

CHAPTER 1 INTRODUCTION

PART I SCOPE OF CHAPTER

- 101 A principal function of the Exchange is to provide a fair, orderly and transparent market for the trading of securities.
- 102 This Manual sets out the requirements which apply to issuers, the manner in which securities are to be offered, and the continuing obligations of issuers.

PART II GENERAL PRINCIPLES

- 103 This Manual seeks to secure and maintain confidence in the market. The underlying principles of the listing rules include the following: -
- (1) issuers shall have minimum standards of quality, operations, management experience and expertise;
 - (2) investors and their professional advisers shall be given all information that they would reasonably require to make an informed assessment of the securities for which listing is sought;
 - (3) issuers shall disclose information if a reasonable person would expect that information to have a material effect on the price or value of their listed securities;
 - (4) all holders of listed securities shall be treated fairly and equitably; and
 - (5) directors of an issuer shall act in the interests of shareholders as a whole, particularly where a director or substantial shareholder has a material interest in a transaction entered into by the issuer.
- 104 Suitability for listing depends on many factors. Applicants should appreciate that compliance with the Exchange's listing rules may not in itself ensure an applicant's suitability for listing. The Exchange retains the discretion to accept or reject applications and in reaching its decision will have regard to the general principles outlined in Rule 103.
- (1) The Exchange reserves the right to subject a listed issuer's change in principal business to the Exchange's approval if in the Exchange's opinion:-
 - (a) the integrity of the market may be adversely affected; or
 - (b) it is in the interests of the public to do so.

PART III APPLICATION OF LISTING RULES

- 105 (1) Subject to the review procedures set out in Chapter 14, The Exchange's listing rules are interpreted, administered and enforced by the Exchange and. ~~The~~ decisions and requirements of the Exchange are conclusive and binding on an issuer. The Exchange may at any time vary ~~a~~ its decision in any way, or revoke it. It may do so upon the application of the issuer or of its own accord and at its absolute discretion. The variation or revocation will take effect from the date specified by the Exchange.
- (2) An issuer admitted to the Exchange's Official List must comply with the listing rules:-
- (a) in accordance with the spirit, intention and purpose; and
 - (b) by looking beyond form to substance.
- 106 The Exchange may impose additional requirements or make any listing subject to special conditions whenever it considers it appropriate.
- 107 The Exchange may waive or modify compliance with a listing rule (or part of a rule) either generally or to suit the circumstances of a particular case, unless the listing rule specifies that the Exchange will not waive it. The Exchange may grant a waiver subject to such conditions, as it considers appropriate. If the Exchange waives a listing rule (or part of a rule) subject to a condition, the condition must be satisfied for the waiver to be effective. Where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.
- 108 Where the Exchange rejects an application made pursuant to this Manual, it may, if it considers it appropriate, disclose the reasons for its decision but is under no obligation to do so.
- 109 (1) The Exchange's listing rules may be amended by the Exchange from time to time, subject to such approval as may be required by applicable law. The Exchange may, from time to time, issue Practice Notes or amend existing Practice Notes to provide guidance on the interpretation and application of any listing rule or a more detailed prescription of a listing rule. The Exchange may from time to time issue a best practices guide relating to corporate governance matters, and may amend such best practices guide.
- (2) The Exchange may, from time to time, publish transitional arrangements in relation to any amended or new rule.

Listings Advisory Committee

Purpose

(1) The Listing Advisory Committee shall as a panel of independent market professionals, render advice to the Exchange on matters referred to it by the Exchange. The Exchange may refer to the Listings Advisory Committee for review, matters including those arising from or in connection with:

(a) listing policies;

(b) listing applications from issuers seeking admission to the Official List of the SGX-ST Main Board or seeking to undergo a reverse takeover (“specific listing applications”); or

(c) any other matter that the Exchange considers appropriate.

Composition

(2) The Listings Advisory Committee shall comprise members appointed by the Board in consultation with the Authority, and shall not have a member who is, or who within 3 years of the proposed appointment date was, a director, officer or employee of:

(a) SGX; or

(b) a related corporation of SGX.

(3) The Listings Advisory Committee shall review referrals by convening a Listings Advisory Committee meeting, subject to the following conditions:

(a) a Listings Advisory Committee meeting shall have a quorum of 5 members, including a chairman or deputy chairman,

(b) a Listings Advisory Committee meeting shall at all times comprise a member representing an investor association;

(c) a Listings Advisory Committee meeting shall at all times comprise members who collectively have corporate finance, accounting and legal experience.

Referral of a specific listing application

(4) A specific listing application may be referred to a Listings Advisory Committee meeting when:

(a) novel or unprecedented issues are involved;

(b) specialist expertise is required;

(c) matters of public interest are involved; or

- (d) the Exchange is of the view that a referral is appropriate.
- (5) A listing applicant shall not have the right to seek referral of its specific listing application to a Listings Advisory Committee meeting. The Exchange shall not be obliged to inform a listing applicant if its specific listing application is subject to a Listings Advisory Committee meeting.
- (6) The Exchange shall, within a reasonable period, report to the Listings Advisory Committee on specific listing applications which satisfy all admission requirements under the Exchange's listing rules and have not been referred to the Listings Advisory Committee. The Listings Advisory Committee has the discretion to convene a Listings Advisory Committee meeting for any specific listing application which was not referred to it, if it is of the view that any referral criterion under Rule 110(4) has been satisfied.
- (7) The Listings Advisory Committee may require the Exchange to provide any additional information or documents it requires for consideration of matters under its review.
- (8) No member of the Listings Advisory Committee shall participate in the review of a specific listing application if he has a conflict of interest.
- (9) The Listings Advisory Committee shall provide its advice to the Exchange upon conclusion of its review of the matter. The Exchange is not bound by the advice of the Listings Advisory Committee.
- (10) The Listing Advisory Committee shall be supported by a secretariat which reports to the chairman of the Listings Advisory Committee.
- (11) The Exchange shall publish half-yearly reports of advice provided by the Listings Advisory Committee. The Listings Advisory Committee shall publish an annual report on matters reviewed by it. The publications of the Exchange and the Listings Advisory Committee shall include:
- (a) the background facts relevant to the referral;
 - (b) the rules which were relevant to the referral; and
 - (c) a summary of the advice provided by the Listings Advisory Committee,
- but shall not include any confidential information unless otherwise permitted by the Exchange.
- (12) The Listings Advisory Committee shall not be liable for performing its functions under this Chapter. This limitation of liability extends to any actions

~~whether in contract or tort or otherwise, and even in the purported performance of a function in good faith. Both prospective issuers and issuers are encouraged to seek informal and confidential guidance from the Exchange.~~

PART IV ISSUE MANAGERS AND ISSUER'S DIRECTORS

- 111 An applicant must appoint an issue manager who will act as the sponsor for the applicant's listing on the Exchange. An application for new listing or reverse takeover must be managed by ~~a member company of the Exchange, a bank, a merchant or investment bank, or other similar person who is an issue manager~~ accredited by the Exchange. An issue manager must be able to give the applicant impartial and competent advice and must have the necessary experience to discharge its professional duties as an issue manager fully and professionally. The Exchange must be notified as and when there are significant changes to the corporate structure of accredited issue managers (whether due to mergers and acquisitions, resignation of key management personnel and/or staff of the team managing listing applications, or otherwise).
- 112 (1) The issue manager is responsible for preparing the applicant for listing. This requires the issue manager to be satisfied that: -
- (a) the applicant is suitable to be listed;
 - (b) the applicant meets admission requirements;
 - (c) the applicant is set up sufficiently to comply with the continuing listing requirements; and
 - (d) where the applicant is a corporation, the applicant's directors appreciate the nature of their responsibilities and can be expected to honour their obligations under the Exchange's listing rules.
- (2) Normally, the issue manager lodges the listing application and deals with the Exchange on all matters relating to the listing application.
- 113 (1) The requirement to have an issue manager ends once the issuer is admitted to listing, although it is recommended that the issuer retain the services of the issue manager for at least one year following its listing.
- (2) Regardless of whether an issuer continues the sponsorship after listing, it must comply with the following disclosure requirements:-
- (a) For two years after listing or such other time frame imposed by the Exchange, the issuer must prominently include a statement that the initial public offering of its shares was sponsored by [name of issue manager] in all announcements made by it (on SGXNET or otherwise) and in all information documents issued by it to shareholders.
 - (b) Unless exceptional circumstances exist, "prominently" in Rule 113(2)(a) means in print no smaller than the main text of the announcement, and positioned on

the front page of the announcement. However, the statement must not be drafted or positioned in such a way as to imply that the issue manager endorses the current transaction (unless the issue manager is involved in the transaction).

- (3) The sponsor is not required to be involved in all matters relating to the issuer's compliance with the listing rules. However, the Exchange encourages issuers to consider engaging their sponsors to assist them post listing.

114 The directors and executive officers of the applicant or of the issuer (or where applicable REIT manager or trustee manager)~~(and~~ following admission, ~~the issuer)~~ are responsible for the accuracy of the information submitted to the Exchange. However, the issue manager ~~is also expected to~~must exercise due care and diligence in ensuring the completeness and accuracy of the information contained in the application. The issue manager must also ensure that the Exchange is informed of all matters which should be brought to its attention.

PART V LISTING FEES AND OTHER CHARGES

115 Applicants and issuers must pay such fees and charges as prescribed by the Exchange from time to time. The Exchange may waive any fee or charges.

116 The fees payable are published by the Exchange from time to time.

PART VI LIABILITY OF SGX-ST

117 When the Exchange publishes or releases an issuer's announcement on its behalf, the Exchange shall not be responsible to check the accuracy of the facts or any of the contents of such announcement, and shall not be liable for any damages or losses however arising as a result of publishing the announcement or disseminating the information in the announcement. The issuer shall indemnify the Exchange for any such losses or damages or costs, including any arising as a result of legal proceedings brought by any third party.