



## LISTING RULE AMENDMENTS 2 JANUARY 2004

The following sets out the listing rule amendments, which come into effect from 2 January 2004. The purpose of amendment is provided.

### Definitions and Interpretation

1.1 To introduce a new term as follows.

<b>Term</b>	<b>Meaning</b>
<u>“SFA”</u>	<u>the Securities and Futures Act (Chapter 289) of Singapore and any statutory modification or re-enactment thereof</u>

**Purpose of amendment:** To introduce a new term for which reference is made in the Listing Manual.

### Listing Rule 210(4)(a)

1.2 Listing Rule 210(4)(a) be amended as follows.

The group must be in a healthy financial position, with no shortfall in working capital having regard to whether the Group has a positive cash flow from operating activities.

**Purpose of amendment:** To adopt cash flow as the indicator of an issuer's financial position.

## Listing Rule 232

1.3 Listing Rule 232 be amended as follows.

232 ~~Allocation and allotment for a placement tranche must comply with the following:-~~

~~(1) Not more than 25% of the securities made available for placement(s) by the issue manager, lead broker or any distributor may be allocated or allotted to discretionary managed portfolios of the issue manager, lead broker or any distributor.~~

~~(2) Where there is public demand, the issue manager, lead broker, and any distributor must not retain more than 5 per cent of the placement shares that it has agreed to procure subscriptions for. If the issue manager, lead broker, and any distributor retains any portion of the placement shares, Rule 240 must be complied with.~~

The issue manager, underwriter, lead broker, distributor, or any of their connected clients (as defined in Rule 240) 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 240. This rule does not apply to securities taken up pursuant to an underwriting or sub-underwriting agreement.

**Purpose of amendment:** To remove the restrictive 5% limit and to apply the broader 25% limit to connected clients of the issue manager, underwriter, lead broker or any distributor.

## Listing Rule 240

1.4 Listing Rule 240 be amended as follows.

(1) If any of the following persons acquires an interest (whether directly or through a nominee) in the securities being marketed, the their respective aggregate interest of each party and the circumstances resulting in the acquisition of the interest must be announced before listing of the issuer's securities:-

~~(a) directors and substantial shareholders of the issuer;~~

- ~~(b) — associates of any person in (a);~~
- ~~(c) — issue manager, underwriter, lead broker, and any distributor of the issuer;~~
- ~~and~~
- ~~(d) — connected clients of any person in (c).~~

- (a) each director and his associates;
- (b) each substantial shareholder and his associates;
- (c) the issue manager and its connected clients;
- (d) the underwriter and its connected clients;
- (e) the lead broker and its connected clients; and
- (f) any distributor and its connected clients.

(2) The disclosure required by Rule 240(1) must be made to the best of the issue manager's knowledge and belief, having taken all reasonable steps and made all reasonable enquiries.

~~(2)~~(3) A “connected client” means:-

- (a) a director or substantial shareholder of the issue manager, 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 issue manager, 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 issue manager, underwriter, lead broker or distributor.

**Purpose of amendment:** To accommodate feedback from issue managers and issuers concerning the difficulty of compliance, and pursuant to MAS' comments.

## Listing Rule 246(5)

1.5 Listing Rule 246(5) be amended as follows.

- (a) 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 Appendix 2.4 paragraph 8, Part VII of the Fifth Schedule, Securities and Futures (Offers of Investments)(Shares and Debentures) Regulations 2002.
- (b) In the case of a reverse takeover under Rule 1015, declaration by the acquired group's directors, executive officers, controlling shareholders, and officers occupying a managerial position and above who are relatives of any director or controlling shareholder, in the form set out in Appendix 2.4 paragraph 8, Part VII of the Fifth Schedule, Securities and Futures (Offers of Investments)(Shares and Debentures) Regulations 2002.
- (c) In the case of a secondary listing, the requirements in (a) and (b) are not applicable.

**Purpose of amendment:** To be consistent with the law. For ease of reference, the Exchange plans to publish the Regulation in a Practice Note.

## Listing Rule 308

1.6 Listing Rule 308 be amended as follows.

### **Trustee and Trust Deed**

~~308—A trust deed governing the issue of debt securities must be executed and contain the requirements set out in Rule 309 below. However, the trust deed requirements will not apply to:-~~

- ~~(1)—an issuer who has been declared a “prescribed corporation” for the purpose of Section 97 of the Companies Act Applications for “prescribed corporation” status may be made through the Registrar of Companies and Businesses; or~~
- ~~(2)—a debt issue that is offered only to sophisticated or institutional investors and is traded in a minimum board lot size of S\$200,000 or its equivalent in foreign currencies following listing.~~

308 (1) An issuer must appoint a suitable trustee to represent the holders of its debt securities listed on the Exchange. A trustee corporation under the SFA satisfies this rule.

- (2) The trustee must have no interest in or relation to the issuer which may conflict with its role as trustee.
- (3) If the trustee ceases to perform its function, the issuer must appoint another suitable trustee.
- (4) The directors of the issuer must confirm that a suitable trustee has been appointed. The confirmation must be submitted to the Exchange prior to the issue of the debt securities.
- (5) A trust deed governing the issue of debt securities must be executed and contain the requirements in Rule 309.
- (6) Rule 308 does not apply to:-
  - (a) an issuer who has been declared a “prescribed corporation” for the purpose of Section 239(4) of the SFA.
  - (b) a debt issue that is offered only to sophisticated or institutional investors and is traded in a minimum board lot size of S\$200,000 or its equivalent in foreign currencies following listing.
- (7) The issuer must make all its financial and other records available for inspection by the trustee and its agent(s).

**Purpose of amendment:** The new rule is introduced to satisfy a CLRFC’s recommendation and change the reference from Companies Act to SFA. Sub-Rules 308(2), (3) and (7) are introduced pursuant to MAS’ comments.

## **Listing Rule 309**

1.7 Listing Rule 309 be amended as follows.

309 ~~Unless Rule 308(1) or (2) applies, A~~ trust deed required by Rule 308(5) must include the following provisions:-

- (1) A limitation on the amount that the issuer or any guarantor company may borrow. For the purpose of this limitation:-
  - (a) any advances made by the issuer or any guarantor company to their holding company, or to any of their subsidiaries or their holding company’s subsidiaries, and
  - (b) any investment by the issuer or any guarantor company in the shares of

their subsidiaries or their holding company's subsidiaries,

must not be brought into account as an asset unless the company to or in which the advance or investment is made is a guarantor company and covenants with the trustee to limit itself to the same limitation of liabilities as the borrowing company.

(2) A covenant that on request in writing by the trustee, the issuer will cause any wholly-owned subsidiary (whether formed or acquired before or after the date of the Trust Deed) of the issuer to become a guarantor company. The covenant may be qualified, but must provide that the trustee is entitled:-

- (a) in the case of secured debentures if the value of the security is or is believed by the trustee to have become less than the principal amount outstanding, or
- (b) in the case of debentures or unsecured notes if the ratio limiting the liabilities or borrowing for the purpose of the Trust Deed has been or is believed by the trustee to have been infringed or its maintenance is threatened,

to call upon the issuer to procure any one or more of its subsidiaries (whether formed or acquired before or after the date of the Trust Deed) to become a guarantor company.

(3) The directors of the issuer must prepare a report that relates to each quarter and lodge it with the trustee within one month of the end of the period. The report must be signed by 2 directors and state:

- (a) whether or not any limitation of liabilities or borrowings as prescribed by the Trust Deed has been exceeded;
- (b) whether or not the issuer and the guarantor company have observed and performed all the covenants and obligations binding upon them respectively pursuant to the Trust Deed;
- (c) whether or not any event has happened which has caused or could cause the security created by the Trust Deed to become enforceable;
- (d) whether or not any material trading or capital loss has been sustained by the issuer or any guarantor company;
- (e) whether or not any circumstances materially affecting the issuer or any guarantor company have occurred which adversely affect the debt securities;

- (f) whether any contingent liabilities have been incurred by the issuer or any guarantor company. If so, to state the amount incurred, and whether or not any contingent liability has matured or is likely to mature within the next twelve months, which will materially affect the ability of the issuer or any guarantor company to repay the debt securities;
  - (g) whether or not there has been any change in any accounting method or method of valuation of assets or liabilities;
  - (h) whether or not any circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities misleading or inappropriate; and
  - (i) any substantial change in the nature of the issuer's or any guarantor company's business since the issue of the debt securities.
- (4) Within three months of the expiration of the full year and the half-year, the issuer must provide the trustee the consolidated profit and loss account and balance sheet of the issuer and of any guarantor company. The accounts relating to the full year must be audited.
- (5) The directors shall notify the trustee immediately when they are aware that any condition of the Trust Deed cannot be fulfilled.
- (6) A meeting of holders of debt securities must be called on a requisition in writing signed by holders of at least 10% of the nominal amount of the outstanding debt securities.

**Purpose of amendment:** Consequential on the amendment to Rule 308 and to require a trust deed to provide for requisition of meetings by holders of debt securities (pursuant to MAS' comments). UK Listing Authority and Hong Kong Exchanges and Clearing Limited have a similar rule.

## **Listing Rule 505**

1.8 Listing Rule 505 be amended as follows.

Where an issue is based on securities of an entity that is not listed or quoted on the Exchange:-

- (1) the securities must be listed or quoted on an acceptable stock exchange;
- (2) the entity must be an entity that would be able to meet the requirements in Rule 210(2), (3) and (4) for listing of equity securities;

- (3) the paid up capital of the entity must be at least S\$200 million (or its equivalent) or the market capitalisation of the foreign entity must have been at least S\$500 million (or its equivalent) over the past 30 market days of that market;
- (4) the number of structured warrants to be issued, together with those structured warrants already issued by all third-party issuers which are still outstanding, must not exceed 50% of the issued securities of the entity. In computing the 50% limit, company warrants issued by the entity itself will not be included; and
- (5) price and volume information, and financial and price-sensitive information relating to the entity, must be readily available to investors in Singapore.

**Purpose of amendment:** To ensure price and volume information, and financial and price-sensitive information are available for investors in Singapore.

#### **Listing Rule 606(4)**

1.9 Listing Rule 606(4) be amended as follows.

##### **Subsection VI.A. - Directors and Senior Management**

- (a) Details of past working experience should include the specific areas of responsibility, designation, period of employment, a brief description of the employer's business and scale of operations, and any other relevant information to enable investors to assess the experience of the key persons in the issuer.
- (b) Details of principal directorships in the last 5 years.
- (c) Details of the management reporting structure in the issuer.
- (d) Any matter set out in Appendix 2.4 paragraph 8, Part VII of the Fifth Schedule, Securities and Futures (Offers of Investments)(Shares and Debentures) Regulations 2002, which is material to investors.

**Purpose of amendment:** To be consistent with the law.

#### **Listing Rule 607(4)**

1.10 Listing Rule 607(4) be amended as follows.

607 The following additional information should be provided in the document:-

- (4) In the case of an introductory document or an offering memorandum,



a statement as required in paragraph ~~16(d)~~ 3(d) of Appendix 8.2; and

**Purpose of amendment:** Consequential on the amendment proposed to Appendix 8.2.

#### **Listing Rule 704(5)**

1.11 Listing Rule 704(5) be amended as follows.

Any qualification or emphasis of a matter by the auditors on the financial statements of:-

- (a) the issuer; or its
- (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.

**Purpose of amendment:** To bring associated companies within the scope of the rule and to require an immediate announcement to be made only if the qualification or emphasis of a matter impacts the issuer's consolidated accounts or the Group's financial position in a material way.

#### **Listing Rule 704(7)**

1.12 Listing Rule 704(7) be amended as follows.

Any appointment or resignation of any director, chief executive officer, general manager or other executive officer of equivalent rank, company secretary, registrar or auditors of the issuer. The announcement of an appointment of any director, chief executive officer, general manager or other executive officer of equivalent rank must contain the following details: -

- (h) The information required in Appendix 2.4 paragraph 8, Part VII of the Fifth Schedule, Securities and Futures (Offers of Investments)(Shares and Debentures) Regulations 2002.

**Purpose of amendment:** To be consistent with the law.

#### **Listing Rule 705**

1.13 Listing Rule 705 be amended as follows.

- (1) An issuer must announce the financial statements for the first half and the full financial year as set out in Appendix 7.2 immediately after the figures are

available, but in any event not later than 3 months after the relevant financial period. For financial year commencing on or after 1 January 2003, the announcement must be made no later than 60 days after the relevant financial period. For financial year commencing on or after 1 January 2004, the announcement must be made no later than 45 days after the relevant financial period. The requirement to announce the financial statements for the first half does not apply if Rule 705(2) applies.

- (2) An issuer whose market capitalization exceeds \$75 million at 31 March 2003 and whose financial year commences:-
- (a) on or after 1 January 2003 must announce its financial statements for each of the first three quarters of its financial year (as set out in Appendix 7.2) immediately after the figures are available, but in any event not later than 60 days after the quarter end. ~~This paragraph only applies to an issuer whose market capitalization exceeds \$20 million at 30 September 2002.~~
  - (b) on or after 1 January 2004 must announce its financial statements for each of the first three quarters of its financial year (as set out in Appendix 7.2) immediately after the figures are available, but in any event not later than 45 days after the quarter end.
- (3) An issuer listed after 31 March 2003 and whose market capitalization is \$75 million or below (based on the IPO issue price) is not required to comply with Rule 705(2).

**Purpose of amendment:** Per SGX's announcement of 24 April 2003 that it will, in line with the government's changes to quarterly reporting, waive mandatory quarterly reporting for listed companies with market capitalization of S\$75 million and below as at 31 March 2003.

## Listing Rule 707

1.14 Listing Rule 707 be amended as follows.

~~(1) Unless Rule 707(2) applies, a An issuer must issue its annual report to shareholders and the Exchange no later than 5 months after the end of its financial year at least 14 days before the date of its annual general meeting.~~

~~(2) An issuer whose financial year commences on or after 1 January 2003 must issue its annual report to shareholders and the Exchange no later than 120 days after the end of its financial year.~~

**Purpose of amendment:** To change the reference point of when the annual report must be issued to align the requirement with Section 201 of the Act.

## Listing Rule 710

1.15 Listing Rule 710 be amended as follows.

An issuer must: ~~which holds its annual general meeting:-~~

~~(1) — before 1 January 2003 must, unless it complies with Rule 710(2), state in its annual report whether and how it has complied with the Best Practices Guide and provide sufficient disclosure of its corporate governance processes and activities.~~

~~(2) — on or after 1 January 2003:-~~

~~(a)(1) 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 aspect guideline of the Code together with an appropriate explanation for such deviation in the annual report; and~~

~~(b)(2) state in its annual report whether and how it has complied with the section on dealings in securities in the Best Practices Guide.~~

**Purpose of amendment:** To remove Rule 710(1) which is redundant. Rule 710 is renumbered accordingly and amended pursuant to MAS' comments.

## Listing Rule 747

1.16 Listing Rule 747 be amended as follows.

A debt issuer must announce: -

- (1) any redemption or cancellation of the debt securities; ~~and~~
- (2) the details of any interest payment(s) to be made (except for fixed rate notes);
- (3) any amendments to the Trust Deed; and
- (4) any appointment of a replacement trustee as required by Rule 308(3).

**Purpose of amendment:** To prescribe additional disclosure requirements. Sub-Rules 747(3) and (4) are introduced pursuant to MAS' comments.

## Listing Rule 806(3)

1.17 Listing Rule 806(3) be amended as follows.

For the purpose of Rule 806(2), the percentage of issued share capital is based on the issuer's issued share capital at the time of the passing of the resolution approving the mandate ~~is passed~~ after adjusting for:-

- (a) new shares arising from the conversion or exercise of convertible securities;
- (b) new shares arising from exercising or employee share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving on issue when the mandate is passed , provided the options or awards were granted in compliance with Part VIII of Chapter 8 and
- ~~(b)~~(c) any subsequent consolidation or subdivision of shares.

**Purpose of amendment:** Issue of new shares arising from the vesting of share awards which are subsisting at the time of the passing of the mandate was inadvertently left out of the rule when it was amended in January 2003. The amendment is to rectify the omission.

## Listing Rule 814(1)

1.18 Listing Rule 814(1) be amended as follows.

An issuer which intends to make a rights issue must announce (having regard to Rule 704(23)) the issue promptly, stating the following:-

- (a) price, terms and purpose of the issue;
- (b) whether the issue will be underwritten;
- (c) the financial circumstances which call for the issue; and
- (d) whether it has obtained or will be seeking the approval of the Exchange for the listing and quotation of the new shares arising from the rights issue.

In addition, an issuer must observe the disclosure requirements in Appendix 8.2.

**Purpose of amendment:** To draw issuers' attention to the requirements in Rule 704(23).

## Listing Rule 869

1.19 Listing Rule 869 be amended as follows.

The following sets out the usual steps in the additional listing process (other than rights issues) for an issuer with a primary listing:-

- (1) The issuer makes the appropriate announcement;
- (2) The issuer submits one copy of the additional listing application prepared in compliance with Rule 875, together with the supporting documents prescribed in Rule 877;
- (3) The Exchange reviews and decides on the application;
- (4) The issuer announces the Exchange's decision promptly;
- (5) The issuer obtains shareholders' approval (if required);
- (6) The issuer fixes and informs the Exchange of the books closure and entitlement dates, if applicable;
- (7) The issuer allots and issues the equity securities; and

(8) The equity securities are admitted to the Official List.

**Purpose of amendment:** To clarify that this rule does not apply to rights issues.

## Listing Rule 871

1.20 Listing Rule 871 be amended as follows.

~~The Exchange will not normally accept a confidential additional listing application. However, an issuer may submit a confidential application for listing of shares to be issued pursuant to an underwritten rights issue, with the view to reducing underwriting exposure. When submitting a confidential application, the issuer must be able to maintain confidentiality of the issue. The issuer must announce the issue if it appears that there has been a leakage of information on the issue.~~

- (1) An issuer may consult the Exchange to resolve specific issues before it applies for listing of new securities.
- (2) Unless the Exchange prescribes otherwise, the following sets out the usual steps in the additional listing process for a rights issue.
  - (i) The issuer makes an announcement in compliance with Rule 814(1) and submits one copy of the additional listing application. The application must be prepared in compliance with Rule 875 and supported by the documents prescribed in Rule 877 other than the abridged prospectus (or offering circular in the case of a foreign issuer):
  - (ii) The Exchange reviews and decides on the application, and the issuer announces the Exchange's decision promptly:
  - (iii) The issuer obtains shareholder approval (if required), fixes the books closure and entitlement dates and informs the Exchange;
  - (iv) Upon receipt of the Exchange's in-principle approval for the listing and quotation of the new securities or shareholder approval for the issue of the new securities, whichever is later, the issuer must submit the abridged prospectus (offering circular) to the Exchange. The abridged prospectus (offering circular) must be in final form, as nearly as practicable, identical to the copy that will be lodged with the authority (or foreign authority as the case may be), where applicable;
  - (v) The issuer submits a copy of the abridged prospectus (offering circular) to the Exchange when it has lodged the abridged prospectus (offering circular) with the relevant authority, where applicable. The

lodged copy of the abridged prospectus (offering circular) must not be materially different from the copy previously submitted to the Exchange. The issuer must submit a written confirmation to the Exchange to this effect;

- (vi) The Exchange will inform the issuer of any further information that is required to be disclosed. This will be done after lodgment of the abridged prospectus (offering circular) with the relevant authorities, where applicable, but before the commencement of nil-paid rights trading. The issuer has to decide whether to announce this information (not later than 2pm on the market day before commencement of nil-paid rights trading) or issue a supplementary abridged prospectus;
- (vii) If commencement of nil-paid rights trading is expected to be delayed, the issuer must make an announcement to this effect as soon as practicable but not later than 4pm on the market day before the commencement of nil-paid rights trading;
- (viii) After the close of the rights issue, the issuer allots and issues the new securities and the new securities are listed.

**Purpose of amendment:** To incorporate the requirements of Transitional Practice Note 4 into Chapter 8 as Rule 871. The existing requirements in Rule 871 will be transferred to Rule 872.

## Listing Rule 872

1.21 Listing Rule 872 be amended as follows.

- (1) The Exchange will not normally accept a confidential additional listing application. However, an issuer may submit a confidential application for listing of shares to be issued pursuant to an underwritten rights issue, with the view to reducing underwriting exposure. When submitting a confidential application, the issuer must be able to maintain confidentiality of the issue. The issuer must announce the issue if it appears that there has been a leakage of information on the issue.
- (2) An issuer making a confidential listing application for an underwritten rights issue must observe the following listing procedures:-
  - (1)(a) The issuer must appoint a lead manager and underwriter. The listing application must state the indicative price range at which the issue will be made. The underwriting agreement is normally signed after the Exchange has approved the listing of the new securities.

- ~~(2)~~(b) Upon receipt of Exchange's approval in-principle, the issuer must promptly finalise the terms of the issue with the lead manager/underwriter. The issue and its finalised terms must be announced as soon as possible, and in any case, not later than 48 hours after the receipt of approval in-principle from the Exchange.
- ~~(3)~~(c) In the event of leakage of information, as suggested by market rumours or unusual activities in the issuer's shares, the issuer must take one of the following steps:-
- ~~(a)~~(i) Announce the issue immediately.
  - ~~(b)~~(ii) Request temporary suspension of trading pending finalisation of terms. Thereafter, the terms would be announced. The Exchange would normally expect the announcement to be made within two days of the temporary suspension of trading.
  - ~~(c)~~(iii) Withdraw the issue and make an appropriate announcement.

The issuer and the lead manager are expected to investigate the possible sources of leakage and submit their findings to the Exchange.

- ~~(4)~~(d) In organising an underwriting syndicate, an issuer and its lead manager must be particularly mindful of the need to prevent leakage of information. To minimise the risk of leakage, the issuer and lead manager must restrict the number of staff and other professionals having access to the confidential information. They should each maintain a list of all persons who have access to the confidential information and must, upon request, provide such particulars to the Exchange.

**Purpose of amendment:** Consequential on the amendments proposed to Rule 871.

## **Listing Rule 877**

1.22 Listing Rule 877 be amended as follows.

One copy of the following documents (where required) must be submitted as supporting documents:-

- (1) Draft circular to shareholders unless shareholder approval is not required for the issue.



- (2) If an independent financial adviser is required to be appointed in connection with the issue, the letter from the independent financial adviser setting out its advice and recommendation on the issue.
- (3) If profit or cash flow projections are disclosed in a document issued to shareholders, the applicant must submit the detailed projections upon request by the Exchange.
- (4) If the share issue is an interested party transaction, a copy of each contract, plan or agreement pursuant to which the issue is made.
- (5) If a valuation was made on an asset being acquired, a copy of the relevant valuation report.
- (6) If the application involves a capitalisation issue, a written confirmation from the company's auditors that the reserves are sufficient to cover the capitalisation issue.
- (7) Other documents, such as the ~~draft~~ abridged prospectus, prospectus and deed poll that may be applicable to the issue of securities.
- (8) An undertaking from the issuer that it will make periodic announcement on the utilization of the proceeds, as the funds from the rights issue are disbursed.
- (9) If a substantial shareholder undertakes to apply for his entitlements and/or excess rights shares, a confirmation from a financial institution that the substantial shareholder has the necessary financial resources.
- (10) In the allotment of any excess rights shares, a confirmation from the issuer that preference will be given to the rounding of odd lots, and that directors and substantial shareholders will rank last in priority.

**Purpose of amendment:** To require the submission of an abridged prospectus in final form and other documents currently required by the Exchange.

### **Listing Rule 920(1)**

1.23 A new sub-paragraph be incorporated into Listing Rule 920(1) as follows. Sub-paragraph (c) be renumbered accordingly.

- (c) An independent financial adviser's opinion is not required for the renewal of a general mandate provided that the audit committee confirms that:-
  - (i) the methods or procedures for determining the transaction prices have not changed since last shareholders' approval; and

(ii) the methods or procedures in Rule 920(1)(c)(i) are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders.

~~(c)~~(d) Transactions conducted under a general mandate are not separately subject to Rules 905 and 906.

**Purpose of amendment:** To accommodate feedback from issuers concerning the difficulty of compliances, as well as to incorporate MAS' comments.

### **Listing Rule 1010**

1.24 Listing Rule 1010 be amended as follows.

Where any of the relative figures computed on the bases set out in Rule 1006 exceeds 5% but does not exceed 20%, an issuer must, after terms have been agreed, immediately announce the following:-

- (1) Particulars of the assets acquired or disposed of, including the name of any company or business, where applicable;
- (2) A description of the trade carried on, if any;
- (3) The aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment;
- (4) Whether there are any material conditions attaching to the transaction including a put, call or other option and details thereof;
- (5) The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation;
- (6) In the case of a disposal, the excess or deficit of the proceeds over the book value, and the intended use of the sale proceeds. In the case of an acquisition, the source(s) of funds for the acquisition;
- (7) The net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal;

- (8) The effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year;
- (9) The effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year;
- (10) The rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction;
- (11) Whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests; and
- (12) Details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction.
- (13) The relative figures that were computed on the bases set out in Rule 1006.

**Purpose of amendment:** To require issuers to announce the relative figures computed on the bases set out in Rule 1006.

### Listing Rule 1015(3)

1.25 Listing Rule 1015(3) be amended as follows.

The enlarged group must comply with the following requirements:-

- (a) For SGX Mainboard issuers, the requirements in Rule 210(1), (2)(a) or (b), (3), (4), (5), (6), ~~(7)~~ and, if applicable, Rule 222;
- (b) For SGX Sesdaq issuers, the ~~following conditions:-~~ requirements in Rule 211 and, if applicable, Rule 222.

~~Condition 1 — The enlarged group must have a cumulative pre-tax profit of at least \$2.5 million for the latest two years, with pre-tax profit of at least \$0.5 million in the penultimate year and \$1 million in the latest year.~~

~~Condition 2 — The enlarged group must also meet the requirements of (i) Rule 210(4), (5) and (6); and (ii) Rule 211(1), (3) and (4) and, if applicable, Rule 222.~~

- (c) The reference to “invitation shares” in Rule 210(1)(a) means the minimum prescribed public float based on the issued share capital of the enlarged group, being 25% for SGX Mainboard issuers and 15% for SGX Sesdaq issuers.

~~(e)~~(d) The period of moratorium specified in Rule 229 is applicable to:-

- (i) persons who are existing controlling shareholders or who will become controlling shareholders of the issuer as a result of the asset acquisition; and
- (ii) associates of any person in (i).

**Purpose of amendment:**

- (i) To exclude the market capitalization criterion for reverse takeovers (in the case of SGX Mainboard issuers);
- (ii) To harmonise the rules for both initial listing and reverse takeover (in the case of SGX Sesdaq issuers);
- (iii) To clarify the application of the distribution requirements in Rule 210.

**Listing Rule 1015(5)(d)**

1.26 Listing Rule 1015(5) be amended as follows.

In relation to the assets to be acquired, the shareholders' circular must contain the following:-

- (d) A statement by the financial adviser(s) in the form set out in paragraph 16(d) 3(d) of Appendix 8.2.

**Purpose of amendment:** Consequential on the amendment to Appendix 8.2.

**Listing Rule 1203(4)**

1.27 Listing Rule 1203(4) be amended as follows.

An issuer must submit to the Exchange for review, one draft copy of a notice of meeting if it contains a resolution relating to:-

- (4) the renewal of a general mandate from shareholders pursuant to Rule 920, unless there is no change from the previous proposal.

**Purpose of amendment:** To exclude the submission of a notice on an interested person transaction mandate if there is no change from the previous proposal.

## Listing Rule 1206

1.28 Listing Rule 1206 be amended to include a new sub-rule (5) as follows.

1206 Any circular sent by an issuer to its shareholder must:-

- (5) include an appropriate statement if a person is required to abstain from voting on a proposal at a general meeting by a listing rule.

**Purpose of amendment:** To require a shareholder circular to have a voting exclusion statement if a person is required by a listing rule to abstain from voting on a proposal at a general meeting.

## Listing Rule 1303(3)(c)

1.29 Listing Rule 1303(3)(c) be amended as follows.

The Exchange may at any time suspend trading of the listed securities of an issuer in any of the following circumstances:-

- (1) If the percentage of an issuer's securities held in public hands falls below 10%, as provided in Rule 723;
- (2) Where there is a change in the issuer's assets that produces a situation where its assets consist wholly or substantially of cash or short-dated securities, as provided in Rule 1018;
- (3) Where the issuer's ability to continue as a going concern is in doubt, including the following circumstances:-
  - (a) when an application is filed with a court to place the issuer (or significant subsidiary) under judicial management; or
  - (b) when an application is filed with a court for the liquidation of the issuer (or significant subsidiary) and the amount of the debt alleged is significant; or
  - (c) when there is an audit qualification or ~~highlight~~ emphasis of a matter in respect of the issuer (or significant subsidiary) that raises a going concern issue.

**Purpose of amendment:** To clarify the rule.

### Paragraph 9(f) of Appendix 2.2

1.30 Paragraph 9(f) of Appendix 2.2 be deleted as follows.

~~An election of directors shall take place each year. All directors except a managing director or a person holding an equivalent position shall retire from office at least once every three years, but shall be eligible for re-election.~~

**Purpose of amendment:** The paragraph is deleted to avoid inconsistency with Principle 4 of the Code of Corporate Governance.

### Paragraph 10 of Appendix 2.2

1.31 Paragraph 10 of Appendix 2.2 be amended as follows.

#### **Accounts**

The interval between the close of a company's financial year ~~of the company~~ and the ~~issue of accounts relating to it~~ date of the company's annual general meeting shall not exceed:-

- (a) five months in the case of a company whose financial year commences before 1 January 2003; and
- (b) four months in the case of a company whose financial year commences on or after 1 January 2003.

**Purpose of amendment:** To align the requirement with Section 201 of the Act.

## Appendix 2.4

1.32 Appendix 2.4 be deleted as follows.

### **APPENDIX 2.4**

*Cross-referenced from Rules 246(5), 606(4)(d), 704(7)(h), 1015(4)*

#### **~~DECLARATION BY A DIRECTOR, EXECUTIVE OFFICER OR CONTROLLING SHAREHOLDER~~**

~~If the answer to any question is “yes”, full details must be provided. Otherwise, an appropriate negative statement should be made in the declaration.~~

- ~~1. (a) Were you in the last 10 years involved in a petition under any bankruptcy laws in any jurisdiction filed against you?~~
- ~~(b) Were you in the last 10 years a partner of any partnership involved in a petition under any bankruptcy laws in any jurisdiction filed against it while you were such a partner?~~
- ~~(c) Were you in the last 10 years a director or an executive officer of any corporation involved in a petition under any bankruptcy laws in any jurisdiction filed against it while you were such a director or executive officer?~~
- ~~2. Are there any unsatisfied judgements outstanding against you?~~
- ~~3. Have you been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty punishable with imprisonment for 3 months or more, or charged for violation of any securities laws? Are you the subject of any such pending criminal proceeding?~~
- ~~4. Have you at any time been convicted of any offence, in Singapore or elsewhere, involving a breach of any securities or financial market laws, rules or regulations?~~
- ~~5. Have you received judgement against you in any civil proceedings in Singapore or elsewhere in the last 10 years involving fraud, misrepresentation or dishonesty? Are you the subject of any such pending civil proceedings?~~
- ~~6. Have you been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any corporation?~~
- ~~7. Have you ever been disqualified from acting as a director of any company, or from taking part in any way directly or indirectly in the management of any company?~~

8. ~~Have you been the subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or governmental body permanently or temporarily enjoining you from engaging in any type of business practice or activity?~~
9. ~~Have you, to your knowledge, in Singapore or elsewhere, been concerned with the management or conduct of affairs of any company or partnership which has been investigated by an inspector appointed under the provisions of the Companies Act, or other securities enactments or by any other regulatory body in connection with any matter involving the company, or partnership occurring or arising during the period when you were so concerned with the company, or partnership?~~

**Purpose of amendment:** To be consistent with the law.

## Appendix 7.2

1.33 Appendix 7.2 be amended as follows.

### **FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

*Cross-referenced from Rule 705*

#### **PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

1. In the case of Q1, Q2 and Q3 announcements, issuers may present the following statements in the form presented in the issuer's most recently audited annual financial statements:- in any format provided that the same format is used for each quarter. In the case of half-year and full year announcements, issuers must present the following statements in the form presented in the issuer's most recently audited annual financial statements:-
- (a) (i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.
- (ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-
- (A) Investment income  
(B) Other income including interest income



- (C) Interest on borrowings
  - (D) Depreciation and amortisation
  - (E) Allowance for doubtful debts and bad debts written off
  - (F) Write-off for stock obsolescence
  - (G) Impairment in value of investments
  - (H) Foreign exchange gain/loss (where applicable)
  - (I) Adjustments for under or overprovision of tax in respect of prior years
  - (J) Profit or loss on sale of investments, properties, and/or plant and equipment
  - (K) Exceptional items
  - (L) Extraordinary items
- (b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.
- (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-
- (A) the amount repayable in one year or less, or on demand;
  - (B) the amount repayable after one year;
  - (C) whether the amounts are secured or unsecured; and
  - (D) details of any collaterals.
- (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.
- (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.
- (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

2. Whether the figures have been audited, or reviewed, and in accordance with which auditing standard (~~e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard~~) or practice.
3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).
4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.
5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.
6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-
  - (a) Based on the weighted average number of ordinary shares on issue; and
  - (b) On a fully diluted basis (detailing any adjustments made to the earnings).
7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-
  - (a) current period reported on; and
  - (b) immediately preceding financial year.
8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. ~~The review~~ It must include a discussion of the following:-
  - (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) ~~It must also discuss~~ any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.
9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

(b) (i) Amount per share ..... cents ~~/(rate .....%)~~.  
Optional: Rate: ..... %)

(ii) Previous corresponding period ..... cents ~~/(rate .....%)~~.  
Optional: Rate: ..... %)

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

(d) The date the dividend is payable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

12. If no dividend has been declared (recommended), a statement to that effect.

## **PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

15. A breakdown of sales as follows:-

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

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

- (a) Ordinary
- (b) Preference
- (c) Total

**Purpose of amendment:**

- (i) To simplify the format for reporting of quarterly results;
- (ii) To require the review of group's performance to include a discussion of any significant trend or event that occurs between the end of the financial period reported on and the date the financial statements are announced; and
- (iii) To require all issuers to disclose the amount of dividend to be paid in cents per share.

### Appendix 7.3

1.34 Appendix 7.3 be deleted and substituted as follows.

#### **APPENDIX 7.3**

*Cross-referenced from Rule 704(3)*

#### **~~NOTICE OF SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' INTERESTS AND CHANGES IN INTERESTS~~**

~~Date of notice to issuer:~~

~~Date of change of interests:~~

~~Name of registered holder:~~

~~Circumstances giving rise to the interest or transaction therein:~~

~~Information relating to shares held in the name of the registered holder:~~

~~Number of shares held before change:~~

~~Percentage of the issued share capital:~~

~~Number of shares which are the subject of the transaction:~~

~~Percentage of the issued share capital:~~

~~Amount of consideration (excluding brokerage and stamp duties) per share paid or received:~~

~~Number of shares held after change:~~

~~Percentage of the issued share capital:~~

**~~Holdings of Substantial Shareholder/ Director, including direct and deemed interest:~~** \_\_\_\_\_

**Direct** \_\_\_\_\_ **Deemed**

~~Number of shares held before change:~~

~~Percentage of the issued share capital:~~

~~Number of shares held after change:~~

~~Percentage of the issued share capital:~~

~~Total number of shares:~~

**APPENDIX 7.3**

*Cross-referenced from Rule 704(3)*

**NOTICE OF SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS'  
INTERESTS AND CHANGES IN INTERESTS**

**NOTE: This form is for the purpose of Listing Rule 704(3). Completion of this form does not necessarily mean that Section 83 of the Companies Act has been complied with.**

**PART I** [Please complete this Part]

1. Date of notice to issuer:

2. Name of Director or Substantial Shareholder:

3. Please tick one or more appropriate box(es):

- Notice of a Director's (including a director who is a substantial shareholder) interest and change in interest. [Please complete Parts II and IV]
- Notice of a Substantial Shareholder's interest. [Please complete Parts II and IV]
- Notice of a change in the percentage level of a Substantial Shareholder's interest. [Please complete Parts III and IV]

**PART II**

1. Date of change of interest:

2. Name of Registered Holder:

3. Circumstances giving rise to the interest or the change in interest:

4. Information relating to shares held in the name of the Registered Holder: -

Number of shares held before the change:  
As a percentage of issued share capital:

Number of shares which are the subject of this notice:  
As a percentage of the issued share capital:

Amount of consideration (excluding brokerage and stamp duties)  
per share paid or received:

Number of shares held after the change:  
As a percentage of issued capital:

### **PART III**

1. Date of change of interest:

2. The change in the percentage level: From    % to    %.

3. Circumstances giving rise to the interest or change in interest:

4. A statement of whether the change in the percentage level is the result of a transaction or  
a series of transactions:

### **PART IV**

1. Holdings of Substantial Shareholder or Director, including direct and deemed interest:-

	<u>Direct</u>	<u>Deemed</u>
<u>Number of shares held before change:</u>		
<u>As a percentage of issued share capital:</u>		

<u>Number of shares held after change:</u>		
<u>As a percentage of issued share capital:</u>		

**Purpose of amendment:** Consequential on the Companies (Amendment) Act 2003  
and Companies (Amendment No.2) Regulations 2003.

## Appendix 8.2

1.35 Appendix 8.2 be deleted and substituted as follows.

### **APPENDIX 8.2**

*cross-referenced from Rules 607(4), 814(1) and 1015(5)(d)*

#### **ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES OR BOUGHT DEAL**

~~1. (a) An issuer proposing to make a rights issue or bought deal should note the prospectus or abridged prospectus requirements in the Act. The information required in this Appendix may be included in a prospectus or abridged prospectus, or disclosed separately as the issuer decides.~~

~~(b) If an issuer is not required to comply with the Act, the Exchange will normally expect the information disclosed to be the same as if a prospectus or abridged prospectus was issued in Singapore.~~

~~2. An issuer making a rights issue (or a bought deal) must provide shareholders and investors with the information in paragraphs 3 to 15 before nil paid rights trading commences.~~

#### **3. Corporate Information**

~~(a) The full name of the secretary and the location of the registered office and transfer office (if different).~~

~~(b) The names and addresses of the bankers, solicitors and registrars.~~

~~(c) The name, address and professional qualifications of the auditors.~~

#### **4. Details of the Issue**

~~(a) Terms and conditions of the issue. Where listing is sought for shares which will not be identical with shares already listed:-~~

~~(i) a statement of the rights as regards dividends, capital, redemption and voting attached to such shares, and the right of the issuer to create or issue further shares to rank in priority to or rank pari passu therewith; and~~

~~(ii) a summary of the consents necessary for the creation of such rights.~~

~~(b)(i) The last day and time for splitting;~~

~~(ii) The last day and time for Acceptance and Payment; and~~

~~(iii) The last day and time for Renunciation and Payment.~~



## **5. Purpose And Rationale Of The Issue**

~~Purpose and rationale of the issue. This must include a statement or an estimate of the net proceeds of the issue, the specific purposes for which the funds are to be applied and the amount of funds to be allocated for each such purpose. Where specific purposes are not known for any portion of the proceeds, the issuer must disclose the general purpose for which the funds are intended to be applied and how the proceeds will be used pending their utilisation for the specific purposes.~~

## **6. Underwriting**

- ~~(a) Name of the underwriter.~~
- ~~(b) Any provisions for termination of the underwriting agreement.~~
- ~~(c) Any undertaking from substantial shareholders to subscribe for their entitlements.~~
- ~~(d) If the rights issue will not be underwritten, the reasons for not underwriting the issue.~~

## **7. Share Capital**

~~(a) If the share capital of the issuer is divided into different classes of shares, the right of voting at meetings of the issuer conferred by, and the rights in respect of capital and dividends attached to, the several classes of shares.~~

~~(b) Other than options granted pursuant to a share option scheme approved by shareholders, the number, description and amount of any shares in or debentures of the issuer which any person has (or is entitled to be given) an option to subscribe for. The following particulars of the option should also be provided:-~~

- ~~(i) The period during which it is exercisable;~~
- ~~(ii) The price to be paid for shares or debentures subscribed for under it;~~
- ~~(iii) The consideration, if any, given or to be given for it or for the right to it; and~~
- ~~(iv) The names and designation of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders, the relevant shares or debentures.~~

~~(c) The number and amount of shares and debentures which within the 2 preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, and in the latter case, the extent to which they are so paid up and in either case the consideration for which those shares or debentures have been issued or are proposed or intended to be issued.~~

## **8. Properties**

~~(a) This item applies to property purchased or acquired by the issuer or by its subsidiary or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue or the purchase or acquisition of which has~~

~~not been completed at the date of the issue of the abridged prospectus or prospectus, other than property the contract for the purchase or acquisition whereof was entered into in the ordinary course of the issuer's or its subsidiary's business, the contract not being made in contemplation of the issue nor the issue in consequence of the contract.~~

~~(b) With respect to properties described in paragraph 8(a) above, the following information should be provided:-~~

- ~~(i) The name and address of the vendor;~~
- ~~(ii) The amount (specifying the amount, if any, payable for goodwill) payable in cash, shares, or debentures to the vendor and, where there is more than one vendor, or the issuer is a sub-purchaser, the amount so payable to each vendor; and~~
- ~~(iii) Short particulars of transactions completed within the two preceding years relating to properties in whose vendor, a director, a promoter or past director of the issuer had an interest direct or indirect.~~

## **9. Properties**

- ~~(a) The full name and occupation of all the directors.~~
- ~~(b) Any provision in the Articles on the remuneration of directors.~~

## **10. Business**

~~The nature of the issuer's business and the following information on all corporations which are, by virtue of Section 6 of the Companies Act, deemed to be related to the issuer:-~~

- ~~(a) Name;~~
- ~~(b) Place of incorporation;~~
- ~~(c) Principal activities; and~~
- ~~(d) Percentage interest held by the issuer.~~

## **11. Financial Information On The Group**

~~(a) The profits, prospects and dividends of the group. The following should be disclosed:-~~

- ~~(i) A tabulation for each of the last 3 financial years in the following format:-~~

~~Turnover~~

~~Consolidated operating profit/loss\* before income tax, minority interests, extraordinary items, interest on borrowings and depreciation~~

~~Interest on borrowings~~

## Depreciation

~~Consolidated operating profit/loss\* before income tax, minority interests and extraordinary items, but after interest on borrowings and depreciation~~

~~Income derived from associated companies (with separate disclosure for any items included therein which are exceptional because of size and incidence)~~

~~Less Income tax (indicate basis of computation)~~

~~Consolidated operating profit/loss\* after tax before deducting minority interests~~

~~Consolidated operating profit/loss\* after tax attributable to members of the company~~

~~Extraordinary items~~

~~Consolidated operating profit/loss\* after tax and extraordinary items attributable to members of the Company~~

~~Gross earnings per share~~

~~Gross rate of dividend~~

~~Net asset backing per share~~

~~Note: If the number of issued shares has changed in the last three financial years, the earnings per share and net asset backing per share in paragraph 11(a)(i) should be adjusted to make them comparable.~~

~~(ii) The net asset backing per share of the issuer and the group as at the date of the last audited accounts and after the rights issue;~~

~~(iii) A discussion of the trading and financial performance of the issuer and its principal subsidiaries and associated companies for the financial years reported on, including the material changes from year to year, together with explanations on the principal factors causing such changes;~~

~~(iv) A discussion of the trading and financial prospects of the issuer. This should include any relevant material information, in particular any special trade factors or risks not mentioned elsewhere in the abridged prospectus or prospectus and which are unlikely to be known or anticipated by the general public and which could materially affect the profits;~~

~~(v) In complying with paragraph 11(a)(iii) and (iv), particular attention should be given to disclosing information in the following areas:-~~

- ~~(A) Any known trends or demands, commitments, events or uncertainties that are expected to materially increase or decrease the group's liquidity;~~
  - ~~(B) Any material commitments for capital expenditures, the general purpose of such commitments and the anticipated source of funds;~~
  - ~~(C) Any significant economic changes, unusual or infrequent events/transactions that had materially affected the amount of reported income from operations and its effect on the income;~~
  - ~~(D) Any known trends or uncertainties that had or are expected to have a material favourable or unfavourable impact on revenues or operating income; and~~
  - ~~(E) Where there has been substantial increase in revenues or profits, the extent to which such increase is attributable to increase in prices, volume or amount of goods or services sold, the introduction of new products or services or reduction in costs or expenses.~~
- ~~(vi) Any material events or developments in relation to the group which would have a material and adverse effect on the group's financial statement since the date of the latest published results, or an appropriate negative statement.~~
  - ~~(vii) A statement by the directors that in their opinion, the working capital available is sufficient, or if not, how the issuer proposes to provide the additional working capital thought by the directors to be necessary.~~

~~If the consolidated working capital is negative for the latest financial year or the half year, the following information must be provided:-~~

- ~~(i) The consolidated balance sheet for the last 3 financial years and the latest half year (if available).~~
  - ~~(ii) A breakdown of the current assets and current liabilities;~~
  - ~~(iii) A review of the working capital for the last 3 financial years and the latest half year (if available), including an explanation of the factors resulting in the shortfall in working capital; and~~
  - ~~(iv) Explanation of how the issuer plans to reduce the shortfall in its working capital.~~
- ~~(b) If the consolidated working capital is negative for the latest financial year or the half year, the following information must be provided:-~~
- ~~(i) The consolidated balance sheet for the last 3 financial years and the latest half year (if available).~~
  - ~~(ii) A breakdown of the current assets and current liabilities;~~
  - ~~(iii) A review of the working capital for the last 3 financial years and the latest half year (if available), including an explanation of the factors resulting in the shortfall in working capital; and~~

~~(iv) Explanation of how the issuer plans to reduce the shortfall in its working capital.~~

~~(c) Where the latest audited accounts of the issuer and the group have been made up to a date not more than 6 months prior to the date of the abridged prospectus or prospectus, to disclose such audited accounts of the issuer and the Group. This should include comparative figures for the previous financial year as well as the auditors' report thereon and the notes to the accounts.~~

~~(d) Where the latest audited accounts of the issuer and the group have been made up to a date more than 6 months but less than 12 months prior to the date of abridged prospectus or prospectus, in addition to the last audited accounts of the issuer and the group as specified in paragraph 11(c) above, the unaudited financial statements of the issuer and the group for a period made up to not more than 3 months prior to the date of the abridged prospectus or prospectus should be disclosed. Such unaudited financial statements should be prepared on accounting principles and bases consistent with those adopted in the preparation of audited financial statements and a confirmation to this effect should be given by the directors of the issuer.~~

## **~~12. Director's Report~~**

~~(a) A report by the directors as to whether after due enquiry by them in relation to the interval between the date to which the last accounts were made and a date not earlier than 14 days before the due date of the abridged prospectus or prospectus:-~~

~~(i) the business of the issuer and its subsidiaries, has in their opinion, been satisfactorily maintained;~~

~~(ii) in their opinion, any circumstances adversely affecting the trading or the value of the assets of the issuer or any of its subsidiaries have arisen since the last annual general meeting of the issuer;~~

~~(iii) the current assets of the issuer and its subsidiaries appear in the books at values which are believed to be realisable in the ordinary course of business;~~

~~(iv) there are any contingent liabilities by reason of any guarantees given by the issuer or any of its subsidiaries; or~~

~~(v) there are, since the last annual report, any changes in published reserves or any unusual factors affecting the profit of the issuer and its subsidiaries.~~

## **~~13. Material Contracts~~**

~~The dates of, parties to, and general nature of all material contracts (not being contracts entered into in the ordinary course of business) carried or intended to be carried on by the issuer or contracts entered into more than two years before the publication of the abridged prospectus or prospectus.~~

#### **14. ~~Litigation~~**

~~Information on any legal or arbitration proceedings pending or threatened against any member of the group which is (of material importance) or an appropriate negative statement.~~

#### **15. ~~Commission~~**

~~The amount, if any, paid within the 2 preceding years, or payable, as commission (but not including commission to sub-underwriters) for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of the issuer, or the rate of any such commission, and the names of any directors or promoters or experts or proposed directors who are entitled to receive any such commission and the amount or rate thereof.~~

~~16. — If a document is issued that is not, or does not accompany an abridged prospectus or a prospectus in connection with a rights issue, or bought deal, it must include the following:-~~

~~(a) A statement that: "THIS DOCUMENT IS IMPORTANT".~~

~~(b) A statement that if investors are in any doubt as to the action they should take, they should consult their stockbroker, bank manager, solicitor, accountant, or other professional adviser immediately.~~

~~(c) A statement that approval in principle has been obtained from the Exchange for the rights issue (bought deal) and for listing the new securities arising from the issue which will commence after all securities certificates have been issued and the allotment letter from the CDP has been despatched.~~

~~(d) A statement by the issue manager that to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue and the issuer; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonable enquiry.~~

~~(e) If the document includes a statement purporting to be made by an expert, a statement that the expert has given and has not withdrawn his written consent to the issue of the document with the inclusion of the statement in the form and context in which it is included in the document.~~

~~(f) A statement that for the period up to and including the last day for renunciation and repayment, at a specified place in Singapore (or such other centre as the Exchange may determine), the following documents (or copies thereof) where applicable may be inspected:-~~

~~(i) The Memorandum and Articles of Association;~~

- ~~(ii) Trust deed, where applicable;~~
  - ~~(iii) Each contract disclosed pursuant to paragraph 13. In the case of a contract not reduced into writing, a memorandum giving full particulars;~~
  - ~~(iv) All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the abridged prospectus or prospectus; and~~
  - ~~(v) The audited accounts of the issuer and its subsidiaries for each of the two financial years preceding the publication of the abridged prospectus or prospectus, together with all notes, certificates or information required by the Companies Act.~~
- ~~(g) — The statements in Rules 607(2) and (3).~~

## **APPENDIX 8.2**

*cross-referenced from Rules 607(4), 814(1) and 1015(5)(d)*

### **DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES OR BOUGHT DEALS**

- (1) Apart from providing the information prescribed by the law, an issuer that is required to comply with the abridged prospectus requirements in the SFA must also provide the information set out in paragraphs 3(a), (b) and, if applicable, (c) below.
- (2) An issuer that is not required to comply with the abridged prospectus requirements in the SFA is required to provide the same disclosures in its offering circular as an issuer that is required to comply with the SFA. The issuer is also required to provide the information set out in paragraph (3)(a), (b), (d) and, if applicable, (c) below in its offering circular.
- (3) The following information must be included in the abridged prospectus or offering circular, where applicable, OR announced separately before trading of nil-paid rights commences:-
  - (a) **On the cover page of abridged prospectus or offering circular:-**
    - Either (i) and (ii), or (iii) as applicable:-
      - (i) a statement that the issuer has made an application to SGX-ST for permission to list the securities which are the subject of the rights issue or bought deal and that acceptance of applications will be conditional upon issue of the securities and SGX-ST's approval being granted to list the securities;

- (ii) a statement that monies paid in respect of any application accepted will be returned if permission is not granted;
- (iii) a statement that approval in-principle has been obtained from SGX-ST for listing of new securities arising from the rights issue or bought deal, which will commence after all securities certificates have been issued and the allotment letter from the CDP has been dispatched.

Both (iv) and (v):-

- (iv) a statement that the approval in-principle granted by SGX-ST is not to be taken as an indication of the merits of the issue, the issuer, its subsidiaries or the securities.
- (v) a statement that SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this document.

**(b) Working Capital**

A review of the working capital for the last three financial years and the latest half year, if applicable.

**(c) Convertible Securities**

- (i) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832;
  - (ii) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on a price-fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.
- (d) A statement by the issue manager that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonable enquiry.

**Purpose of amendment:** The requirements of Appendix 8.2 became redundant when the SFR came into force last year. The amendment is to substitute the redundant rules in Appendix 8.2 with the requirements of Practice Note 8.2, as well as to incorporate MAS' comments. Practice Note 8.2 is deleted.



**Practice Note 8.2**

1.36 Practice Note 8.2 be deleted as follows.

**SGX-ST Listing Rules**  
**Practice Note 8.2**  
~~**Disclosure Requirements:**~~  
~~**Rights Issues**~~

<i>Details</i>	<i>Cross references</i>	<i>Enquiries</i>
Issue date: 14 June 2002	Listing Rules 823, 869, 877(7) & Appendix 8.2	Please contact Issuer Regulation Department:- 6-236-8896 Daisy Tan 6-236-8887 June Sim 6-236-8892 Ashley Seow 6-236-8895 Siew Wun Mui 6-236-8880 Tang Yeng Yuen
Effective date: 1 July 2002		

**1. Introduction**

1.1 This Practice Note is published to provide guidance to listed issuers on the disclosure of information with regard to rights issues.

**2. Disclosure of Information**

2.1 An issuer that is required to comply with the Securities & Futures Regulations must provide the information prescribed by the law. In addition, all issuers must provide the information set out in paragraphs 2.3.1 and 2.3.3 and, if applicable, 2.3.4, below.

2.2 An issuer that is not required to comply with the Securities & Futures Regulations, will normally be expected to provide the same disclosures as an issuer that is required to comply with the Regulations. In addition, the offering circular must contain the information in paragraph 2.3.2 below.

2.3 Unless otherwise specified, the following information should be included in the abridged prospectus or offering circular, or announced separately before the commencement of nil-paid rights trading, at the discretion of the issuer.

**2.3.1 On the cover page of abridged prospectus or offering circular**

(a) A statement that:-

- (i) An application has been made to Singapore Exchange Securities Trading Limited ("SGX-ST") for permission to list the securities the subject of the issue (the "Securities"); and

- ~~(ii) — Acceptance of applications will be conditional upon issue of the securities and upon permission being granted to list the Securities. Monies paid in respect of any application accepted will be returned if permission is not granted.~~
- ~~(b) — A statement that approval in principle has been obtained from SGX-ST for listing of new securities arising from the rights issue which will commence after all securities certificates have been issued and the allotment letter from the CDP has been despatched.~~
- ~~(c) — A statement that the approval in principle granted by SGX-ST is not to be taken as an indication of the merits of the issuer, its subsidiaries or the securities.~~
- ~~(d) — A statement that SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this document.~~

### **~~2.3.2 — Statement by Manager / Underwriter of the Issue~~**

~~A statement by the issue manager that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonable enquiry.~~

### **~~2.3.3 — Working Capital~~**

~~A review of the working capital for the last 3 financial years and the latest half year (if applicable).~~

### **~~2.3.4 — Convertible Securities~~**

- ~~(a) — Where a rights issue involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 in relation to such securities;~~
- ~~(b) — Where the rights issue is underwritten and the exercise/conversion price is based on a price-fixing formula (see Rule 833(2)), state that the exercise/conversion price must be fixed and announced before the commencement of nil paid rights trading.~~

**Purpose of amendment:** The deletion is consequential on the amendments to Appendix 8.2.

## Transitional Practice Note 4

1.37 Transitional Practice Note 4 be deleted as follows.

**~~SGX-ST Listing Rules  
Transitional Practice Note 4  
Transitional arrangements regarding  
Rights Issues~~**

<i>Details</i>	<i>Cross-references</i>	<i>Enquiries</i>
Issue date: 14 June 2002	<del>Listing Rules 109(2), 704(23), 875 &amp; 877</del>	<del>Please call Issuer Regulation Department:- 6 236 8896 Daisy Tan 6 236 8887 June Sim 6 236 8892 Ashley Seow 6 236 8895 Siew Wun Mui 6 236 8880 Tang Yeng Yuen</del>
Effective date: 1 July 2002		

### ~~1. Introduction~~

~~1.1 With effect from 1 July 2002, the Exchange will have regard to the Eleventh Schedule of the Securities & Futures (Offers of Investments)(Shares and Debentures) Regulations 2002 and Practice Note 8.2 when considering the adequacy of disclosure.~~

### ~~2 Arrangements~~

~~2.1 The following procedures will be adopted for rights issues from the date on which the Securities & Futures (Offers of Investments)(Shares and Debentures) Regulations 2002 comes into effect.~~

~~2.2 An issuer may consult the Exchange to resolve specific issues before it applies for listing of the new securities. Unless the Exchange prescribes otherwise, the following are the usual main steps in a rights issue listing process.~~

~~2.2.1 The issuer makes the appropriate announcement (having regard to Rule 704(23)) and submits one copy of the additional listing application prepared in compliance with Rule 875, together with the supporting documents prescribed in Rule 877 except for the draft abridged prospectus (or the draft offering circular in the case of a foreign issuer);~~

~~2.2.2 The Exchange reviews and decides on the application, and the issuer announces the Exchange's decision promptly;~~

~~2.2.3 The issuer obtains shareholder approval (if required), fixes the books closure and entitlement dates and informs the Exchange;~~

- ~~2.2.4~~ The issuer submits the abridged prospectus or offering circular to the Exchange. This is done upon receipt of the Exchange's approval for the listing and quotation of the new securities or shareholder approval for the issue of the new securities, whichever is later. The abridged prospectus or offering circular submitted to the Exchange should be in final form. Therefore, as nearly as practicable, it will be identical to the copy lodged with the authority (or foreign authority as the case may be);
- ~~2.2.5~~ The issuer submits a copy of the abridged prospectus or offering circular to the Exchange when a copy is lodged with the relevant authority. The lodged copy of the abridged prospectus or offering circular must not be materially different from the copy previously submitted to the Exchange. The issuer must submit a written confirmation to the Exchange to this effect;
- ~~2.2.6~~ The Exchange will inform the issuer of any further information that is required to be disclosed. This will be done after lodgment of the abridged prospectus or offering circular with the relevant authorities but before the commencement of nil paid rights trading. The issuer has to decide whether to announce this information (not later than 2pm on the market day before commencement of nil paid rights trading) or issue a supplementary abridged prospectus;
- ~~2.2.7~~ If commencement of nil paid rights trading is expected to be delayed, the issuer must make an announcement to this effect as soon as practicable but not later than 4pm on the market day before the commencement of nil paid rights trading;
- ~~2.2.8~~ After the close of the rights issue, the issuer allots and issues the new securities and the new securities are listed.

**Purpose of amendment:** The deletion is consequential on the transfer of the information in Transitional Practice Note 4 to Rule 871.

## Best Practices Guide

1.38 Best Practices Guide be amended as follows.

### **~~I. AUDIT COMMITTEE~~**

- ~~1. Listed issuers should see it as their obligation to their shareholders to maintain a high standard of corporate governance. By observing a high standard of corporate governance, the boards of directors of listed issuers will be able to strengthen their direction and control of the companies' business, as well as raise investors' confidence in the companies' management and financial reporting.~~
- ~~2. The Listing Manual requires each listed issuer to set up an Audit Committee which reports to the Board of Directors. The Companies Act also sets out the requirements which Singapore incorporated listed issuers have to comply with in terms of the establishment and duties of the Audit Committee. Constituted properly to include members who are capable of exercising sound and independent judgement, an Audit Committee can play an important role in helping the Board raise the standard of corporate governance.~~
- ~~3. Each listed issuer's approach to corporate governance may differ in view of differing business environment, shareholding and organizational structure, and operating constraints. For this reason, this guide on Audit Committee is intended to serve as principles and best practices. Each listed issuer should adopt its own set of corporate governance practices that would give effect to, or are in keeping with these principles and best practices.~~
- ~~4. If shareholders and investors are to have confidence in the management of listed issuers, they would need to have an adequate understanding of the listed issuers' corporate governance processes. Annual reports should therefore include, apart from whether and how the listed issuer complies with the Best Practices Guide as required in the Listing Manual, sufficient disclosure of the listed issuers' corporate governance processes and activities.~~
- ~~5. To provide guidance to listed issuers, the Exchange sets out below the principles and best practices as regards Audit Committees:
  - ~~(a) As a sub-committee of the Board of Directors, the Audit Committee serves as a useful channel of communication between the Board and the external auditors on matters related to and arising out of the external audit.~~
  - ~~(b) The Audit Committee, when making decisions, should have the benefit of the views of members who are independent of management. For this purpose, a majority of members of the Audit Committee,~~~~

~~including its chairman, should be independent of management. The Board can consider a director as independent if any relationship he may have would not, in the individual case, be likely to affect the director's exercise of independent judgement.~~

- ~~(c) The Audit Committee should have full access to and cooperation by the management, including internal auditors, and have full discretion to invite any director and executive officer to attend its meetings.~~
- ~~(d) The Audit Committee should be given reasonable resources to enable it to discharge its functions properly.~~
- ~~(e) The Audit Committee should review with the internal and external auditors their findings on their evaluation of the listed issuer's system of internal controls. The review would assist the Board in developing policies that would enhance the controls and operating systems of the listed issuer.~~

## **II DEALINGS IN SECURITIES**

1. It is an offence under the Securities Industry Act for a listed issuer or its officers (defined in the law to include the listed issuer's directors and employees) to deal in the listed issuer's securities as well as securities of other listed issuers when the officers are in possession of unpublished material price-sensitive information in relation to those securities. While a listed issuer and its officers should be free to deal in the securities of the listed issuer and securities of the other listed issuers, those who engage in dealings should be mindful of the law on insider dealing, and ensure that their dealings would not contravene the law.
2. The SGX-ST considers it desirable that each listed issuer should devise and adopt its own internal compliance code to provide guidance to its officers with regard to dealing by the listed issuer and its officers in its securities. The Exchange believes that proper adherence to these best practices would promote a fair market, thereby enhancing investor confidence in the market.
3. Listed issuers should remind their officers that the law on insider dealing is applicable at all times, notwithstanding that their internal codes may provide certain window periods for them or their officers to deal in their securities.
4. Guidance on Best Practices
  - (a) An officer should not deal in his company's securities on short term considerations.

- (b) A listed issuer and its officers should not deal in the listed issuer's securities during the period commencing ~~one month~~ two weeks before the announcement of the company's financial statements for each of the first three quarters of its financial year, or one month before half year or financial year, as the case may be, and ending on the date of announcement of the relevant results.

**Purpose of amendment:**

- (i) To delete Part I of the Best Practices Guide, which has been superseded by the Code of Corporate Governance. This is also in line with the deletion of Rule 710(1).
- (ii) To recommend a shorter black-out period of two weeks instead of one month in view of quarterly reporting.

-End -