

SGX-ST LISTING MANUAL AMENDMENTS – EFFECTIVE 1 JANUARY 2011

Listing Rules for Secondary Fund Raising (Catalist)

RULE	RATIONALE/PURPOSE OF AMENDMENT	NEW / AMENDED RULES
704(23)	To reduce the required notice period for a books closure date from 10 market days to five market days (excluding date of announcement and the books closure date).	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 <u>5</u> market days of notice (excluding the date of announcement and the books closure date) must be given for any books closure date. <u>Issuers could consider a longer notice period, where necessary.</u> 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.
816	To clarify that an issuer may undertake a non-renounceable rights issue if: (i) specific shareholders' approval is obtained; or (ii) by utilising a general mandate where the issue price of the rights share is at a discount of less than 10%.	<p>(1) <u>Subject to Rule 816(2), a rights issue must provide for the rights to subscribe for securities to be renounceable in part or in whole in favour of a third party at the option of the entitled shareholders.</u></p> <p>(2) (a) <u>An issuer can undertake non-renounceable rights issues:-</u></p> <p>(i) <u>subject to specific shareholders' approval; or</u></p> <p>(ii) <u>in reliance on the general mandate to issue rights shares in a non-renounceable rights issue if the rights shares are priced at not more than 10% discount to the weighted average price for trades done on the Exchange for the full market day on which the rights issue is announced. If trading in the issuer's shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the rights issue is announced.</u></p>

		(b) <u>The non-renounceable rights issue must comply with Part V of Chapter 8 except Rule 816(1).</u>
861	To remove the requirement of shareholders' approval for scrip dividend schemes and to clarify that these schemes must provide shareholders with a cash option.	<p>Any scheme which enables shareholders to elect to receive shares in lieu of the cash amount of any dividend must comply with the following:-</p> <p>(1) The scheme must be approved by the issuer's shareholders in general meeting. The shareholder circular <u>The scheme must be announced via SGXNET. The announcement</u> must state the following:-</p> <p>(a) any tax advantage if a shareholder elects to receive shares in lieu of cash, or an appropriate negative statement;</p> <p>(b) whether a shareholder who elects to receive shares may receive odd lots;</p> <p>(c) that a shareholder who will breach any shareholding restriction imposed by Singapore law or prescribed in the Articles of Association of the issuer by receiving shares is not eligible to participate in the scheme for that dividend;</p> <p>(d) that a person receiving shares under the scheme may be required to comply with the Takeover Code; and</p> <p>(e) the treatment of fractional entitlements arising from the allotment of new shares pursuant to the scheme; <u>and</u></p> <p>(f) <u>whether the issue of shares under the scheme will require shareholders' approval under the Companies Act and/or any other applicable statutory requirement, and if so, to disclose whether the issuer is relying on a general mandate that is currently in force or will be obtaining specific shareholders' approval for the issue of new shares under the scheme.</u></p> <p>(2) All shareholders must be eligible to participate in the scheme, subject to any shareholding restriction imposed by any statute, law or regulation in Singapore or prescribed in the Articles of Association of the issuer by receiving shares is not eligible to participate in the scheme for that dividend.</p>

		<p>(3) Notwithstanding Rule 861(2), an issuer may determine that foreign shareholders will not be eligible to participate if:</p> <ul style="list-style-type: none"> (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. <p>In addition, if any foreign shareholding limit computed as at the Books Closure Date (“BCD”) 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.</p> <p>(4) The issue price of shares allotted pursuant to the scheme must be determined in accordance with a formula based on the market price, but any discount must not exceed 10% of the market price.</p> <p>(5) Shareholders may only participate in respect of all of their shareholdings as at the BCD in any dividend to which the scheme applies. Accordingly, there shall be no cash payment for those who have elected for the scrip alternative.</p> <p>(5)(6) 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.</p> <p><u>(6) For the avoidance of doubt, the scheme must allow shareholders to receive dividends in cash.</u></p>
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PRACTICE NOTE 8B SUB-UNDERWRITING ARRANGEMENTS

Cross-referenced from Part V of Chapter 8

PART I: INTRODUCTION

1. The objective of this Practice Note is to provide guidance on sub-underwriting arrangements entered into with controlling shareholders and substantial shareholders where sub-underwriting fees will be paid. Payment of sub-underwriting fees to controlling shareholders and substantial shareholders to take up their rights entitlement and/or sub-underwrite a portion of the excess rights shares translates to a larger price discount for the rights shares for such shareholders.
2. This Practice Note sets out the requirement for all sub-underwriting arrangements, entered into with controlling shareholders and substantial shareholders where sub-underwriting fees are paid, to be subject to specific shareholders' approval. To protect the interest of other shareholders, we are also requiring specific conditions to be met by issuers and underwriters.

PART II: SHAREHOLDERS' APPROVAL

1. For issuers seeking shareholders' approval for the rights issue, a separate resolution is needed where sub-underwriting fees will be paid to controlling shareholders and substantial shareholders.
2. Issuers that intend to utilise the general mandate for the issue of rights shares will have to seek specific shareholders' approval for the sub-underwriting arrangements where a sub-underwriting fee will be paid.

PART III: CONDITIONS TO BE SATISFIED BY ISSUERS AND UNDERWRITERS

1. To increase the transparency and accountability of these sub-underwriting arrangements, the Exchange will allow sub-underwriting arrangements with a fee to be entered into with controlling shareholders and substantial shareholders, where specific conditions are satisfied by issuers and underwriters:-
 - (a) The issuer's Board of Directors ("Board") provides assurance that the terms of the sub-underwriting arrangement are fair and not prejudicial to the issuer and to other shareholders. The Board must provide the basis for their opinion;
 - (b) The issuer's Board provides a confirmation in the circular to shareholders that the terms agreed between the issuer and the underwriter (including the commission payable to the underwriter and the controlling and/or substantial shareholder) are on arms' length and normal commercial terms;
 - (c) The underwriter must be a financial institution licensed by the Monetary Authority of Singapore to conduct underwriting activities;

- (d) The Board's opinion (including the basis thereof) and the confirmation referred to in paragraphs (a) and (b) above, together with a statement whether there are any dissenting views of the Board members (and if so, details of the dissenting views), must be disclosed in the circular to shareholders;
- (e) The underwriters confirm to the Board that:-
 - (i) the discussion on the sub-writing arrangement with the sub-underwriters was initiated by the underwriters and not by the sub-underwriters; and
 - (ii) the underwriters will not underwrite the rights issue unless the sub-underwriters enter into the sub-underwriting arrangement.
- (f) The commission that the sub-underwriters earn shall not be higher than, and must be part of, the commission paid to the underwriters; and
- (g) The fee earned by the underwriters and sub-underwriters must be disclosed in the circular to shareholders.