and Rule 1006(b) respectively.

4.2 Under Rule 1007(1), if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 may still be applicable to the transaction in accordance with the applicable circumstances in this Practice Note 10A.

4.3 In the following situations, unless Rule 703, Rule 905 or Rule 1009 applies, no announcement and shareholders' approval of the transaction is required:

- (a) the acquisition of a loss-making asset by an issuer (whether profitable or loss-making), where:
  - (i) the absolute relative figure computed on the basis of each of Rule 1006(c) and Rule 1006(d) amounts to 5% or less; and
  - (ii) the net loss attributable to the asset to be acquired amounts to 5% or less of the consolidated net profit or net loss of the issuer (in each case taking into account only the absolute values);
- (b) the acquisition of a profitable asset by a loss-making issuer, where:
  - (i) the absolute relative figure computed on the basis of each of Rule 1006(c) and Rule 1006(d) amounts to 5% or less; and
  - (ii) the net profit attributable to the asset to be acquired amounts to 5% or less of the consolidated net loss of the issuer (taking into account only the absolute value);

- (c) the disposal of an asset by an issuer (where either or both the asset or the issuer has negative net asset value), where:
  - (i) the absolute relative figure computed on the basis of each of Rule 1006(b), Rule 1006(c) and (if applicable) Rule 1006(e), amounts to 5% or less; and
  - (ii) if the disposal will result in a loss on disposal, the loss on disposal amounts to 5% or less of the consolidated net profit or net loss of the issuer (in each case taking into account only the absolute values);
- (d) the disposal of a profitable asset by a loss-making issuer, where:
  - (i) the absolute relative figure computed on the basis of each of Rule 1006(a), Rule 1006(c) and (if applicable) Rule 1006(e) amounts to 5% or less; and
  - (ii) the net profit attributable to the asset to be disposed of and, if the disposal will result in a loss on disposal, the sum of such net profit and the loss on disposal, amounts to 5% or less of the consolidated net loss of the issuer (in each case taking into account only the absolute value); and
- (e) the disposal of a loss-making asset by an issuer (whether profitable or loss-making), where:
  - (i) the absolute relative figure computed on the basis of each of Rule 1006(a), Rule 1006(c) and (if applicable) Rule 1006(e) amounts to 5% or less; and
  - (ii) if the disposal will result in a loss on disposal, the loss on disposal amounts to 5% or less of the consolidated net profit or net loss of the issuer (in each case taking into account only the absolute values).

However, if the issuer wishes to announce the transaction, the announcement must include the information required under Rule 1008(2).

4.4 In the following situations, an issuer must, in relation to the transaction, immediately announce the information required in Rule 1010, Rule 1011, Rule 1012 and Rule 1013, where applicable:

- (a) the acquisition of a loss-making asset by an issuer (whether profitable or loss-making), where:
  - (i) the absolute relative figure computed on the basis of each of Rule 1006(c) and Rule 1006(d) does not exceed 75%; and
  - (ii) the net loss attributable to the asset to be acquired exceeds 5% but does not exceed 10% of the consolidated net profit or net loss of the issuer (in each case taking into account only the absolute values);
- (b) the acquisition of a profitable asset by a loss-making issuer, where:
  - (i) the absolute relative figure computed on the basis of each of Rule 1006(c) and Rule 1006(d) does not exceed 75%; and
  - (ii) the net profit attributable to the asset to be acquired exceeds 5% of the consolidated net loss of the issuer (taking into account only the absolute value);

- (c) the disposal of an asset by an issuer (where either or both the asset or the issuer has negative net asset value), where:
  - (i) the absolute relative figure computed on the basis of each of Rule 1006(b), Rule 1006(c) and (if applicable) Rule 1006(e) does not exceed 50%; and
  - (ii) if the disposal will result in a loss on disposal, the loss on disposal exceeds 5% but does not exceed 10% of the consolidated net profit or net loss of the issuer (in each case taking into account only the absolute values);
- (d) the disposal of a profitable asset by a loss-making issuer, where:
  - (i) the absolute relative figure computed on the basis of each of Rule 1006(a), Rule 1006(c) and (if applicable) Rule 1006(e) does not exceed 50%; and
  - (ii) the net profit attributable to the asset to be disposed of and, if the disposal will result in a loss on disposal, the sum of such net profit and the loss on disposal, exceeds 5% but does not exceed 10% of the consolidated net loss of the issuer (in each case taking into account only the absolute value); and
- (e) the disposal of a loss-making asset by an issuer (whether profitable or loss-making), where:
  - (i) the absolute relative figure computed on the basis of each of Rule 1006(a), Rule 1006(c) and (if applicable) Rule 1006(e) does not exceed 50%; and
  - (ii) if the disposal will result in a loss on disposal, the loss on disposal exceeds 5% but does not exceed 10% of the consolidated net profit or net loss of the issuer (in each case taking into account only the absolute values).

4.5 In relation to Rule 1010(13), notwithstanding that a relative figure computed on the bases set out in Rule 1006 is negative, the issuer must still announce its value.

4.6 If the transaction does not fall within all the situations in paragraphs 4.3 and 4.4, Rule 1014 shall apply to the transaction. By way of example, unless the disposal of a loss-making asset with negative net asset value falls within paragraphs 4.3(c), 4.3(e), 4.4(c) and 4.4(e), Rule 1014 shall apply to the transaction.

## **5. Factors taken into Account in Arriving at Consideration Value**

5.1 Where the relative figures under Rule 1006 exceeds 5%, Rule 1010, Rule 1014 and Rule 1015 require the issuer to announce certain information about the transaction. Among others, the issuer must announce the aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied.

5.2 Substantive factors should be disclosed to justify the aggregate value of the consideration. The mere fact that the consideration was arrived at on a “willing buyer willing seller” basis is not a sufficient factor.

## **6. Shareholders’ Approvals for Inter-conditional Proposals**

6.1 If a transaction requires shareholders’ approvals for inter-conditional proposals, the issuer should consider whether separate resolutions on the different aspects of the proposal are to be voted on by shareholders.

6.2 In reviewing circulars to be sent to shareholders, the Exchange will consider whether the resolutions have been constructed in a manner that allows shareholders to properly exercise their voting rights.

## **7. Waiver of Shareholders' Approval for Major Transactions**

7.1 A major transaction is one where any of the relative figures as computed on the bases set out in Rule 1006 (a) for an acquisition, exceeds 75% but is less than 100%; or (b) for a disposal, exceeds 50%. Under Rule 1014, a major transaction must be made conditional upon approval by shareholders in general meeting and a circular containing the information in Rule 1010, Rule 1011, Rule 1012 and Rule 1013 must be sent to all shareholders.

7.2 Where an issuer seeks a waiver from the requirement for shareholders' approval, the issuer must submit an opinion to the sponsor from its board of directors that there has been or will be no material change in the risk profile of the issuer arising from the transaction, including the basis for its opinion.

7.3 The Exchange may grant the waiver in the following circumstances:

(a) a proposed transaction has been foreshadowed or investors have had the opportunity to consider and vote in favour of the proposal at a previous general meeting; and

(b) a proposed disposal involves a non-core asset. This is because a non-core asset is not likely to affect the nature of the issuer's principal business. A non-core asset is one that meets all of the following criteria:

(i) it is not critical to the principal business activity of the issuer;

(ii) it is ancillary to the principal business activity of the issuer; and

(iii) it is not an existing principal business (as described in paragraph 2.4) of the issuer.

7.4 The Exchange will not grant a waiver from the requirement for shareholders' approval solely on the basis that the substantial shareholders of the issuer have undertaken to vote in favour of the transaction. As a general rule, shareholders should be given the opportunity to vote on the issuer's proposal.

7.5 The Exchange would not in normal circumstances regard only the cost and inconvenience of convening a meeting as sufficient reasons to grant a waiver.

7.6 Under Rule 106, where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.

## Practice Note 12A Responsibility Statements For Directors And Financial Advisers

*Cross-referenced from Rules 407(4)(a), 1015(4)(b), 1202, 1203(7) and Appendix 8A*

1. This Practice Note provides guidance on the wordings for the responsibility statements for directors, vendors and financial advisers.
2. Responsibility Statement for Directors and Vendors
  - 2.1 For the purposes of Rule 407(4)(a) and Rule 1202, the following directors' [or vendors'] responsibility statement should be included in circulars:

"The [directors/vendors] collectively and individually accept full responsibility for the accuracy of the information given in this circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this circular constitutes full and true disclosure of all material facts about the [describe proposed action], the issuer and its subsidiaries, and the [directors/vendors] are not aware of any facts the omission of which would make any statement in this circular misleading, [and where the circular contains a profit forecast, the directors are satisfied that the profit forecast has been stated after due and careful enquiry]. Where information in the circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the [directors/vendors] has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the circular in its proper form and context."
3. Responsibility Statement for Sponsors and/or Financial Advisers
  - 3.1 For the purposes of Rule 1015(4)(b), Rule 1203(7) and Appendix 8A, the following financial adviser's responsibility statement should be included in circulars:

"To the best of the sponsor's and / or financial adviser's knowledge and belief, this circular constitutes full and true disclosure of all material facts about the [describe proposed action], the issuer and its subsidiaries, and the financial adviser is not aware of any facts the omission of which would make any statement in the document misleading; [and where the document contains a profit forecast, it is satisfied that the profit forecast has been stated by the directors after due and careful enquiry]."

## Practice Note 13A ~~Procedures for~~ Trading Halt and Suspension

### Part I Introduction

1. This Practice Note provides guidance ~~on the procedures for~~ in connection with trading halts and suspensions.

### Part IV Procedures for Lifting of Trading Halt and Resumption of Trading From Suspension

12. Issuers must allow at least 30 minutes of dissemination time after a material announcement is made and before trading resumes.
13. For trading halt, issuers must allow at least 15 minutes of dissemination time for an announcement on the request for the lifting of trading halt, before trading resumes. By way of example, if an issuer makes a request for trading halt announcement at 10:00 am and releases the material information at 10:16 am, if there is no further release of material information, the issuer may also make a request for lifting of trading halt announcement at 10:16 am. However, trading may only resume at 11:00 am. If an issuer wishes to resume trading at 11:00 am, the latest time which the issuer is required to make the request for lifting of trading halt announcement is 10:45 am.

14. For suspension, issuers must allow at least 30 minutes of dissemination time for an announcement on the request for the resumption of trading from suspension, before trading resumes. By way of example, if an issuer makes a request for suspension announcement at 3:00 pm and releases the material information at 3:14 pm, if there is no further release of material information, the issuer may also make a request for the resumption of trading from suspension announcement at 3:14 pm. However, trading may only resume at 3:45 pm. If an issuer wishes to resume trading at 3:45 pm, the latest time which the issuer is required to make the request for the resumption of trading from suspension announcement is 3:15 pm.

~~13-15.~~ Issuers are to observe the following guidelines when ~~issuing an SGXNET announcement to request~~ requesting for a lifting of trading halt or resumption of trading from suspension:

(a) During trading hours and mid-day break

Please call and alert Market Control before releasing the request via SGXNET.

(b) Before or after trading hours

Please call and alert Market Control between 7.30 am and 8.30 am although the SGXNET request can be released anytime after the close of the previous market day and before 8.30 am on the day of the lifting of trading halt or resumption of trading from suspension.

#### Part V SGXNET Templates

~~14-16.~~ Issuers whose securities have been halted or suspended and wish to resume trading upon commencement of trading on a market day are advised to disclose both their material announcement and SGXNET request for resumption of trading ~~before 8.30 am or before 12.30 pm, as the case may be~~ pursuant to paragraphs 12, 13 and 14 of this Practice Note.

~~15-17.~~ Issuers must use the correct template when sending in the above requests. Issuers can choose from the following four templates:

- a. Request for Trading Halt;
- b. Request for Suspension;
- c. Request for Lifting of Trading Halt; or
- d. Request for Resumption of Trading from Suspension.

#### Part VI Disclosure Obligations

18. While the listed securities of an issuer is suspended from trading, shareholders must be kept updated regularly on material developments, particularly on efforts undertaken to allow the listed securities to resume trading. Accordingly, except as provided in Rule 1303(2) and Rule 1303(3), issuers whose listed securities are suspended from trading should provide half-yearly updates on their developments via SGXNET. If there has been no material updates since the previous update, it is still salutary to state so in the issuer's subsequent update. Such announcements inform shareholders that the circumstances in the last material update continue to apply and that there is no material development of which they should take note.

#### Transitional Practice Note 1 Transitional Arrangements Regarding Accounting Standards

2. Transitional Arrangements for Listing Applicants

2.2 For the purpose of paragraph 2.1, if a listing applicant submits the financial statements for financial years that begin before 1 January 2018, Rule 415 in respect of the financial statements submitted with the listing application will be deemed satisfied if the listing applicant satisfies the relevant requirements under Part ~~IX~~9 of the Fifth Schedule of the

Securities and Futures (Offers of Investments) (~~Shares and Debentures~~)(Securities and Securities-based Derivatives Contracts) Regulations ~~2005~~2018.