

## 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
Chapter 11	Takeovers
Chapter 12	Circulars and Annual Reports

### PART II EQUITY SECURITIES – IMMEDIATE ANNOUNCEMENTS

702 An issuer must release all announcements via SGXNET, unless specified otherwise.

#### **Disclosure of Material Information**

- 703 (1) An issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which:
- (a) is necessary to avoid the establishment of a false market in the issuer's securities; or
  - (b) would be likely to materially affect the price or value of its securities.
- (2) Rule 703(1) does not apply to information which would be a breach of law to disclose.
- (3) Rule 703(1) does not apply to particular information which satisfies the following conditions:
- Condition 1:* a reasonable person would not expect the information to be disclosed;
- Condition 2:* the information is confidential; and
- Condition 3:* one or more of the following applies:
- (a) the information concerns an incomplete proposal or negotiation;
  - (b) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (c) the information is generated for the internal management purposes of the entity;
  - (d) the information is a trade secret.
- (4) In complying with the Exchange's disclosure requirements, an issuer must:
- (a) observe the Corporate Disclosure Policy set out in Appendix 7A, and

- (b) ensure that its directors and executive officers are familiar with the Exchange's disclosure requirements and Corporate Disclosure Policy.
- (5) The Exchange will not waive any requirements under this Rule.

#### **Announcement of Specific Information**

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

#### **General**

- (1) Any change of address of the registered office of the issuer or of any office at which the Register of Members or any other register of securities of the issuer is kept.
- (2) Any proposed alteration to the Memorandum of Association or Articles of Association or Constitution of the issuer.
- (3) Deleted.
- (4) Any qualification or emphasis of a matter by the auditors on the financial statements of:
  - (a) the issuer; or
  - (b) any of the issuer's subsidiaries or associated companies, if the qualification or emphasis of a matter has a material impact on the issuer's consolidated accounts or the group's financial position.
- (5) If an issuer has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors.

#### **Appointment or Cessation of Service**

- (6) (a) Any appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority, company secretary, registrar or auditors of the issuer. The announcement of an appointment or cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority must contain the information contained in Appendix 7F or Appendix 7G, as the case may be.
  - (b) In the case of a cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager or other executive officer of equivalent authority, such persons must inform the Exchange in writing as soon as possible if he is aware of any irregularities in the issuer which would have a material impact on the group, including financial reporting.
- (7) Any appointment or reappointment of a director to the audit committee. The issuer must state in the announcement whether the board considers the director to be independent. The issuer must also provide such additional disclosure as may be appropriate in the circumstances to enable its shareholders to assess the independence or otherwise of the appointed director. In the event of any retirement or resignation which renders the audit committee unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months.

- (8) Any appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the issuer to a managerial position in the issuer or any of its principal subsidiaries. The announcement must state the job title, duties and responsibilities of the appointee, and the information required in Rule 704(6).
- (9) Any promotion of an appointee referred to in Rule 704(8).
- (10) Within 60 days after each financial year, the issuer must make an announcement of each person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer as set out in Appendix 7C Part II. If there are no such persons, the issuer must make an appropriate negative statement. The Exchange may require the issuer to provide additional information on any such person, including his remuneration, any changes to his duties, responsibilities and remuneration package.
- (11) Any appointment of, or change in legal representative(s) (or person(s) of equivalent authority, however described), appointed as required by any relevant law applicable to the issuer and/or any of its principal subsidiaries, with sole powers to represent, exercise rights on behalf of, and enter into binding obligations on behalf of, the issuer and/or that principal subsidiaries.
- (12) For issuers with principal subsidiaries based in jurisdictions other than Singapore, any of its independent director's appointment or cessation of service from the board of these principal subsidiaries.

**Appointment of Special Auditors**

- (13) The Exchange may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to the Exchange, or the issuer's sponsor, or the issuer's Audit Committee or such other party as the Exchange may direct. The issuer may be required by the Exchange to immediately announce the requirement, together with such other information as the Exchange directs. The issuer may be required by the Exchange to announce the findings of the special auditors.

**General Meetings**

- (14) The date, time and place of any general meeting. All notices convening meetings must be sent to shareholders at least 14 calendar days before the meeting (excluding the date of notice and the date of meeting). For meetings to pass special resolution(s), the notice must be sent to shareholders at least 21 calendar days before the meeting (excluding the date of notice and the date of meeting).
- (15) Immediately after each general meeting and before the commencement of the pre-opening session on the market day following the general meeting, whether the resolutions put to a general meeting of an issuer were passed. The announcement shall include:
  - (a) Breakdown of all valid votes cast at the general meeting, in the following format:

Resolution number and details	Total number of shares represented by votes for and against	For		Against	
		Number of shares	As a percentage of total number of votes for	Number of shares	As a percentage of total number of votes for and

	the relevant resolution		and against the resolution (%)		against the resolution (%)

- (b) Details of parties who are required to abstain from voting on any resolution(s), including the number of shares held and the individual resolution(s) on which they are required to abstain from voting; and
- (c) Name of firm and/or person appointed as scrutineer.

### 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, of a quoted company;
- (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 quoted investments 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 quoted investments before and after the acquisition; and
  - (iii) the amount of any provision for diminution in value of investments;
- (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
- (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)).

(17) Any sale of:

- (a) shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares, of a quoted company;
- (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(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

- (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)).

- (18) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10.

#### **Winding Up, Judicial Management, etc**

- (19) Any application filed with a court to wind up the issuer or any of its subsidiaries, or to place the issuer or any of its subsidiaries under judicial management.
- (20) The appointment of a receiver, judicial manager or liquidator of the issuer or any of its subsidiaries.
- (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.
- (22) Where Rule 704(19), (20) or (21) 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.

#### **Announcement of Results, Dividends, etc**

- (23) Any recommendation or declaration of a dividend (including a bonus or special dividend, if any), the rate and amount per share and date of payment. If dividends are not taxable in the hands of shareholders, this must be stated in the announcement and in the dividend advice to shareholders. If there is a material variation in the interim or final dividend rate compared to that for the previous corresponding period, the directors must state the reasons for the variation at the time the dividend is recommended or declared. If the directors decide not to declare or recommend a dividend, this must be announced.
- (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 or rights issue;
  - (c) closing of the books;
  - (d) capital return;
  - (e) passing of a dividend; or
  - (f) sales or turnover

unless it is accompanied by the results of the quarter, half year or financial year, as the case may be, or the results have been announced.

### **Books Closure**

- (25) Any intention to fix a books closure 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) must be given for any books closure date. Issuers could consider a longer notice period, where necessary. Subject to the provisions of the Companies Act, the Exchange may agree to a shorter books closure period. In fixing a books closure 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 for any purpose until at least 8 market days after the last day of the previous books closure period. This rule does not prohibit identical books closure dates for different purposes.

### **Sponsorship**

- (27) If its sponsor will cease, or ceases to sponsor it for any reason, stating the reasons and effective date of such cessation.
- (28) Any confirmation made by the sponsor pursuant to Rule 228(5) upon receipt of such confirmation.
- (29) The appointment of a new sponsor.

### **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 there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.

### **Treasury Shares**

- (31) Any sale, transfer, cancellation and/or use of treasury shares stating the following:
  - (a) date of the sale, transfer, cancellation and/or use;
  - (b) purpose of such sale, transfer, cancellation and/or use;
  - (c) number of treasury shares sold, transferred, cancelled and/or used;
  - (d) number of shares before and after such sale, transfer, cancellation and/or use;
  - (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
  - (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

### **Employee Share Option or Share Scheme**

- (32) Any grant of options or shares. The announcement must be made on the date of the offer and provide details of the grant, including the following:
  - (a) date of grant;
  - (b) exercise price of options granted;

- (c) number of options or shares granted;
- (d) market price of its securities on the date of grant;
- (e) number of options or shares granted to each director and controlling shareholder (and each of their associates), if any; and
- (f) validity period of the options.

#### **Loan 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 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 condition or restriction will cause a default in respect of the loan agreement or debt securities, significantly affecting the operations of the issuer:
- (a) The details of the 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 aggregate level of these facilities that may be affected by a breach of such condition or restriction.
- (34) Any breach of the terms of loan agreements or debt issues which may have a significant impact on the operations of the issuer.

#### **Announcements by mineral, oil and gas companies**

- (35) (a) Any material changes to the reserves or resources of a mineral, oil and gas company, including:
- (i) the basis upon which the issuer asserts the existence of any new material reserves or resources that has not been previously disclosed, in accordance with the requirements as set out in Practice Note 4C; and
  - (ii) a qualified person's report prepared in accordance with the requirements as set out in Practice Note 4C. The announcement must include a statement that the reserve and resource estimates stated in the announcement have been reviewed by a qualified person and in accordance with the disclosure requirements in Practice Note 4C. The issuer must announce the qualified person's report as soon as practicable.
- Where the announcement involves the reporting of new material reserves or resources that has not been previously disclosed, or a 100% change or more in reserves or resources that have been previously reported on, the report must be signed off by an independent qualified person who meets the requirements in Rule 442 and the contents of the qualified person's report must comply with the requirements as set out in paragraph 5 of Practice Note 4C.
- (b) Any change in the Standard adopted by the issuer, including the reasons for the change and the impact, if any, on its existing stated level of reserves and resources.
  - (c) Any appointment or resignation of any qualified person of the issuer.

## PART III EQUITY SECURITIES - PERIODIC REPORTS

### Financial Statements

- 705
- (1) An issuer must announce the financial statements for the full financial year (as set out in Appendix 7C) immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.
  - (2) An issuer must announce its financial statements for each of the first three quarters of its financial year (as set out in Appendix 7C) immediately after the figures are available, but in any event not later than 45 days after the quarter end if:
    - (a) its market capitalisation exceeded S\$75 million as at 31 March 2003;
    - (b) it was listed after 31 March 2003 and its market capitalisation exceeded S\$75 million at the time of listing (based on the initial public offering issue price); or
    - (c) its market capitalisation is S\$75 million or higher on the last trading day of each calendar year, commencing from 31 December 2006. An issuer who falls within this category for the first time, will have an initial grace period of one year to prepare to meet the requirements in Rule 705(2).
  - (3)
    - (a) An issuer who falls within any of the categories in this Rule 705(2), must comply with the requirements in Rule 705(2), even if its market capitalisation subsequently decreases below S\$75 million.
    - (b) An issuer whose market capitalisation does not exceed S\$75 million must announce its first half financial statements (as set out in Appendix 7C) immediately after the figures are available, but in any event not later than 45 days after the relevant financial period.
  - (4) Notwithstanding the foregoing, with respect to the first announcement to be made by the issuer pursuant to Rules 705 (1) or (2) following its listing on the Exchange, where the time period between the date of its listing and the final date for the issuer to make the relevant announcement pursuant to Rule 705(1) or (2) above is less than 30 days, the issuer shall have 30 days from the relevant deadline to make the relevant announcements of the financial statements provided that the following conditions are satisfied:
    - (a) the extension is announced by the issuer at the time of the issuer's listing; and
    - (b) in the announcement referred to in paragraph (a), the issuer must confirm that there is no material adverse change to the financial position of the issuer since the date of its offer document issued in connection with its listing on the Exchange.
  - (5) In the case of an announcement of interim financial statements (quarterly or half-yearly, as applicable, but excluding full year financial statements), an issuer's directors must provide a confirmation that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect. In order to make this confirmation, directors would not be expected to commission an audit of these financial statements. The confirmation may be signed by 2 directors on behalf of the board of directors.



### **Use of funds/cash by mineral, oil and gas companies**

- (6) Mineral, oil and gas companies whose principal activities consist of exploration for minerals, oil or gas, must:
- (a) make a quarterly announcement on the use of funds/cash for the quarter and a projection on the use of funds/cash for the next immediate quarter, including material assumptions, immediately after the figures are available but in any event not later than 45 days after the relevant financial period;
  - (b) provide a confirmation by its directors that, to the best of their knowledge, nothing has come to their attention which may render such information provided false or misleading in any material aspect. In order to make this confirmation, the directors would not be expected to commission an external audit or review of the statements. The confirmation may be signed by 2 directors on behalf of the board of directors.
- (7) In the announcements required by Rule 705(1) and (6), a mineral, oil and gas company must also include:
- (a) details of exploration (including geophysical surveys), development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated; and
  - (b) an update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

706 In addition to the information required under Rule 705, the Exchange may require additional information to be disclosed.

### **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.
  - (2) An issuer must issue its annual report to shareholders and the Exchange at least 14 days before the date of its annual general meeting.
  - (3) Notwithstanding Rules 707(1) and (2), with respect to the first annual general meeting immediately following the issuer's listing on the Exchange, where the time period between its listing on the Exchange and the final date for the issuer to hold its annual general meeting pursuant to Rule 707(1) above is less than 30 days, the issuer shall have 30 days from the relevant deadline to hold its annual general meeting, provided that:
    - (a) such an extension is permitted by and in accordance with all relevant laws and regulations governing the issuer in its place of constitution;
    - (b) the Exchange is notified of such an extension at the time of the issuer's listing;
    - (c) the extension is announced by the issuer at the time of the issuer's listing; and

- (d) in the announcement referred to in paragraph (c) above, the issuer must confirm that:
  - (i) there is no material adverse change to the financial position of the issuer since the date of its offer document issued in connection with its listing on the Exchange; and
  - (ii) the extension is permitted by and in accordance with all relevant laws and regulations governing the issuer in its place of constitution.

708 The chairman's statement (or equivalent) in the annual report must provide a balanced and readable summary of the issuer's performance and prospects, and should represent the collective view of the board. If the Chairman's statement does not represent the collective view of the board, the view of each dissenting director must be disclosed in the annual report.

709 The annual report must contain the information required in Part III of Chapter 12.

710 An issuer must describe its corporate governance practices with specific reference to the principles of the Code in its annual report. It must disclose any deviation from any guideline of the Code together with an appropriate explanation for such deviation in the annual report.

711 An issuer may issue a summary financial statement in accordance with the Companies Act. However, the Exchange may require the issuer to disclose additional information.

#### **Appointment Of Auditors**

712 (1) An issuer must appoint a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit.

(2) The auditing firm appointed by the issuer must be:

- (a) Registered with the Accounting and Corporate Regulatory Authority ("ACRA");
- (b) Registered with and/or regulated by an independent audit oversight body acceptable to the Exchange. Such oversight bodies should be members of the International Forum of Independent Audit Regulators, independent of the accounting profession and directly responsible for the system of recurring inspection of accounting firms or are able to exercise oversight of inspections undertaken by professional bodies; or
- (c) Any other auditing firm acceptable by the Exchange.

(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;
  - (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.
- 713 (1) An issuer must disclose in its annual report the date of appointment and the name of the audit partner in charge of auditing the issuer and its group of companies. The audit partner must not be in charge of more than 5 consecutive audits for a full financial year, the first audit being for the financial year beginning on or after 1 January 1997, regardless of the date of listing. The audit partner may return after two years.
- (2) If the listing of an issuer occurs after 5 consecutive audits by the same audit partner in charge, the same audit partner may complete the audit of the financial year in which the issuer lists.
- 714 The Exchange may object to the appointment of an auditor or may require an issuer to replace the auditor if the Exchange is of the opinion that it is in the interest of shareholders to do so or that the new auditor does not satisfy the requirement in Rule 712. This rule does not apply to a financial institution licensed or approved by the Authority.
- 715 (1) Subject to Rule 716, an issuer must engage the same auditing firm based in Singapore to audit its accounts, and its Singapore-incorporated subsidiaries and significant associated companies.
- (2) An issuer must engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies.
- 716 An issuer may appoint different auditing firms for its subsidiaries or significant associated companies (referred to in Rule 715(1)) provided that:
- (1) the issuer's board and audit committee are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the issuer; or
  - (2) the issuer's subsidiary or associated company, is listed on a stock exchange.
- 717 An issuer must disclose in the annual report the names of the auditing firm(s) for its significant subsidiaries and associated companies.
- 718 For the purpose of Rules 715 to 717, a subsidiary or associated company is considered significant if its net tangible assets represent 20% or more of the issuer's consolidated net tangible assets, or its pre-tax profits account for 20% or more of the issuer's consolidated pre-tax profits.

#### **PART IV EQUITY SECURITIES - OTHER OBLIGATIONS**

## Internal Controls

- 719 (1) An issuer should have a robust and effective system of internal controls, addressing financial, operational and compliance risks. The audit committee (or such other committee responsible) may commission an independent audit on internal controls for its assurance, or where it is not satisfied with the systems of internal control. In arriving at the decision, the audit committee should consider the recommendation of the continuing sponsor.

## Suspected Fraud Or Irregularity

- (2) If the audit committee of an issuer becomes aware of any suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the Exchange or any other regulatory authority in Singapore, which has or is likely to have a material impact on the issuer's operating results or financial position, the audit committee must discuss such matter with the external auditor and, at appropriate times, report the matter to the board and to the sponsor. The sponsor should inform the Exchange where necessary.

## Directors and Management

- 720 (1) An issuer must procure undertakings to comply with the Rules from all its directors and executive officers (in the form set out at Appendix 7H) and submit the undertakings to the Exchange if required. An issuer must comply with Rule 406(3) on a continuing basis and consult its sponsor prior to making any changes to its board of directors. Without limiting the generality of the foregoing, where a director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board of directors of the issuer. An announcement containing the details in Appendix 7G must be made.

- (2) (a) The Exchange may require an issuer to obtain the approval of the Exchange for the appointment of a director, a chief executive officer and chief financial officer (or its equivalent rank).

- (b) The circumstances under which the Exchange may effect Rule 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;
- (ii) Where the integrity of the market may be adversely affected;
- (iii) Where the Exchange thinks it necessary in the interests of the public or for the protection of investors; and
- (iv) Where the issuer refused to extend cooperation to the Exchange on regulatory matters.

- (c) The Exchange will give prior notice to the issuer where 2(a) is applicable.

- ~~(3) Where the Exchange is of the opinion that a director or key executive officer of an issuer has:~~

~~(a) wilfully contravened or wilfully caused the issuer to breach the Rules; or~~

~~(b) wilfully contravened any relevant laws, rules and regulations; or~~

~~(c) refused to extend cooperation to its sponsor, the Exchange or other regulatory agencies in an investigation of wrongdoing related to the issuer such that doubts are cast on the directors' ability to discharge their duties as directors;~~

~~the Exchange may take the necessary action including but not limited to:~~

~~(i) Publishing the names of the individual directors or key executive officers with relevant information about the contravention or failure to extend cooperation; and~~

~~(ii) Objecting to appointments of the individual directors or key executive officers to the board of directors of other issuers.~~

### **Sale And Purchase Agreements**

721 If an agreement has been entered into in connection with any acquisition or realisation of assets or any transaction outside the ordinary course of business of the issuer or its subsidiaries, and such an agreement has been disclosed publicly, the announcement must include a statement that a copy of the relevant agreement will be made available for inspection during normal business hours at the issuer's registered office for a period of 3 months from the date of the announcement.

722 [Deleted]

### **Free Float**

723 An issuer must ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public.

- 724 (1) If the percentage of securities held in public hands falls below 10%:
- (a) The issuer must, as soon as practicable:
    - (i) notify its sponsor of that fact; and
    - (ii) announce that fact.
  - (b) The Exchange may suspend trading of the class, or all the securities of the issuer.
- (2) The Exchange may allow the issuer a period of 3 months, or such longer period as the Exchange may agree, to raise the percentage of securities in public hands to at least 10%. The issuer may be ~~delisted~~ removed from the Official List if it fails to restore the percentage of securities in public hands to at least 10% after the period.

### **Authorised Representatives**

725 An issuer must appoint two authorised representatives who must be either directors or a director and the company secretary.

726 The responsibilities of an authorised representative are as follows:

- (1) To be the channel of communication between the Exchange and the issuer in circumstances where the Exchange needs to contact the issuer directly;
- (2) To supply the Exchange with details in writing of how he or she can be contacted, including home and office telephone numbers and, where available, facsimile

numbers. The issuer must notify the Exchange of any changes to such details;

- (3) To ensure that whenever he or she is outside Singapore, suitable alternates are appointed, available and known to the Exchange, and to supply the Exchange with details in writing of how such alternates may be contacted, including their home and office telephone numbers and, where available, facsimile numbers; and
- (4) Not to terminate his or her role as authorised representative before notifying the Exchange of:
  - (a) the proposed termination; and
  - (b) the name and relevant particulars of the replacement.

727 If the Exchange is not satisfied that the authorised representative is fulfilling his or her responsibilities adequately, it may require the issuer to terminate the appointment and appoint a replacement. The issuer must immediately notify the Exchange of the new authorised representative's appointment and relevant particulars.

#### **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), 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.
  - (2) Upon notification by the controlling shareholder(s), the issuer must immediately announce the following information:-
    - (a) The name of the shareholder;
    - (b) The class and number of shares and the percentage of the issuer's issued share capital that is the subject of the security interest;
    - (c) The party or parties in whose favour the security interest is created or financial instrument given; and
    - (d) All other material details which are necessary for the understanding of the arrangements.

#### **Restriction on Transfer 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.

#### **Alteration of Articles of Association**

730 If an issuer amends its Articles of Association or other constituent documents, they must be made consistent with all the Rules prevailing at the time of amendment.

#### **Facilitating Interaction with Shareholders**

- 730A
- (1) An issuer shall hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation.

- (2) All resolutions at general meetings shall be voted by poll.
- (3) At least one scrutineer shall be appointed for each general meeting. The appointed scrutineer(s) shall be independent of the persons undertaking the polling process. Where the appointed scrutineer is interested in the resolution(s) to be passed at the general meeting, it shall refrain from acting as the scrutineer for such resolution(s).
- (4) The appointed scrutineer shall exercise the following duties:
  - (a) ensuring that satisfactory procedures of the voting process are in place before the general meeting; and
  - (b) directing and supervising the count of the votes cast through proxy and in person.

## **PART V OPERATIONAL AND TRADING MATTERS**

### **Allotment**

731 An issuer must allot securities and despatch certificates within 10 market days of the closing date for applications to subscribe for a new issue of securities. The Exchange may, on the application of the issuer (through its sponsor), grant an extension of time.

### **Transfers, Registration And Splitting**

732 An issuer must:

- (1) accept for registration transfers of the issuer's securities executed on a standard form of transfer approved by the Exchange or on such other form as may be approved by the Exchange;
- (2) issue certificates in requested denominations when requested by the transferee at the time of lodgement of registrable transfers;
- (3) despatch within 10 market days after the day of lodgement of a registrable transfer, a certificate in respect of such securities and a balance certificate for any remainder;
- (4) when so requested by the transferee at the time of lodgement of a registrable transfer, despatch the certificate in respect of those securities to the lodging broker;
- (5) not refuse to register or fail to register or give effect to any registrable transfer in respect of securities issued by the issuer unless:
  - (a) registration of the transfer would result in a contravention of or failure to observe Singapore laws or the rules and requirements of the Exchange; or
  - (b) the transfer is in respect of a partly paid security for which a call has been made and is unpaid;
- (6) endorse (where necessary) transfer forms with the notation "power of attorney exhibited" or "probate exhibited" on production of the proper documents and do so without charge;
- (7) split certificates within 5 market days or certify transfers within 2 market days on

lodgement of the relevant certificates as follows:

"Certificate No. .... is held in the Company's office against this transfer No. .... for .....on the .....Register. This transfer must be completed and returned within forty-two days from this date, .....

Name of Company  
Official Signature(s)"

(8) split provisional allotment letters within 2 market days.

- 733 If in the exercise of its rights under Rule 732(5), an issuer refuses to register a transfer of a security, it must give to the lodging party written notice of the refusal and the precise reasons therefore within 10 market days after the date on which the transfer was lodged with the issuer.
- 734 An issuer must not charge more than \$2.00 for each certificate issued.

### **Certificates**

- 735 The number of securities represented by any certificate must be clearly shown in words and figures on the face of the certificate or in such other manner as may be approved by the Exchange.
- 736 Any certificates should be designed so that forgery and/or alterations are readily detectable. The printing of securities certificates must be entrusted to recognised security printers. The paper for securities must be first class bond or banknote paper containing a watermark of the printer or issuer. If more than one class of securities are listed on the Exchange, the colour of the certificates for each class of securities must be distinctly different. Where an issuer's Articles of Association restrict the percentage of shares held in foreign hands and the shares of the issuer are accordingly designated as foreign shares or local shares, such foreign shares and local shares are considered to be two separate classes of shares for the purpose of this rule.

### **Proxy Forms**

- 737 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 in relation to each resolution.

### **Register**

- 738 An issuer must give the Exchange, or any member company upon request, an extract of the stock or share register. This must show details on or between the named date or dates of all entries relating to the registration or transfer of stock and shares, including particulars of the relevant certificate numbers and the names into which or from which any particular stock or shares may have been transferred. Where the issuer's securities are traded on the scripless system, the issuer authorises CDP to provide the Exchange, at the Exchange's request, with an extract of the issuer's securities held in each securities account maintained by CDP, in such detail as may be required by the Exchange.
- 739 An issuer must permit its securities to be transferred to CDP or from a main register to a branch register (and vice versa) without restriction.

### **Documents**



- 740 A document given to the Exchange by an entity or its sponsor, or on its or its sponsor's behalf, becomes and remains the property of the Exchange to deal with as it wishes, including copying, storing in a retrieval system, transmitting and selling to the public, and publishing any part of the document and permitting others to do so. The documents referred to in this rule include a document given to the Exchange in support of a listing application or in compliance with the listing rules.
- 741 Documents for overseas shareholders shall be forwarded by air or by facsimile transmission or, in another way that ensures that the documents will be received quickly.
- 742 Where an issue of securities is to be made overseas and is supported by an Offer Document, a prospectus or other public documents, the Offer Document, prospectus or other public documents must be submitted to the Exchange in English. Such documents must be endorsed "Specimen - For information only".
- 743 An issuer (through its sponsor) must supply the Exchange with 30 final printed copies or such number 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.
- 744 Rule 743 does not apply to an announcement released to the Exchange via SGXNET.

## **PART VI RESPONSIBILITIES OF DIRECTORS**

- 745 An issuer must ensure that its directors accept responsibility, collectively and individually, for the issuer's compliance with the Rules.

## **PART VII SPONSORS**

- 746
- (1) An issuer must retain a sponsor at all times. If a sponsor undertakes introducing activities for an issuer, the issuer must retain it as continuing sponsor for at least 3 years after admission of the listing applicant, or the enlarged group (in the case of a very substantial acquisition or reverse takeover).
  - (2) An issuer must have only one sponsor at a time.
  - (3) If an issuer requires a professional to provide corporate finance advice in relation to any corporate action, it may engage:
    - (a) its sponsor to provide such advice; or
    - (b) notwithstanding Rule 746(2), any other sponsor authorised by the Exchange to provide such advice, while the continuing sponsor of the issuer retains overall management and responsibility for the corporate action.
  - (4) If an issuer does not have a sponsor undertaking continuing activities for it, the Exchange will suspend the issuer until a sponsor takes on the activity.

- (5) The Exchange may ~~delist~~ remove an issuer from the Official List that does not have a sponsor for more than 3 continuous months.
- 747 (1) Dealings between the Exchange and the issuer will be conducted through the sponsor.
- (2) However, the Exchange may deal directly with the issuer if, in its opinion, circumstances warrant.
- 748 An issuer must ensure:
- (1) that its written contract with its sponsor includes the minimum terms to the effect of Appendix 7E; and
- (2) the mandate it gives its sponsor is sufficient to enable the sponsor to fully discharge its obligations under these rules.
- 749 If asked, an issuer must allow its sponsor, in the performance of its obligations as a sponsor to:
- (1) peruse any records, documents, and financial or other information; and
- (2) have access to its premises or other places where its records are kept; and
- (3) speak to any director, officer or any other employee whom the sponsor considers relevant; and
- (4) speak to the issuer's auditor.
- 750 An issuer must:
- (1) ensure that its directors and officers provide reasonable assistance to the sponsor; and
- (2) authorise its auditor to provide reasonable assistance to the sponsor.
- 751 (1) The Exchange may at any time and for any reason resume supervision (in full or in part) of an issuer on Catalyst.
- (2) The Exchange will not normally exercise this power unless exceptional circumstances exist.
- 752 An issuer must keep records of its consultations with its sponsor for at least 6 years. The records must be sufficient to establish an audit trail of key discussions, advice and decisions involving it and its sponsor and the basis for the advice and decisions.
- 753 (1) An issuer must consult its sponsor about all material matters relating to compliance with the Rules, its listing and the quotation of its securities.
- (2) Without limiting Rule 753(1), an issuer must consult its sponsor on documents to be released to shareholders or to the market (including announcements, resolutions contained in notices of meetings, circulars and corporate actions) before release, to ensure that such documents are in compliance with the Rules and proper disclosure will be made. The document must display prominently the following on the front cover:

*This document has been reviewed by the Company's Sponsor, [full name of*

*Sponsor]. It has not been examined or approved by the Exchange and the Exchange assumes no 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 contact person for the Sponsor is [full name], [contact details].*