

CHAPTER 4 EQUITY SECURITIES

PART I SCOPE OF CHAPTER

401 This Chapter sets out the requirements and procedures for a listing applicant seeking admission to the Official List of Catalist, and a listing of its equity securities. It also sets out the requirements and procedures for an issuer seeking to transfer between Catalist and SGX Main Board. These requirements apply to all issuers on Catalist, including companies incorporated in Singapore or elsewhere. The Exchange may vary the requirements in a particular case.

PART II GENERAL REQUIREMENTS

- 402 (1) A listing applicant applying for admission to Catalist and quotation of its securities must do so through a full sponsor. The listing must be a primary listing.
- (2) The Exchange will normally admit a listing applicant to Catalist on receipt of conforming documents from the sponsor. However, the Exchange may, in its absolute discretion, impose conditions on an admission or delay or refuse an admission.
- (3) The Exchange reserves the right to vary any condition(s) imposed.

403 Additional guidelines for the listing of property development companies are set out in Part VII of this Chapter.

404 A listing applicant should not have, as part of its name, words that tend to confuse or are misleading.

405 While an issuer remains on the Official List, it must comply with the Rules.

PART III CATALIST ADMISSIONS

406 A listing applicant seeking admission to Catalist need not meet any minimum operating track record, profit or share capital requirement but is expected to meet the following conditions:

(1) **Shareholding Spread And Distribution**

- (a) The proportion of post invitation share capital in public hands must be at least 15% at the time of listing. The shareholding spread must not be obtained by artificial means, such as giving shares away and offering loans to prospective shareholders to buy the shares.
- (b) In the computation of the percentage of shares to be held in public hands, existing public shareholders may be included, subject to an aggregate limit of 5% of the issuer's post-invitation issued share capital and provided such shares are not under moratorium. For the purpose of this Rule, "existing public shareholders" refer to shareholders of the issuer immediately before the invitation and who are deemed "public" as defined in the Manual.

- (c) The number of public shareholders of the securities must be at least 200.
- (d) The overall distribution of shareholdings should be expected to provide an orderly secondary market in the securities when trading commences, and be unlikely to lead to a corner situation in the securities.
- (e) The subscription and allocation value of the shares at IPO for each investor must be at least S\$200 and must be based on an integral multiple of a board lot.

(2) Quantitative Criteria

- (a) A listing applicant seeking admission to Catalist need not meet any market capitalisation requirements.
- (b) The Exchange may publish specific additional or other criteria for different types of listing applicants.

(3) Directors and Management

- (a) The directors and executive officers should have appropriate experience and expertise to manage the group's business. As a pre-quotations disclosure requirement, a listing applicant must release a statement (via SGXNET or in the offer document) identifying for each director, whether the person has prior experience (and what) or, if the director has no prior experience as a director of a listed company, whether the person has undertaken training in the roles and responsibilities of a director of a listed company.
- (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 director, executive officer, controlling shareholder, and officer occupying a managerial position and above who is a relative of any 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) Regulations 2005 submitted to the sponsor.
- (c) The listing applicant's board must have at least two non-executive directors who are independent and free of any material business or financial connection with the listing applicant. If the listing applicant is a foreign listing applicant, at least one of these directors must be resident in Singapore.

(4) Sponsorship

The listing applicant's sponsor must provide the confirmation required in Appendix 4B that the listing applicant is suitable for listing and complies with the Rules.

(5) Restriction on Promoters' Sale of Shares

At the time of initial public offering there must be no sale of shares by a promoter if either of the following applies:

- (a) all promoters in aggregate hold less than 50% of the issuer's post-invitation

share capital; or

- (b) all promoters in aggregate would, after selling any shares, hold less than 50% of the issuer's post-invitation share capital.

(6) Financial Position And Liquidity

- (a) Prior to listing, all debts owing to the group by its directors, substantial shareholders, and companies controlled by the directors and substantial shareholders must be settled. For the purposes of this paragraph (a), reference to debt includes third party indebtedness (including contingent liabilities for guarantees and indemnities) incurred by the group for the benefit of the directors, substantial shareholders and companies controlled by the directors and substantial shareholders. This rule does not apply to debts owing by subsidiaries and associated companies of the issuer to the group.
- (b) While the surplus arising from revaluation of plant and equipment can be shown in the books of the listing applicant, such surplus should not be capitalised or used for calculating its net tangible assets per share.

(7) Chain Listing

A subsidiary or parent company of an existing listed issuer will not normally be suitable for listing if the assets and operations of the listing applicant are substantially the same as those of the existing issuer. The sponsor must consider the listing applicant's business or commercial reasons for listing.

(8) Articles of Association

A listing applicant's Articles of Association or constituent documents must meet the requirements in Appendix 4C.

(9) Accounts

A listing applicant's accounts must not be qualified in a material way.

(10) Lodgement and Registration of Offer Document

A listing applicant must lodge an offer document under section 240(1)(a)(ii) of the SFA with the Exchange acting as an agent of the Authority. The offer document must be registered under section 240(1)(a)(iii) of the SFA by the Exchange acting as an agent of the Authority.

(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.

(12) Written Consents

The written consents provided by experts, issue managers and underwriters under sections 249 and 249A of the SFA must be lodged with the Exchange.

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 II to XI of the Fifth Schedule, Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 (“Fifth Schedule”), where references therein to the following terms shall be interpreted as follows:
 - (a) reference to a “prospectus” shall mean a reference to an “offer document”;
and
 - (b) reference to the “Authority” shall mean a reference to the Exchange, except for Part VII paragraph 8(k) where the “Authority” shall mean the Monetary Authority of Singapore.
- (2) With regard to the statement by the listing applicant’s directors required in paragraph 5(a) of Part VI of the Fifth Schedule, the listing applicant’s directors must state, without requiring a profit forecast, that in their reasonable opinion, the working capital available to the listing applicant, as at the date of lodgement of the offer document is sufficient for the present requirements and for at least 12 months after listing.
- (3) In addition to the statement by the listing applicant’s directors required by Rule 407(2), the listing applicant’s sponsor must state, without requiring a profit forecast, that in their reasonable opinion, the working capital available to the listing applicant, as at the date of lodgement of the offer document is sufficient for the present requirements and for at least 12 months after listing.
- (4) It must include the following:
 - (a) A statement by the directors and vendors (where the issue involves the sale of vendor shares) in the form set out in Practice Note 12A.
 - (b) An opinion by the board, with the concurrence of the audit committee on the adequacy of the internal controls, addressing financial, operational and compliance risks.
 - (c) A statement by the issuer’s audit committee that, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of the audit committee members to cause them to believe that the person appointed as the chief financial officer (or its equivalent rank) does not have the competence, character and integrity expected of a chief financial officer (or its equivalent rank) of a listed issuer.
 - (d) Where as required by any relevant law applicable to the issuer and/or any of its principal subsidiaries, any legal representative(s) (or person(s) of equivalent authority, however described) has been appointed or designated with sole powers to represent, exercise rights on behalf of, and enter into binding obligations on behalf of, the issuer or that principal subsidiary:
 - (i) Identity of the legal representative(s) (or person(s) of equivalent authority);
 - (ii) Powers and responsibilities of the legal representative(s) (or person(s) of equivalent authority);

- (iii) Any risks in relation to the appointment, including concentration of authority and impediments to their removal; and
 - (iv) A description of the processes and procedures put in place to mitigate the risks in relation to the appointment and an opinion by the board on the adequacy of these processes and procedures.
 - (e) A statement by the issuer whether any of the independent directors of the issuer sits on the board of its principal subsidiaries that are based in jurisdictions other than Singapore.
- (5) It must include on the front cover the following:
- (a) the date of registration of the offer document, or in the case of a supplementary offer document or replacement offer document, the date of lodgement of the supplementary offer document or replacement offer document,
 - (b) the name of the corporation in respect of which the shares or units of shares, as the case may be, are being offered, its country of incorporation and the name of its sponsor,
 - (c) the following statements:
 - (i) *This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser(s).*
 - (ii) *An application has been made for permission for the shares or units of shares to be listed for quotation on Catalist.*
 - (iii) *Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the SGX Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).*
 - (iv) *This offer is made in or accompanied by an offer document that has been registered by the Singapore Exchange Securities Trading Limited ("the Exchange") acting as agent on behalf of the Monetary Authority of Singapore ("the Authority").*
 - (v) *Neither the Authority nor the Exchange has examined or approved the contents of this document. Neither the Authority nor the Exchange assumes any responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The Exchange does not normally review the application for admission but relies on the sponsor confirming that the listing applicant is suitable to be listed and complies with the rules. Neither the Authority nor the Exchange has in any way considered the merits of the shares or units of shares being offered for investment.*

- (vi) *The registration of this offer document by the Exchange does not imply that the SFA, or any other legal or regulatory requirements, or requirements under the Exchange's listing rules, have been complied with.*
 - (vii) *Acceptance of applications will be conditional upon issue of the shares or units of shares and upon listing of all the issued shares or units of shares of the issuer. Monies paid in respect of any application accepted will be returned if the admission and listing do not proceed.*
 - (viii) *After the expiration of 6 months from the date of registration of this offer document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this offer document; and no officer or equivalent person or promoter of the entity or proposed entity will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this offer document.*
- (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) Regulations 2005, where references therein to a "preliminary document" shall mean a reference to a "preliminary offer document".
 - (b) The requirements in Rule 407(5), except that the front page of the preliminary offer document must contain a statement in bold lettering that **no offer or agreement shall be made on the basis of the preliminary offer document to purchase or subscribe for any securities to which the preliminary offer document relates**. The statements in Rule 407(5)(c)(iv) and (vi) shall be replaced with the following statements respectively:

"This is a preliminary offer document and is subject to further amendments and completion in the offer document to be registered by the Singapore Exchange Securities Trading Limited ("the Exchange") acting as agent on behalf of the Monetary Authority of Singapore ("the Authority"). A person to whom a copy of this preliminary document has been issued shall not circulate it to any other person. A copy of this document has been lodged by the sponsor with the Exchange acting as agent on behalf of the Authority."

"The lodgement of this preliminary offer document with the Exchange does not imply that the SFA, or any other legal or regulatory requirements, or requirements under the Exchange's listing rules, have been complied with."
- (7) If, after the registration of an offer document, a supplementary or replacement offer document is required, it must comply with the following requirements:
- (a) at the beginning of a supplementary offer document, there shall be:
 - (i) a statement that it is a supplementary offer document;
 - (ii) an identification of the offer document it supplements;

- (iii) an identification of any previous supplementary offer document lodged with the Exchange in relation to the offer; and
 - (iv) a statement that it is to be read together with the offer document it supplements and any previous supplementary offer document in relation to the offer;
- (b) at the beginning of a replacement offer document, there shall be:
- (i) a statement that it is a replacement offer document; and
 - (ii) an identification of the offer document it replaces; and
- (c) be lodged under section 241(1) of the SFA with the Exchange acting as agent on behalf of the Authority.
- (8) The Exchange may exempt any person or any offer document from any requirement in the Rules relating to the form or content of an offer document, subject to such conditions or restrictions as may be determined by the Exchange. An exemption will not be granted unless the Exchange is of the opinion that:
- (a) the cost of complying with the requirement in respect of which exemption has been applied for outweighs the resulting protection to investors; or
 - (b) it would not be prejudicial to the public interest if the requirement in respect of which exemption has been applied for were dispensed with.

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:

- (1) It has been listed on Catalist for at least two years;
- (2) It meets:
 - (a) the following minimum quantitative requirements:
 - (i) Main Board Listing Rules 210(2)(a) and 210(3); or
 - (ii) Main Board Listing Rules 210(2)(b) and 210(3); or
 - (iii) Main Board Listing Rules 210(2)(c) and 210(4)(a)

When determining whether the issuer complies with the market capitalisation requirement in Main Board Listing Rule 210(2)(b) or Main Board Listing Rule 210(2)(c), the Exchange will take into account the issuer's average daily market capitalisation for one month preceding the application date.

- (b) any other listing requirements that the Exchange may prescribe (either generally or in any particular case).

- (3) It provides the Exchange with an undertaking to comply with all the Exchange's requirements and policies applicable to issuers listed on the SGX Main Board. The undertaking must be in the form set out in Main Board Listing Rules Appendix 2.3.1.
- (4) An offer information statement required by the SFA (meeting the requirements in the Sixteenth Schedule) must be lodged with the Authority if the issuer intends to offer additional securities on SGX Main Board, or a draft shareholder's circular to approve the transfer must be submitted to the Exchange where there is no additional offer of securities.
- (5) Its shareholders have approved the transfer by special resolution.
- (6) It is in compliance with all applicable Catalist Rules.
- (7) For the purpose of the transfer, an listing applicant 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).

409 A transfer from Catalist to SGX Main Board is not treated as a delisting.

Transfers from SGX Main Board to Catalist

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

- (1) Compliance with Rules 406(1), (2)(b), (3), (4) and 407(2) and (3).
- (2) It is sponsored and the sponsor provides the Exchange with a completed Appendix 4D.
- (3) It provides the Exchange with a completed Appendix 4E.
- (4) Its shareholders have approved the transfer by special resolution.
- (5) It is in compliance with all applicable Main Board Listing Rules.

411 A transfer from SGX Main Board to Catalist is not treated as a delisting.

PART VI LISTING REQUIREMENTS FOR FOREIGN LISTING APPLICANTS

- 412 (1) A foreign listing applicant must release all information and documents to the Exchange in English. This applies also after listing.
- (2) In addition, the following requirements should also be complied with:
 - (a) Confirmation to the sponsor that an announcement will be made via SGXNET as soon as there is any change in the law of its place of incorporation which may affect or change shareholders' rights or obligations over its securities, including:
 - (i) The right to attend, speak, vote at shareholders' meetings and the right to appoint proxies;
 - (ii) Right to receive rights offering and any other entitlements;

- (iii) Withholding taxes on its securities;
- (iv) Stamp duties on its securities;
- (v) Substantial shareholder reporting requirements for its securities;
- (vi) Foreign shareholding limits on the securities;
- (vii) Capital controls over cash dividends or other cash distributions payable in respect of its securities; and
- (viii) Obligations to file documents or make declarations in respect of its securities.

413 All securities will be quoted in Singapore dollars, unless the Exchange agrees to a quotation in a foreign currency, or unless the Authority's policy on the internationalisation of the Singapore dollar requires otherwise. Sponsors are encouraged to consult the Exchange if the listing applicant prefers quotation in a foreign currency.

Share Transfer Facilities

414 Arrangements satisfactory to the sponsor and the Exchange must be made to enable shareholders in Singapore to register their shareholdings promptly.

Accounting Standards

415 The financial statements and future periodic financial reports, must be prepared in accordance with Singapore Financial Reporting Standards ("FRS"), 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 FRS.

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.

(2) Independence Of Valuer

A listing applicant must appoint a valuer to conduct a valuation of all its principal freehold and leasehold properties. The valuer must be an independent external valuer. The valuer must not be a substantial shareholder, director or employee of the listing applicant or any of its subsidiaries, or in partnership with or employed by a substantial shareholder, director or employee. The Exchange or the sponsor may require a listing applicant to appoint a second valuer to conduct a valuation on the properties.

(3) **Valuation Report**

The valuation report must state the effective date at which the properties are valued, which should not be more than six months from the date of submission of the pre-admission notification. A summary valuation report must be included in the offer document. The valuation report must be made available for inspection, without charge, at the issuer's Singapore registered office.

PART VIII CONFLICTS OF INTEREST

417 A listing applicant should resolve or eliminate conflict situations prior to listing. The Exchange may accept a proposal (submitted through the sponsor) to resolve or eliminate 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.

418 In reviewing compliance with the Exchange's policy on conflicts of interest, the sponsor should take into account:

- (1) The parties involved in the conflict situation and their relationship to the listing applicant;
- (2) The significance of the conflict in relation to the size and operations of the listing applicant and in relation to its potential influence on the interested person;
- (3) Whether the parties who are involved in the conflict derive any special advantage from it; and
- (4) Whether the conflict can be terminated, and if so, how soon and on what basis; or, if the conflict cannot be promptly terminated, whether:
 - (a) the arrangement is necessary and beneficial to the operations of the listing applicant;
 - (b) the terms of the arrangement are the same or better than those that can be obtained from third parties;
 - (c) the arrangement will be reviewed at regular intervals and approved by independent directors or shareholders;
 - (d) the listing applicant has or will have adequate internal procedures to ensure that the terms of the arrangement are fair and reasonable; and
 - (e) there is, or has been, adequate disclosure of the conflict, the parties to it, and the measures taken in respect of it in the offer document.

PART IX MORATORIUM

419 Purpose Of A Moratorium

The purpose of a moratorium is to maintain the promoters' commitment to the issuer and align their interests with that of public shareholders. In the case of investors other than promoters, the purpose of the moratorium is to promote the interests of a fair and orderly market.

Moratorium Undertakings

420 The promoters must give contractual undertakings to the sponsor to observe a moratorium on the transfer or disposal of all their interests in the securities of the issuer.

421 Where a promoter has an indirect shareholding in the listing applicant, the promoter must also provide an undertaking to maintain the promoter's effective interest in the securities under moratorium during the moratorium period. However where an indirect shareholding is held through a company which is listed, the promoter's holding in that listed company is excluded from the 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) for the next 6 months.
- (2) In the case of investors who acquired their securities, and who made payment for their acquisition, less than 12 months prior to the date of the listing, a proportion of their shareholdings will be subject to moratorium for 12 months after listing computed based on the following cash formula:

$$M = \frac{V_{IPO} - V_{CP}}{V_{IPO}} \times P$$

Where

M = the number of shares subject to moratorium;

V_{CP} = the total cash paid for the shares acquired by the investor within the 12 months preceding the date of the listing;

V_{IPO} = the value of the investor's total shareholdings acquired within 12 months preceding the date of the listing based on the issue price at the initial public offering; and

P = the total number of shares paid for by the investor in the 12 months preceding the date of the listing.

- (3) In the case of investors who are connected to the sponsor for the initial public offering of the issuer, their shareholdings will be subject to a moratorium for 6 months after listing. For the avoidance of doubt, these investors are prohibited from selling vendor shares at the time of the initial public offering.

- (a) Rule 422(3) will not apply if:-
- (i) the investor is a fund manager and the funds invested in the issuer are managed on behalf of independent third parties;
 - (ii) the investor and the sponsor have separate and independent management teams and decisions making structures; and
 - (iii) proper policies and procedures have been implemented to address any conflict of interest arising between the sponsor and the investor.

The issuer (through its sponsor) should consult and demonstrate to the Exchange that these conditions have been met, to the satisfaction of the Exchange, for Rule 422(3) not to apply. The Exchange retains the discretion to require compliance with Rule 422(3) where it deems fit.

- (4) For the purposes of Rules 422(2) and (3), where an introducer of the issuer, a consultant to the issuer for the initial public offering, or investors who are connected to the sponsor have an indirect shareholding in the issuer, these investors may be required to comply with the moratorium requirements in Rule 421.

General

- 423 A listing applicant may be admitted to Catalist by distributing its securities either by way of a public offer, or placement, or book-building, or by a combination of these methods, subject to compliance with the Rules and such other conditions as the Exchange or the sponsor may consider appropriate.

Placement Tranche

- 424 The sponsor, underwriter, lead broker, distributor, or any of their connected clients (as defined in Rule 428) or their discretionary managed portfolios (whether proprietary or not) must not be allocated or allotted more than 25% of the securities made available for placement by each of them respectively. Any allocation or allotment to such parties must be disclosed in the form specified in Rule 428. This Rule does not apply to securities taken up pursuant to an underwriting or sub-underwriting agreement.

Public Subscription Tranche

- 425 Where an invitation involves a public tranche for subscription or purchase, the following Rules apply to allocation and allotment of securities in this tranche:

- (1) The basis of allocation and allotment to investors must be fair and equitable.
- (2) The balloting procedures must be clearly spelt out and strictly adhered to. Unsuccessful listing applicants must be notified, and the application money must be returned, within 24 hours of the balloting.
- (3) In respect of applications which have been balloted but subsequently rejected, the reasons for rejection must be clearly stated.
- (4) In respect of applications which have been partially successful, the balance of the application money must be refunded in the shortest possible time.

Preferential Allotment Of Reserved Securities

426 The listing applicant may reserve up to 25% of the offered securities for allocation and allotment to its employees, directors, customers, suppliers and persons who have contributed to the success of the listing applicant.

Underwriting

427 An issue of securities in connection with a listing on the Exchange can be made with or without it being underwritten. A listing applicant which proposes to make an issue without underwriting should consult the Exchange as early as possible through its sponsor.

428 Disclosure Of Subscription

- (1) If any of the following persons acquires an interest (whether directly or through a nominee) in the securities being marketed, their respective aggregate interest and the circumstances resulting in the acquisition of the interest must be announced before listing of the listing applicant's securities:
 - (a) each director and his associates;
 - (b) each substantial shareholder and his associates;
 - (c) the sponsor and its connected clients;
 - (d) the underwriter and its connected clients;
 - (e) the lead broker and its connected clients;
 - (f) any distributor and its connected clients.
- (2) The disclosure required by Rule 428(1) must be made to the best of the sponsor's knowledge and belief, having taken all reasonable steps and made all reasonable enquiries.
- (3) A "connected client" means:
 - (a) a director or substantial shareholder of the sponsor, underwriter, lead broker or distributor;
 - (b) a spouse, infant child or step child of any person in (a);
 - (c) a person in the capacity of trustee of a private or family trust (other than a pension scheme) the beneficiaries of which include any person in (a);
 - (d) a relative of any person in (a) whose account is managed by the sponsor, underwriter, lead broker or distributor in pursuance of a discretionary managed portfolio agreement; or
 - (e) a company which is a member of the same group of companies as the sponsor, underwriter, lead broker or distributor.
- (4) After the offer to the public closes, the listing applicant announces the outcome of the offer, and where appropriate, the level of subscription and the basis of allocation and allotment, and the subscription rate reflecting the true level of demand for the offer. In computing the subscription rate, subscriptions by connected persons and the persons mentioned in Rule 428 must be excluded.

Issue Price

429 The issue price of the equity securities (other than convertible equity securities) offered for subscription or sale, for which a listing is sought, must be at least S\$0.20 each.

Offer Period

- 430 A listing applicant offering equity securities for subscription or sale must keep the offer open for at least 2 market days (excluding the date of commencement of offer).

PART XI ADMISSION PROCEDURES

- 431 A sponsor may consult the Exchange to resolve specific issues prior to the submission of a listing confirmation. Unless the Exchange prescribes otherwise, the listing applicant must comply with the requirements set out in Appendix 4F which sets out the following:

- (1) The main steps in the listing process.
- (2) Documents to be submitted by the sponsor to the Exchange.
- (3) The usual timeline for admission.

The sponsor must give the Exchange any additional information or documents which the Exchange requires, either in the particular case or generally.

- 432 In normal circumstances the Exchange will rely on the listing confirmation in Appendix 4B. However, the Exchange may refuse or delay an admission at any point prior to listing, notwithstanding that it receives a listing confirmation and notwithstanding that the offer document has been registered by the Exchange, if:

- (1) in the Exchange's opinion:
 - (a) the reputation of the Exchange or the integrity of the market may be adversely affected;
 - (b) doubt exists, or apparently sustainable allegations are made, as to the integrity of a director, executive officer or controlling shareholder of the listing applicant;
 - (c) doubt exists as to the accuracy or completeness of the information in the offer document. While the Exchange does not review these documents, it may undertake sample perusal or receive information from third persons;
 - (d) any submission or lodgement that is required under the Rules is inaccurate or incomplete;
 - (e) the Rules are not complied with;
 - (f) it is in the interests of the public to refuse or delay the admission; or
- (2) the Authority advises the Exchange to refuse or delay the admission.

- 433 The sponsor must ensure that it has considered all information that is material to its decision on the application. The Exchange may require the sponsor to undertake additional due diligence.

- 434 Notice of a refusal of, or delay to, an admission will be given to the sponsor and

copied to the listing applicant.

435 A listing applicant will be admitted according to the terms issued together with the registration notice issued by the Exchange.

Fees

436 Listing applicants and issuers must pay the fees levied by the Exchange.

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.

Part XII ADDITIONAL LISTING REQUIREMENTS FOR MINERAL, OIL AND GAS COMPANIES

438 In addition to the requirements for listing on Catalist, a mineral, oil and gas company applying for admission to the Official List must also meet the requirements set out in this Part of the Listing Manual.

439 The Exchange will normally not admit a listing applicant, whose activities consist solely of exploration for minerals, oil or gas, to Catalist unless the listing applicant is able to establish the existence of adequate resources in a defined area where the listing applicant has exploration and exploitation rights, and which must be substantiated by the qualified person's report required under Rule 441. In complying with this Rule, the resource must be at least, in relation to minerals, categorised as an Indicated Resource and, in relation to oil and gas, as a Contingent Resource.

440 **Additional Offer Document Requirements**

- (1) A listing applicant must disclose in its offer document the basis upon which it asserts the existence of any minerals, oil or gas in a defined area where the listing applicant has exploration and exploitation rights, in accordance with the requirements set out in Practice Note 4C.
- (2) The listing applicant's sponsor must state the legal opinion obtained pursuant to Rule 225(1)(j)(i) and the legal advisor providing such opinion.

441 **Qualified Person's Report**

- (1) The offer document must contain a qualified person's report that meets the following requirements;
 - (a) prepared by an independent qualified person who meets the requirements in Rule 442;
 - (b) prepared in accordance with a Standard;
 - (c) dated not more than 6 months before the date of lodgement of the offer document; and
- (2) The contents of the qualified person's report must comply with the requirements as set out in Practice Note 4C.

Independent Qualified Person

For the purpose of Rule 441, the qualified person preparing the qualified person's report must fulfil the following:

- (a) the qualified person must not be a sole practitioner;
- (b) if the qualified person producing the report is not a partner or director of his firm, the production of the report must be directly supervised by a partner or director on behalf of the firm;
- (c) the qualified person and his firm's partners, directors, substantial shareholders and their associates must be independent of the listing applicant, its directors and substantial shareholders;
- (d) the qualified person and his firm's partners, directors, substantial shareholders and their associates must not have any interest, direct or indirect, in the listing applicant, its subsidiaries or associated companies and will not receive benefits other than remuneration paid to the qualified person in connection with the qualified person's report; and
- (e) remuneration paid to the qualified person or the qualified person's firm in connection with the report must not be dependent on the findings of the report.

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) for the next 6 months.

Working Capital

Rules 407(2) and 407(3) will not apply to mineral, oil and gas companies. A listing applicant must meet the following requirements instead:

- (1) The listing applicant's directors must state, without making a profit forecast, that in their reasonable opinion, the working capital available to the listing applicant is sufficient for the present requirements and for at least 18 months after listing. Such working capital must include (i) operating, general and administrative and financing costs; (ii) property holding costs; and (iii) costs of any proposed exploration and / or development. Working capital shall be considered as the applicant's ability to access cash and other available liquid resources (including proceeds from the initial public offering and projected cashflows but excluding future borrowings / financing which have not been obtained) in order to meet its liabilities as they fall due. Where projected cashflows are relied upon, the sponsor must submit a confirmation to the Exchange that it is satisfied that the projections are prepared by the applicant's directors after due and careful enquiry. Proceeds from the initial public offering can be taken into consideration only if the invitation is fully underwritten. If the invitation is not underwritten but the listing is subject to a specified minimum amount to be raised from the invitation, the proceeds taken into consideration shall be limited to the minimum amount to be raised.
- (2) In addition to the statement by the listing applicant's directors required by Rule 444(1), the listing applicant's sponsor must state, without requiring a profit forecast, that in its reasonable opinion, the working capital available to the listing applicant is sufficient for the present requirements and for at least 18 months after listing. Such

working capital must include (i) operating, general and administrative and financing costs; (ii) property holding costs; and (iii) costs of any proposed exploration and / or development. Working capital shall be considered as the applicant's ability to access cash and other available liquid resources (including proceeds from the initial public offering and projected cashflows but excluding future borrowings / financing which have not been obtained) in order to meet its liabilities as they fall due. Where projected cashflows are relied upon, the sponsor must submit a confirmation to the Exchange that it is satisfied that the projections are prepared by the applicant's directors after due and careful enquiry. Proceeds from the initial public offering can be taken into consideration only if the invitation is fully underwritten. If the invitation is not underwritten but the listing is subject to a specified minimum amount to be raised from the invitation, the proceeds taken into consideration shall be limited to the minimum amount to be raised.