

**SECURITIES AND FUTURES (OFFERS OF
INVESTMENTS) (SHARES AND DEBENTURES)
(AMENDMENT) REGULATIONS 2010**

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SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(SHARES AND DEBENTURES) REGULATIONS 2005

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In exercise of the powers conferred by sections 240, 240A, 243, 249, 251, 262, 272A, 272B, 277, 280, 318, 337, 339 ~~and~~ 341 ~~and 343~~ of the Securities and Futures Act (as amended by the Securities and Futures (Amendment) Act ~~2005~~2009 (Act ~~[+]~~ of ~~2005~~2009)), the Monetary Authority of Singapore hereby makes the following Regulations:

PART I

PRELIMINARY

Citation

1. These Regulations may be cited as the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 and shall come into operation on ~~[15th October] 2010~~2005.

Definitions

- 2.—(1) In these Regulations, unless the context otherwise requires —

“asset-backed securities” has the same meaning as in section 262(3) of the Act;

“ASEAN Debt Securities Disclosure Standards” means the common disclosure standards issued by the ASEAN Capital

Markets Forum for any ASEAN Offering of debt securities, updated from time to time and set out at the official website of the Authority at <http://www.mas.gov.sg>;

“ASEAN Equity Securities Disclosure Standards” means the common disclosure standards issued by the ASEAN Capital Markets Forum for any ASEAN Offering of equity securities, updated from time to time and set out at the official website of the Authority at <http://www.mas.gov.sg>;

“ASEAN Offering” means an offer in Singapore and at least one other ASEAN participant country;

“ASEAN participant country” means a member country of ASEAN which has adopted the ASEAN Debt Securities Disclosure Standards or ASEAN Equity Securities Disclosure Standards, or both, as part of its disclosure requirements for offers of securities, and which is listed on the official website of the Authority at <http://www.mas.gov.sg> as such;

“continuously issued structured notes” means structured notes —

- (a) which are issued and offered by a specified financial institution in the ordinary course of its business; and
- (b) of which the terms applicable to each offer are negotiated and agreed upon over-the-counter, at the time of the transaction, between the specified financial institution and the person to whom the offer is made;

“reference assets”, in relation to an offer of structured notes, means —

- (a) any securities, equity interest, commodity or index;
- (b) any basket consisting of any securities, equity interests, commodities or indices;
- (c) any entity or basket of entities; or
- (d) any interest rates or currency exchange rates,

which payments to holders are or will be linked to;

“securitisation transaction” has the same meaning as in section 262(3) of the Act;

“single purpose vehicle” means an entity that is established solely in order to, or a trust that is established solely in order for its trustee to, do either or both of the following:

- (a) act as counterparty to arrangements which involve the use of derivatives to create exposure to assets from

which payments to holders of any structured notes are or will be primarily derived;

(b) issue any structured notes;

“specified financial institution” means —

(a) any bank licensed under the Banking Act (Cap. 19); or

(b) any entity, or any entity of a class, specified by the Authority by notification published in the *Gazette* to be an entity, or an entity of a class, for the purposes of issuing structured notes;

“structured notes” means any type of debentures or units of debentures —

(a) which are issued —

(i) in relation to ~~pursuant to~~ a synthetic securitisation transaction; or

(ii) by a specified financial institution; and

(b) in respect of which —

(i) either or both of the principal sum and any interest are payable;

(ii) one or more of the underlying securities, equity interests, commodities and currencies are to be physically delivered; or

(iii) either or both of the principal sum and any interest are payable, and one or more of the underlying securities, equity interests, commodities and currencies are to be physically delivered,

in accordance with a formula based on one or more of the following:

(A) the performance of any type of securities, equity interest, commodity or index, or of a basket of more than one types of securities, equity interests, commodities or indices;

(B) the credit risk or performance of any entity or a basket of entities;

(C) the movement of interest rates or currency exchange rates;

“synthetic securitisation transaction” means an arrangement involving the use of derivatives to create exposure to assets

that are not transferred to, or are ~~not otherwise~~ a part of an asset pool held by, a single purpose vehicle;

- (1) Explanatory Note: The definitions of “structured notes” and “synthetic securitisation transaction” have been amended for clarity.

~~“WAP phone” means a wireless application protocol phone.~~

(2) Any word or expression used in these Regulations which is defined in section 239 of the Act shall have the same meaning as in that section.

(3) Any word or expression used in the Fifth to Eighteenth Schedules shall, unless the context otherwise requires, be interpreted in accordance with this regulation and the Fourth Schedule.

[.....]

Forms

4.—(1) The forms to be used for the purposes of Division 1 of Part XIII of the Act and these Regulations are those set out at the Authority’s Internet website at <http://www.mas.gov.sg> (under ~~“Regulations and Licensing”~~~~“Legislation and Notices”~~, ~~“Securities and Futures”~~), and any reference in these Regulations to a numbered form shall be construed as a reference to the current version of the form bearing the corresponding number which is displayed at that website.

(2) Any document required to be lodged with the Authority under any provision of Division 1 of Part XIII of the Act or these Regulations shall be lodged using Form 1.

(3) All forms used for the purposes of Division 1 of Part XIII of the Act and these Regulations shall be completed in the English language and in accordance with such directions as may be specified in the form or by the Authority.

(4) The Authority may refuse to accept any form if —

- (a) it is not completed or lodged in accordance with this regulation; or
- (b) it is not accompanied by the relevant fee referred to in regulation 5.

[.....]

PART II

PROSPECTUS REQUIREMENTS

[.....]

~~Undertaking not to make exempt offer~~

~~10.—(1) For the purposes of section 240(1)(b) of the Act, any person who makes an offer of securities shall—~~

~~(a) before he lodges with the Authority any prospectus, pricing statement or replacement document in respect of the offer, make an undertaking to the Authority that he will not, at any time after the prospectus, pricing statement or replacement document has been registered by the Authority and before the expiration of the relevant period referred to in section 250(3) of the Act, make any exempt offer in respect of the same securities unless—~~

~~—(i) he has notified the Authority of his intention to do so; and~~

~~—(ii) he has taken reasonable steps to inform in writing every investor to whom the exempt offer is made—~~

~~(A) of the specific provision in Subdivision (4) of Division 1 of Part XIII of the Act under which the exempt offer is made; and~~

~~(B) that the offer is made in reliance on that provision; and~~

~~(b) at the time he lodges with the Authority the prospectus, pricing statement or replacement document, submit to the Authority an electronic image of that undertaking.~~

~~(2) An undertaking under paragraph (1) shall be signed—~~

~~(a) where the person making the offer is an individual—~~

~~—(i) by that person; or~~

~~—(ii) by another individual authorised in writing by that person to make and sign the undertaking on behalf of that person;~~

~~(b) where the person making the offer is an entity—~~

~~—(i) by a director or an equivalent person of the entity; or~~

~~—(ii) by an individual authorised in writing by a director or an equivalent person of the entity to make and sign the undertaking on behalf of the entity; or~~

~~(c) where the person making the offer is the government of a State, by an official of the government of the State who is authorised to make and sign the undertaking on its behalf.~~

~~(3) The electronic image of the undertaking under paragraph (1) shall comply with the requirements of regulation 11(3).~~

~~(4) In this regulation, “exempt offer” means an offer of securities made in reliance on any provision under Subdivision (4) of Division 1 of Part XIII of the Act which exempts the offer from the application of any provision of Subdivisions (2) and (3) of that Division.~~

(2) Explanatory Note: Following the amendments made to sections 272A(1), 272B(1) and 275 in the Securities and Futures (Amendment) Act 2009 (“SF(A)Act”), the requirement for a separate undertaking to be given under Regulation 10 is no longer necessary.

[.....]

Authorisation to be submitted

13.—(1) Where any document lodged with the Authority under Division 1 of Part XIII of the Act, ~~any undertaking under regulation 10(1)~~ or any statement referred to in regulation 12(2)(b) or 31(2) is signed —

- (a) in a case where the person making the offer is an individual, by a person authorised in writing by the individual;
- (b) in a case where the person making the offer is an entity, by a person authorised in writing by a director or an equivalent person, or a proposed director or an equivalent person, of the entity; or
- (c) in a case where the person making the offer is the government of a State, by an official of the government of the State who is authorised to sign the document, ~~undertaking~~ or statement, as the case may be, on its behalf,

a true and complete electronic image of the authorisation shall be submitted to the Authority, together with the document lodged with the Authority, ~~undertaking~~ or statement, as the case may be.

(2) The electronic image of the authorisation under paragraph (1) shall comply with the requirements of regulation 11(3).

- (3) Explanatory Note: Consequential amendments have been made to Regulation 13 following the deletion of Regulation 10 above.

[.....]

Report about securities published and delivered to institutional investors

15. For the purposes of section 251(9)(g)~~(iv)~~ of the Act, the report prescribed is a report about the securities which are the subject of the offer or intended offer, published and delivered to any institutional investor not later than 14 days prior to the date of lodgment of the prospectus, provided that a-the person issuing the a report referred to in section 251(9)(g) of the Act—

- (a) shall assign a specific number to each copy of the report;
- (b) shall keep a record of each person to whom he has distributed a copy of the report and the corresponding number referred to in paragraph (a) of the copy distributed to that person;
- (c) shall include on the front cover of each copy of the report —
 - (i) the number referred to in paragraph (a) which is assigned to that copy of the report;
 - (ii) a prominent statement that the report is distributed to institutional investors only; ~~and~~
 - (iii) a prominent statement that the information contained in the report should not be disclosed by the recipient of the report to any other person; and
 - (iv) prominent disclosures (d)—shall disclose in the report on—
 - ~~(iA)~~ the nature of any material interest in, or any material interest in the issue or sale of, the securities that are the subject of the report that he has as at the date of the report; and
 - ~~(Bii)~~ any relationship between him and the person making the offer of the securities which is material in the context of the offer; ~~and~~

(~~de~~) shall not —

- (i) distribute any copy of the report; or
- (ii) disclose any information contained in the report (other than information that is publicly available prior to the date of the report),

to any person other than an institutional investor;
and

(e) shall take all other reasonable steps as necessary to prevent the leakage of information contained in the report (other than information that is publicly available prior to the date of the report) to any person who is not an institutional investor, including any person who, in the ordinary course of business, publishes a newspaper, periodical, magazine, or broadcasts by radio, television or other means of broadcasting or communication.

- (4) Explanatory Note: Following the amendments made to section 251(9) in the SF(A)A, the criteria which a pre-deal research report would have to meet in order for it to be carved out from the advertisement restrictions in section 251 of the SFA, will be prescribed in the regulations. This is to give MAS the flexibility to fine-tune the criteria to keep up with developments in the securities market.

In this connection, MAS has received market feedback that the current restrictions imposed on pre-deal research reports, namely, (a) there must be a concurrent offer made in one or more other jurisdictions where pre-deal research reports are permitted; and (b) the person issuing the report must observe a 14 days “quiet period” prior to lodgement of the prospectus, are too restrictive. Some industry practitioners are of the view that the duration of the “quiet period” should be left to the market to determine.

Pre-deal research reports are not subject to the same regulatory safeguards as prospectuses. Where such reports are prepared by persons involved in the offer and their related corporations, they would be predisposed to publish favorable reports in order to stimulate demand for the securities on offer. There is also a risk that pre-deal research reports may be employed to disseminate information relating to an offer without prospectus liability. Hence, pre-deal research reports are generally prohibited to address concerns that investors, especially retail investors, may rely on such

reports instead of the registered prospectus to make their investment decisions.

Where the offer is made concurrently in Singapore and one or more other jurisdictions where pre-deal research reports are permitted, MAS recognised that institutional investors in Singapore may be placed at a disadvantage if they are not able to receive the same research reports which their foreign counterparts have access to. Hence, the circulation of pre-deal research reports has been permitted in such cases. This is however subject to stringent safeguards (e.g. observation of a 14 days “quiet period”) to reduce the risk of information in the pre-deal research reports reaching the retail public.

Where there are sufficient safeguards in place, MAS agrees that there may not be a strong need to prohibit the issue of pre-deal research reports to institutional investors for pure domestic offerings. MAS proposes instead to enhance the applicable safeguards, namely, requiring certain statements to be prominently highlighted on the front cover of the report and imposing an obligation on the person issuing the report to take reasonable steps to prevent the leakage of information to any person who is not an institutional investor, including the media.

As the observation of a 14 days “quiet period” prior to lodgement of the prospectus is an important safeguard, MAS is not inclined to remove the requirement. MAS notes that this is already a current practice adopted by most institutions. Making this a requirement would ensure consistent practices and help level the playing field.

MAS seeks your views on whether the issue of pre-deal research reports prepared by persons involved in the offer should be permitted in a pure domestic offering, and whether the current and proposed safeguards will be sufficient to address the risk of leakage of information.

MAS also seeks your views on whether the current requirement for a 14 days “quiet period” to be observed should be retained.

[.....]

PART III

DEBENTURES

[.....]

PART IV

EXEMPTIONS

[.....]

Exemption from requirement for expert's consent under section 249(1) of Act

26.—(1) Section 249(1) of the Act shall not apply to a prospectus or profile statement which includes a relevant statement if —

- (a) the prospectus or profile statement relates to an offer of securities of an entity; and
- (b) the conditions referred to in paragraph (4) are satisfied.

(2) Section 277(3) read with section 249(1) of the Act shall not apply to an offer information statement under section 277(1) of the Act which includes a relevant statement if —

- (a) the offer information statement relates to an offer of securities of an entity; and
- (b) the conditions referred to in paragraph (4) are satisfied.

~~(3) Regulation 32(3) read with section 249(1) of the Act shall not apply to an offer information statement under regulation 32(1) which includes a relevant statement if —~~

- ~~(a) the offer information statement relates to an offer of securities of an entity; and~~
- ~~(b) the conditions referred to in paragraph (4) are satisfied.~~

(4) The conditions referred to in paragraphs (1) and, (2) and ~~(3)~~ are that —

- (a) the relevant statement —
 - (i) is not made by the expert in connection with the offer concerned;
 - (ii) is not made by the expert for the sole benefit of the entity concerned; and

- (iii) does not relate specifically to the affairs of the entity concerned;
- (b) the expert is a person whom the persons signing the prospectus or profile statement referred to in paragraph (1) or the offer information statement referred to in paragraph (2)~~-or (3)~~, as the case may be, reasonably believe to be an expert who —
 - (i) has no material interest in the success of the issue or sale of the securities; and
 - (ii) is not acting at the instigation of, or by arrangement with, the entity concerned, a director or an equivalent person of the entity concerned, a proposed director or an equivalent person of the entity concerned, or a person who has a material interest in the success of the issue or sale of the securities;
- (c) the relevant statement is a correct and fair copy or a representation of, or an extract from, a statement made or information published by a source which the persons signing the prospectus or profile statement referred to in paragraph (1) or the offer information statement referred to in paragraph (2)~~-or (3)~~, as the case may be, reasonably believe to be reliable; and
- (d) wherever the relevant statement appears in the prospectus or profile statement referred to in paragraph (1) or the offer information statement referred to in paragraph (2)~~-or (3)~~, there shall be included in the prospectus, profile statement or offer information statement, as the case may be —
 - (i) a statement that the expert has not consented to the inclusion of the relevant statement for the purposes of section 249 of the Act and is thereby not liable for the relevant statement under sections 253 and 254 of the Act;
 - (ii) any disclaimer made by the expert in relation to reliance on the contents of the relevant statement which the persons signing the prospectus, profile statement or offer information statement, as the case may be, are reasonably aware;
 - (iii) a statement as to whether the persons signing the prospectus, profile statement or offer information statement, as the case may be, have verified the accuracy of the contents of the relevant statement;

- (iv) a statement as to whether the persons signing the prospectus, profile statement or offer information statement, as the case may be, have included the relevant statement in its proper form and context in the prospectus, profile statement or offer information statement, as the case may be; and
- (v) a proper citation identifying the source of, and the location within the source of, the relevant statement, including, where available, the following details of the source:
 - (A) each author or editor;
 - (B) the title;
 - (C) the publication date and every revision date; and
 - (D) where the source is published on an Internet website, the uniform resource locator (URL) and version date.

(5) In this regulation, “relevant statement” means a statement purporting to be made by, or to be based on a statement made by, an expert.

(5) Explanatory Note: Consequential amendments have been made to Regulation 26 following the deletion of Regulation 32.

[.....]

Determination of closely related offer for small offer and private placement

28.—(1) For the purposes of sections 272A(5) and 272B(3) of the Act and regulation 27, an offer of securities (other than asset-backed securities or structured notes) is a closely related offer in relation to —

- (a) another offer of securities (other than asset-backed securities or structured notes);
- (b) an offer of units or derivatives of units in a business trust; or
- (c) an offer of units in a collective investment scheme that is a trust and that invests ~~only~~**primarily** in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes,

if —

- (i) both offers form part of a single plan of financing;
- (ii) both offers are made for the primary benefit of the same person or persons; or
- (iii) both offers are made in connection with the same business or in relation to a common business venture.

(2) For the purposes of sections 272A(5) and 272B(3) of the Act and regulation 27, an offer of asset-backed securities or structured notes is a closely related offer in relation to —

- (a) another offer of asset-backed securities or structured notes; or
- (b) an offer of units in a collective investment scheme other than a collective investment scheme that is a trust and that invests ~~only~~primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes,

if any person who makes or is a sponsor of the first-mentioned offer also —

- (i) makes or is a sponsor of the second-mentioned offer; or
- (ii) is a related corporation or related entity of the person who makes or is a sponsor of the second-mentioned offer.

(3) In considering whether both offers meet any requirement under sub-paragraph (i), (ii) or (iii) of paragraph (1), regard shall be had to —

- (a) the intended usage of the net proceeds raised from each offer; and
- (b) the person or persons with the right to determine how the net proceeds raised from each offer are to be used.

(4) In this regulation —

“related corporation” and “related entity” have the same meaning as in the Fourth Schedule;

“sponsor” —

- (a) in relation to an offer of asset-backed securities, means the entity that initiates the securitisation transaction (~~in respect of~~pursuant to which the asset-backed securities are issued) by originating or acquiring and packaging, either directly or indirectly, a group of assets for resale as asset-backed securities; and

(b) in relation to an offer of structured notes, means the entity that initiates the synthetic securitisation transaction (in respect of ~~pursuant to~~ which the structured notes are issued) by originating and packaging, either directly or indirectly, exposure to a group of reference assets for sale in the form of structured notes.

(6) Explanatory Note: Amendments made to Regulation 28 are for the purposes of clarifying that the trust referred to therein is one which invests primarily in real estate and real estate-related assets, in line with the amendments made to the definition of “closed-end fund” in section 2.

[.....]

Contents of offer information statement under section 277 of Act ~~or regulation 32~~

30.—(1) An offer information statement under section 277 of the Act ~~or regulation 32~~ shall contain the particulars set out in the Sixteenth Schedule.

(2) The Authority may require any document, report or other material to be filed together with an offer information statement.

(3) For the purposes of section 277(1) of the Act, the securities prescribed are structured notes issued by a specified financial institution.

(4) An offer information statement to be lodged with the Authority under section 277(1) of the Act ~~or regulation 32~~ shall be signed —

(a) where the person making the offer is the issuer —

(i) in a case where the issuer is not the government of a State, by every director or equivalent person of the issuer and every person who is named therein as a proposed director or an equivalent person of the issuer; or

(ii) in a case where the issuer is the government of a State, by an official of that government who is authorised to sign the offer information statement on its behalf;

(b) where the person making the offer is an individual and is not the issuer —

- (i) in a case where the issuer is not the government of a State —
 - (A) by that person; and
 - (B) if the issuer is controlled by that person, one or more of his related parties, or that person and one or more of his related parties, by every director or equivalent person of the issuer and every person who is named therein as a proposed director or an equivalent person of the issuer; or
- (ii) in a case where the issuer is the government of a State, by that person;
- (c) where the person making the offer is an entity (not being the government of a State) and is not the issuer —
 - (i) in a case where the issuer is not the government of a State —
 - (A) by every director or equivalent person of that entity; and
 - (B) if the issuer is controlled by that entity, one or more of its related parties, or that entity and one or more of its related parties, by every director or equivalent person of the issuer, and every person who is named therein as a proposed director or an equivalent person of the issuer; or
 - (ii) in a case where the issuer is the government of a State, by every director or equivalent person of that entity; and
- (d) where the person making the offer is the government of a State and is not the issuer —
 - (i) in a case where the issuer is not the government of another State —
 - (A) by an official of the government of the State who is authorised to sign the offer information statement on its behalf; and
 - (B) if the issuer is controlled by that government, one or more of its related parties, or that government and one or more of its related parties, by every director or equivalent person of the issuer, and every person who is named

therein as a proposed director or an equivalent person of the issuer; or

- (ii) in a case where the issuer is the government of another State, by an official of the government of the first-mentioned State who is authorised to sign the offer information statement on its behalf.

(5) A requirement under paragraph (4) for the offer information statement to be signed by a director or an equivalent person is satisfied if the offer information statement is signed —

- (a) by that director or equivalent person; or
- (b) by a person who is authorised in writing by that director or equivalent person to sign on his behalf.

(6) A requirement under paragraph (4) for the offer information statement to be signed by a person named therein as a proposed director or an equivalent person is satisfied if the offer information statement is signed —

- (a) by that proposed director or equivalent person; or
- (b) by a person who is authorised in writing by that proposed director or equivalent person to sign on his behalf.

Making offer using electronic means

~~31. (1) For the purposes of section 280(1)(b) of the Act, the electronic means prescribed is the WAP phone.~~

~~(2) For the purposes of section 280(1) of the Act and regulation 32, a person making an offer of securities using a WAP phone shall submit, or caused to be submitted, to the Authority, by the first day on which the offer is made, a true and complete electronic image of a statement identifying the uniform resource locator (URL) from which the offer is made through the WAP phone.~~

~~(3) An electronic image to be submitted to the Authority under paragraph (2) shall comply with the following requirements:~~

- ~~(a) the electronic image shall be in portable document format (PDF), tagged image file format (TIFF) or such other format as the Authority may from time to time allow;~~
- ~~(b) the electronic image shall be submitted by submitting to the Authority a CD-ROM or such other medium as the Authority may from time to time allow, containing the electronic image;~~
- ~~(c) the medium by which the electronic image is lodged or submitted shall be labelled with —~~

- ~~—(i) a description of what the electronic image relates to; and~~
- ~~—(ii) a description of the offer of securities referred to in paragraph (2).~~

(7) Explanatory Note: MAS notes that the exemption in Regulation 31 is rarely used. Given this, and taking into account the fact that most mobile phones now offer subscribers access to the Internet, we consider that the exemption is no longer necessary. **MAS seeks your views on the removal of this exemption.**

~~Exemption for offer made using offer information statement through automated teller machine or WAP phone~~

~~32.—(1) Subject to paragraphs (2) and (3), Subdivisions (2) and (3) of Division 1 of Part XIII (other than section 257) of the Act shall not apply to an offer of securities issued by an entity whose shares are listed for quotation on a securities exchange, whether by means of rights issue or otherwise, if—~~

- ~~(a) the securities are not structured notes issued by a specified financial institution;~~
- ~~(b) in a case where the securities offered are units of shares or debentures, the shares or debentures are those of the entity that issued the units;~~
- ~~(c) an offer information statement relating to the offer which complies with—~~
 - ~~—(i) the requirements under regulation 30(1), (2) and (4); or~~
 - ~~—(ii) those requirements as modified by the Authority on the application of any person interested;~~
- ~~(d) the offer is made using any automated teller machine or WAP phone;~~
- ~~(e) in a case where the offer is made using a WAP phone, the requirements under regulation 31(2) and (3) are complied with;~~
- ~~(f) the automated teller machine or WAP phone indicates to a prospective subscriber or buyer—~~
 - ~~—(i) how he can obtain, or arrange to receive, a copy of the offer information statement; and~~

~~—(ii) that he should read the offer information statement before submitting his application,~~

~~before enabling him to submit any application to subscribe for or purchase the securities;~~

~~(g) in a case where the written consent of an expert is required to be given under section 249 of the Act (as applied to an offer information statement under paragraph (3)), that written consent is lodged with the Authority at the time of lodgment of the offer information statement; and~~

~~(h) in a case where the written consent of an issue manager or underwriter is required to be given under section 249A of the Act (as applied to an offer information statement under paragraph (3)), that written consent is lodged with the Authority at the time of lodgment of the offer information statement.~~

~~(2) Paragraph (1) shall apply to an offer of securities referred to therein for a period of 6 months from the date of lodgment of the offer information statement relating to the offer.~~

~~(3) Sections 249, 249A, 253, 254 and 255 of the Act shall apply, with the necessary modifications, to an offer information statement referred to in paragraph (1) as they apply in relation to a prospectus, and for the purposes of such application—~~

~~(a) any reference in section 249 or 249A of the Act to the registration of the prospectus shall be read as a reference to the lodgment of the offer information statement;~~

~~(b) any reference in section 253 or 254 of the Act to any information required to be included in a prospectus under section 243 of the Act shall be read as a reference to any information required to be included in an offer information statement under regulation 30(1); and~~

~~(c) any reference in section 253 or 254 of the Act to any new circumstance that would have been required to be included in a prospectus under section 243 of the Act shall be read as a reference to any new circumstance that would have been required to be included in an offer information statement under regulation 30(1).~~

(8) Explanatory Note: Regulation 32 has been deleted following the introduction of a new section 277(1B) in the SF(A)Act to cater for an offer made using offer information statement through the automated teller machine or such other

prescribed electronic means. Consequential amendments have been made to Regulations 30 and 31 accordingly.

Exemption from section 276(1), (3) and (4) of Act

32.—(1) Subsections (1), (3) and (4) of section 276 of the Act shall not apply where the securities of the corporation acquired are of the same class as other securities of the corporation -

- (a) an offer or the listing of which has previously been made in or accompanied by an offer information statement, introductory document, shareholders' circular for a reverse takeover, document issued for the purposes of a scheme of arrangement or other similar document approved by a securities exchange; and**
- (b) which are listed for quotation on the securities exchange.**

- (9) Explanatory Note:** In the SF(A) Act, amendments have been made to section 276 to dis-apply the resale restrictions in section 276(1), (3) and (4) in the case where the securities to be resold are of the same class as other securities of that corporation an offer of which has previously been made with a prospectus and which have been listed for quotation on a securities exchange. We have received feedback from industry that some listed issuers may not have issued a prospectus in connection with their listing on the securities exchange e.g. issuers which were formed following a scheme of arrangement or reverse take-over or whose securities were listed by way of introduction. The proposed new Regulation 32 seeks to expand the exemption to cover these scenarios.

PART V

EXTRA-TERRITORIAL APPLICATION OF DIVISION 1 OF PART XIII OF ACT

[.....]

PART VI

REVOCATION, TRANSITIONAL AND SAVINGS

[.....]

FIRST SCHEDULE

Regulation 5

[.....]

SECOND SCHEDULE

Regulation 6

INFORMATION THAT MAY BE OMITTED FROM A PRELIMINARY DOCUMENT

1. The statement on the front cover required under paragraph 1(b)(ii) of Part I of the Fifth to Tenth Schedules, if and only if the front cover of the preliminary document includes the following statements:

“A copy of this preliminary document has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the preliminary document. Lodgment of the preliminary document with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with.”.

2. In a case where the entity in respect of which the securities are to be offered is a company and the preliminary document contains a statement to the effect that the company has been converted to a public company even though it has not been so converted as at the date of lodgment of the preliminary document, the date of such conversion, if and only if the preliminary document contains a further statement that the relevant entity has not yet been converted to a public company as at the date of lodgment of the preliminary document and shall be converted to a public company before the registration of the prospectus.

3. In a case where the preliminary document contains a statement to the effect that a restructuring exercise has been carried out (including any conversion and exercise of convertible or exchangeable bonds, options, or other convertible or exchangeable securities) in connection with the offer even though the restructuring exercise has not been completed as at the date of lodgment of the preliminary document, the relevant date or dates on which the restructuring exercise is undertaken, if and only if the preliminary document includes a further statement that the restructuring exercise has not yet been carried out as at the date of the lodgment of the preliminary document and shall be completed before the registration of the prospectus.

(10) Explanatory Note: The amendments to paragraph 3 are proposed to clarify that “restructuring exercise” would include the conversion and exercise of any convertible or exchangeable bonds, options, or other convertible or exchangeable securities, undertaken to effect the group restructuring.

4. In a case where information required to be provided as of the latest practicable date (having the same meaning as defined in the Fourth Schedule) pursuant to the applicable provisions in the Fifth to Tenth Schedules cannot be provided as of a date which is no earlier than 14 days from the date of lodgment of the preliminary prospectus, the information required to be provided as of the latest practicable date in the context of the applicable requirements, if and only if the preliminary prospectus includes the required information as of a date which is no earlier than one month from the date of lodgment of the preliminary prospectus and a statement that the information will be updated to a date which is no earlier than 14 days from the date of lodgment of the preliminary prospectus before registration of the prospectus by the Authority.

5. The price at which the securities will be offered.

6. The number or nominal amount of securities to be offered, or the amount of subscription for securities to be sought.

7. The date of registration of the prospectus, if and only if the front cover of the preliminary document includes the date of lodgment of the preliminary document.

8. The time period during which the offer will be kept open.

9. The dates on which the securities will be listed for quotation or quoted on a securities exchange or overseas securities exchange and on which trading will commence.

10. Any information which is dependent on the final determination of items 5 to 9.

11. Any other information as may be approved by the Authority in any particular case.

THIRD SCHEDULE

Regulation 7(1)

[.....]

FOURTH SCHEDULE

Regulations 2(3), 28(4) and 35(3)

[.....]

FIFTH SCHEDULE

Regulation 8(1)(a)

PARTICULARS TO BE INCLUDED UNDER SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR AN OFFER OF SHARES OR UNITS OF SHARES, WHERE AN APPLICATION HAS BEEN OR WILL BE MADE TO A SECURITIES EXCHANGE TO LIST FOR QUOTATION OR QUOTE THOSE SHARES OR UNITS OF SHARES ON THE SECURITIES EXCHANGE

(11) MAS seeks your comments on the requirements contained in this Schedule, in particular, the proposed amendments to the existing requirements set out below. The proposed amendments, once finalised, will be replicated in the Sixth Schedule, Seventh Schedule, Tenth Schedule and/or Sixteenth Schedule as well as the Fourth and/or Fifth Schedules to the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 (“BTSFR”), where appropriate.

PART I

FRONT COVER

[.....]

PART II

IDENTITY OF DIRECTORS, KEY EXECUTIVES,
ADVISERS AND AGENTS

[.....]

Advisers

3. Provide the names and addresses of —

- (a) the ~~relevant corporation's~~ principal banker or bankers —
 - (i) of the relevant corporation; and
 - (ii) where the relevant corporation is the holding company of a group, the group;
- (b) the issue manager to the offer;
- (c) the underwriter to the offer, if any; ~~and~~
- (d) the legal adviser for or in relation to the offer; and
- (e) the consultant engaged by the relevant corporation, if any, to assist in
=
 - (i) any group restructuring exercise to be undertaken by the relevant corporation in conjunction with the offer and its application to list for quotation on the securities exchange; or

(ii) issue of securities to investors during the period of 12 months prior to the date of lodgment of the prospectus for the purposes of facilitating the offer and its application to list for quotation on the securities exchange.

- (12) Explanatory Note: The amendments to paragraph 3 are proposed to clarify that where the relevant corporation is the holding company, the identities of the principal bankers of the group should be provided. MAS notes that investors may be interested to know the identities of the
- Separately, MAS notes that some companies seeking a listing on the securities exchange may engage consultants to assist them in the offering and listing process. The new sub-paragraph (e) is proposed to require issuers to identify the consultant engaged, if any.

[.....]

PART III

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the offer price and the number of shares or units of shares, as the case may be, being offered. If the offer price or size has not been fixed at the time of registration of the prospectus by the Authority, state the range of prices, number of shares or units of shares, as the case may be, within which the shares or units of shares are being offered.

- (13) Explanatory Note: The amendments to paragraph 1 are proposed so as to give issuers the flexibility to decrease the offer price and/or size within a specified range after the prospectus has been registered.

1A. State the market capitalisation of the relevant corporation (or the range, if the offer price or size is not fixed at the time of registration of the prospectus by the Authority) at the time the shares or units of shares, as the case may be, will be listed for quotation or quoted on the securities exchange.

- (14) Explanatory Note: For ease of reference by investors, a new paragraph 1A has been proposed to require the prospectus to contain specific information on the issuer's market capitalisation at the time of its listing on the securities exchange.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —

- (a) the offer procedure; and
- (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of the registration of the prospectus by the Authority, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

3A. Where the offer price or size is not fixed at the time of registration of the prospectus by the Authority and only the range of prices, number of shares or units of shares, as the case may be, has been provided, state the method by which the offer price, number of shares or units of shares, as the case may be, is to be determined and how the final offer price or size will be made known to investors.

(15) Explanatory Note: To cater to cases where the offer price and/or size has not been fixed at the time of registration of the prospectus, a new paragraph 3A has been introduced to require the issuer to disclose the method by which the offer price and/or size will be determined and how the final price and offer size will be made known to investors.

[.....]

PART IV

KEY INFORMATION

Selected Financial Data

1. Provide, in the same currency as the financial statements to be provided under Part IX of this Schedule —

- (a) selected audited profit and loss data or, where audited financial statements have been restated under paragraph 8(b)(i) of Part IX of this Schedule, selected restated profit and loss data of the relevant corporation or, if the relevant corporation is the holding company of a group, the group containing at least the information specified in paragraph 3 of this Part in respect of the financial years for which annual financial statements have been included in the prospectus;
- (b) if interim financial statements have been included in the prospectus, selected profit and loss data containing at least the information specified in paragraph 3 of this Part in respect of the interim period and, where annual financial statements in respect of the previous financial year have been included in the prospectus, comparative profit and loss data in respect of the corresponding interim period of the previous financial year; and
- (c) selected balance sheet data containing at least the information specified in paragraph 4 of this Part, as at the end of —
 - (i) the most recent completed financial year for which annual financial statements have been included in the prospectus; or

(ii) if interim financial statements for any subsequent period have been included in the prospectus, that period.

2. If the selected profit and loss data or the selected balance sheet data for any interim period is not audited, that fact shall be stated.

3. For the selected profit and loss data, the specific line items presented must be expressed in the same manner as the corresponding line items in the audited or interim financial statements, as the case may be. Such data must include items generally corresponding to the following:

- (a) net sales or revenue;
- (b) profit or loss before tax;
- (c) net profit or loss after tax and, if applicable, after adjusting for minority interests;

(16) Explanatory Note: Amendments to paragraph 3(c) are proposed to clarify that where there are minority interests, the net profit or loss after tax figure provided shall adjust for the effects of such minority interests.

- (d) earnings or loss per share; and
- (e) earnings or loss per share, after any adjustment to reflect the sale of new shares or units of shares.

Per share amounts to be included must be determined in accordance with the body of accounting principles used in preparing the financial statements.

4. For the selected balance sheet data, the specific line items presented must be expressed in the same manner as the corresponding line items in the audited or interim financial statements, as the case may be. Such data must include items generally corresponding to the following:

- (a) total assets;
- (b) total liabilities;
- (c) net assets or liabilities; and
- (d) issued capital and reserves.

5. Where the financial statements of the relevant corporation are prepared in a currency other than the Singapore currency, provide —

- (a) the exchange rate between that foreign currency and the Singapore currency as at the latest practicable date;
- (b) the highest and lowest exchange rates between that foreign currency and the Singapore currency for each month during the previous 6 months; and
- (c) for the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, the average exchange rates for each period, calculated by using the average of the exchange rates between that foreign currency and the Singapore currency on the last day of each month during the period.

Capitalisation and Indebtedness

6. Provide a statement of capitalisation and indebtedness (including the amount of cash and cash equivalents) as of a date no earlier than 60 days prior to the date of lodgment of the prospectus, showing the capitalisation and indebtedness (distinguishing between guaranteed, ~~and secured, and~~ non-guaranteed, and ~~secured and~~ unsecured, indebtedness) of —

- (a) the relevant corporation; or
- (b) if the relevant corporation is the holding company of a group, the group,

as the case may be, and, if applicable, adjusted to reflect the sale of new shares or units of shares, as the case may be, being issued and the intended application of the net proceeds therefrom. Indebtedness includes indirect and contingent indebtedness. Disclose any other significant contingent liabilities and the nature of such liabilities.

(17) Explanatory Note: Amendments to paragraph 6 are proposed to clarify that the amount of cash and cash equivalents should be provided and any significant contingent liabilities should be disclosed.

Use of Proceeds from Offer and Expenses Incurred

7. In the same section, provide the information set out in paragraphs 8 to 13 of this Part.

8. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 9 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant corporation, indicate the amount of the net proceeds that will be raised by the relevant corporation. If none of the proceeds will go to the relevant corporation, provide a statement of that fact.

9. Disclose how the net proceeds raised by the relevant corporation from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors of the relevant corporation, must be raised by the offer of shares or units of shares, as the case may be.

10. For each dollar of the proceeds from the offer that will be raised by the relevant corporation, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

11. If any material part of the proceeds to be raised by the relevant corporation will be used, directly or indirectly, to acquire or refinance the acquisition of an asset, ~~business or entity other than in the ordinary course of business~~, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition as well as the

estimated completion date. Where funds have already been expended, state the amount which has been paid by the relevant corporation. If the asset, business or entity has been or will be acquired from an interested person of the relevant corporation, identify the interested person and state how the cost to the relevant corporation is or will be determined.

~~12. If any of the proceeds to be raised by the relevant corporation will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.~~

(18) Explanatory Note: Where a material part of the proceeds raised is to be used to finance or refinance an acquisition, relevant information on the acquisition should be provided regardless of whether it is in the ordinary course of business, and whether it is an acquisition of asset, business or entity. Amendments to paragraphs 11 and 12 are proposed to give effect to this position and to clarify the information to be provided.

13. If any material part of the proceeds to be raised by the relevant corporation will be used to discharge, reduce or retire the indebtedness of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

14. In the section containing the information referred to in paragraphs 8 to 13 of this Part or in an adjoining section —

- (a) disclose the amount of discount or commission per share or per unit of share, as the case may be, agreed upon between the underwriter or other placement or selling agent in relation to the offer and the relevant corporation or holder of shares or units of shares in the relevant corporation selling such shares or units of shares;
- (b) provide a reasonably itemised statement of the major expenses incurred in connection with the offer and the issue and distribution of the shares or units of shares, as the case may be, being offered (in absolute terms and as a percentage of the total amount of the offer) that are payable by, or on behalf of, the relevant corporation;
- ~~(c) where any of the shares or units of shares, as the case may be, are being offered by a holder of such shares or units of shares, provide information on the expenses to be paid by, or on behalf of, such holder;~~
- (d) if any expenses are to be paid by a person on behalf of the relevant corporation ~~or holder of shares or units of shares in the relevant corporation selling such shares or units of shares~~, identify the person; and
- (e) indicate the amount of any expense specifically charged to the subscriber or purchaser of the shares or units of shares, as the case may be, being offered.

The information may be given subject to future contingencies. Where the amount of any item is not known, estimates (identified as such) shall be given.

- (19) Explanatory Note: Amendments to paragraph 14 are proposed mainly to remove the requirement for disclosure of expenses paid by selling shareholders as industry has commented that such disclosures are not significant to investors' investment decisions.

Risk Factors

15. Disclose, in a specific section with the heading "Risk Factors", the risk factors that are specific to the relevant corporation and its industry as well as the shares or units of shares, as the case may be, being offered, which had materially affected or could materially affect, directly or indirectly, the relevant corporation's financial position and results and business operations, and investments by holders of shares or units of shares, as the case may be, in the relevant corporation. These may include, among others, factors relating to the nature of the business in which the relevant corporation or the group is engaged or proposes to engage in; the countries in which the relevant corporation or the group operates and the jurisdiction in which the relevant corporation is incorporated (including the extent to which shareholders' interests are protected); the financial and liquidity position of the relevant corporation; the absence of operating track record or profitable operations; compliance with government regulations; the possible absence of a liquid trading market for the relevant corporation's shares; reliance on the expertise of management; potential dilution in the net asset value per share to new investors; unusual competitive conditions; pending expiration of material patents, trademarks or contracts; foreign currency exposures; or dependence on a limited number of customers or suppliers. Where possible and appropriate, the extent to which the relevant corporation's financial position and results had been, or could potentially be, impacted should be stated.

- (20) Explanatory Note: Amendments to paragraph 15 are proposed to provide further guidance to issuers on the disclosure of risk factors in the prospectus.

PART V

INFORMATION ON THE RELEVANT CORPORATION

[.....]

Business Overview

2. Provide the following information in respect of the relevant corporation:
 - (a) the nature of the operations and principal activities, the main categories of products sold and services performed for each of the 3 most recent completed financial years, any significant new product or service introduced between the beginning of the period comprising the 3 most recent completed financial years and the latest practicable date and, to the extent that the development of the new product or service has been publicly disclosed, the status of such development;
 - (b) the principal markets in which the relevant corporation competes, including a breakdown of total revenue by category of activity and

geographic market, for each of the 3 most recent completed financial years;

- (c) whether the main business is seasonal in nature and, if so, details of such seasonal nature (including the material effects on its production, sales, inventory, costs and revenues);
- ~~(d) the marketing activities;~~
- (e) whether the business or profitability of the relevant corporation is materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process;
- (f) any material effect of government regulations on the business, identifying the regulatory body, and a statement on whether the relevant corporation has complied with the applicable government regulations (including whether or not it has obtained the relevant approvals, licences or permits) and if not, the reasons for the non-compliance and the potential impact to its financial position or performance.

(21) Explanatory Note: Amendments to paragraph 2 are proposed to elaborate on the information that should be provided, and to remove the requirement for disclosure of marketing activities as industry has commented that such information is not significant to investors' investment decision.

3. In paragraph 2 of this Part, a reference to the relevant corporation shall, if the relevant corporation is the holding company of a group, be a reference to the group.

3A. Where the relevant entity has made any statement regarding its position vis-à-vis its competitors, disclose the basis for such statement.

(22) Explanatory Note: New paragraph 4A is proposed to require the issuer to disclose the basis for any statement made regarding its competitive competition. This is to make clear that unsubstantiated statements which are mere puffery should not be included in the prospectus.

[.....]

Fixed Assets

5. Provide information regarding any material tangible fixed asset of the relevant corporation, including any leased property and any major encumbrances thereon. The information provided must include —

- (a) in the case of property, a description of the property (including the size, tenure and use of the property) and —
 - (i) where the property is owned by the relevant corporation and the relevant corporation has not obtained legal title to the property, a statement of such fact, the reasons why legal title has not been obtained and the potential consequential impact on the relevant corporation's operations; or

(ii) where the property is leased by the relevant corporation, the identity of the lessor, the duration of the lease, the rent payable and if the lease may be unilaterally terminated by the lessor, a statement of such fact and the potential consequential impact on the relevant corporation's operations;

- (b) in the case of a production facility, the productive capacity and extent of utilisation of the facility for each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, or if the productive capacity and extent of utilisation could not be determined or is not meaningful, an explanation why;
- (c) how the fixed asset is held;
- (d) the products produced; and
- (e) the location.

6. Describe any regulatory requirements or environmental issues that may materially affect the relevant corporation's utilisation of a material tangible fixed asset. With regard to any material plan to construct, expand or improve a facility, describe the nature of and reason for the plan, and give an estimate of the amount of expenditure, including the amount already expended. In addition, disclose the method of financing the plan, the estimated dates of commencement and completion of the plan, and any anticipated increase in production capacity after completion.

7. In paragraphs 5 and 6 of this Part, a reference to the relevant corporation shall, if the relevant corporation is the holding company of a group, be a reference to the group.

(23) Explanatory Note: Amendments to paragraphs 2 and 5 are proposed mainly to elaborate on the information that should be provided.

PART VI

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

1. Information required under this Part shall be provided in respect of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group.

Operating Results

2. In respect of each of the 2 most recent completed financial years for which audited financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, provide a narrative of the extent to which any material change in net sales or revenue, compared to the previous year or corresponding interim period, is attributable to a change in the price or volume of products being sold or services being performed or to the introduction of a new product or service as compared to the previous corresponding period. Where the change in price, volume of products sold or services performed, is due to any particular reason or factor, provide details on such reason or factor.

3. In respect of each financial year for which audited financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant corporation, and indicate the extent to which such profit or loss was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

4. If the impact of foreign currency fluctuations is material, state such impact and the extent to which foreign currency exposure and investment is hedged by currency borrowings or other hedging instruments.

Liquidity and Capital Resources

5. Provide the following information regarding liquidity (both short and long term):

- (a) a description of the material sources of liquidity, whether internal or external, and a brief discussion of any material unused sources of liquidity, as of the latest practicable date, including a statement by the directors of the relevant corporation as to whether, in their reasonable opinion, the working capital available to the relevant corporation or, if the relevant corporation is the holding company of a group, to the group, as at the date of lodgment of the prospectus is sufficient for at least the next 12 months present requirements and, if insufficient, how the additional working capital considered by the directors to be necessary is proposed to be provided. When ascertaining whether its working capital is sufficient, the relevant corporation should not include any financing facilities which are not available as at the date of lodgment of the prospectus but may take into account the net proceeds from the offer if it is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if there is an explicit condition on the minimum net proceeds to be raised and if such condition is not met, the application monies will be returned to investors;
- (b) an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —
 - (i) each financial year for which audited cash flow statements have been included in the prospectus; and
 - (ii) if an interim cash flow statement has been included in the prospectus, the period covered by the interim cash flow statement;
- (c) the nature and extent of any legal, financial or economic restriction on the ability of a subsidiary or subsidiary entity of the relevant corporation to transfer funds to the relevant corporation in the form of cash dividends, loans or advances, and the impact such restrictions have had or are expected to have on the ability of the relevant corporation to meet its cash obligations;
- (d) the level of borrowings as at the end of the most recent completed financial year or, if any interim financial statements have been included, the period covered by the interim financial statements, the extent to which the borrowings are at a fixed rate, and the maturity

profile of the borrowings and committed borrowings facility, with a description of any restriction on its use; and

- (e) if the relevant corporation or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant corporation's financial position and results or business operations, or the investments by holders of shares or units of shares, as the case may be, in the relevant corporation —
 - (i) a statement of that fact;
 - (ii) details of the credit arrangement or bank loan; and
 - (iii) any action taken or to be taken by the relevant corporation or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

6. Provide information on the use of any financial instrument for hedging purposes, including the nature of exposure, the types of derivative instruments used, the hedging policy adopted by the relevant corporation and the control procedures put in place to ensure that the hedging policy is adhered to.

7. Provide information on any material commitment for capital expenditures as of the latest practicable date and indicate the general purpose of such commitment and the anticipated source of funds needed to fulfil such commitment.

- (24) Explanatory Note: Amendments made to paragraphs 2 and 6 are mainly to elaborate on the information that should be provided.

Amendments to paragraph 5 have also been proposed to clarify the time period over which working capital adequacy should be considered. In proposing a 12-months period, MAS has taken into account the practices in the UK/EU and the time horizon which directors have to consider when assessing the appropriateness of the going concern assumption in preparing annual reports. In addition, amendments have been proposed to clarify the circumstances under which net proceeds from the offer can be taken into consideration by the directors when assessing the adequacy of the issuer's working capital.

7A. Where the amount of trade receivables was material, provide information on the relevant corporation's credit policy, the circumstances under which credit terms could be extended, the average collection period for each of the 3 most recent completed financial years and, if any interim financial statements have been included, the interim financial period, and any significant exposure to doubtful trade receivables for the financial periods under review. If the amount of trade receivables as at the end of the most recent completed financial year or, if interim financial statements have been included, as at the end of the interim period, was significant, state the amount which have been collected as of the latest practicable date.

- (25) Explanatory Note: Where trade receivables are material, MAS considers it is important for the issuer to disclose its credit policy, how credit terms may be extended and the extent to which its outstanding trade

receivables have been collected. The new paragraph 7A is introduced to formalise such disclosure requirements.

Research and Development

8. Where research and development activities are material to the relevant corporation's business, Provide provide a description of the ~~material~~ research and development policies of the relevant corporation for the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, including the amount spent on research and development activities and the percentage of the net sales or revenue of the relevant corporation in each of those years and the interim period spent on such activities.

(26) Explanatory Note: Amendments to paragraph 8 are proposed to clarify that details relating to the issuer's research and development policies and expenditures will be required only if such activities are material to the business of the issuer. The requirement is also extended to cover research and development expenditure in the interim period, if applicable.

Trend Information and Profit Forecast or Profit Estimate

9. Discuss, ~~for at least the current financial year, —~~
- (a) the business and financial prospects for the next 12 months;~~and~~
 - (b) any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services since the end of the most recent completed financial year or, if any interim financial statements have been included, the period covered by the interim financial statements;~~—and~~
 - (c) ~~as well as~~ any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that would cause financial information disclosed in the prospectus to be not necessarily indicative of the future operating results or financial condition of the relevant corporation. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

(27) Explanatory Note: Amendments to paragraph 9 are proposed to require the issuer to discuss its business and financial prospects for the next 12 months. Amendments have also been proposed to make clear that there are two limbs to the requirement on disclosure of trend information, namely, a discussion on any significant recent trends which the issuer has observed (historical), and disclosure of any known trends, uncertainties, demands, commitments or events which it considers may have an impact on its financial performance or position for at least the current year (forward-looking).

10. Discuss the state of the order book since the end of the most recent period for which annual or interim financial statements have been provided under Part

IX of this Schedule. Where such information is not relevant to the business of the relevant corporation, provide an appropriate statement to that effect and the reason for this.

11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors of the relevant corporation have based their profit forecast or profit estimate, as the case may be.

13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant corporation as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant corporation, and is presented in accordance with the accounting standards adopted by the relevant corporation in the preparation of its financial statements.

14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant corporation, provide in addition to the statement referred to in paragraph 13 of this Part —

(a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, ~~that~~

(i) that the profit forecast has been stated by the directors of the relevant corporation after due and careful enquiry and consideration;
or

(ii) to the effect that, on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part, no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

(b) a statement by an auditor of the relevant corporation, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

(28) Explanatory Note: Amendments to paragraph 14 are proposed to clarify that an opinion from the issue manager or any authoritative person on the reasonableness of the assumptions for the profit forecast could also be provided in the case of a current year profit forecast.

15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant corporation, provide in addition to the statement referred to in paragraph 13 of this Part —

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant corporation, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

PART VII

SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY EXECUTIVES AND EMPLOYEES

[.....]

Material Background Information

8. Disclose the following matters concerning a director, key executive or controlling shareholder of the relevant corporation:

- (a) ~~if whether~~ at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner;
- (b) ~~whether-if~~ at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) ~~whether-if~~ there is any unsatisfied judgment against him;
- (d) ~~whether-if~~ he has ~~ever~~ been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (e) ~~whether-if~~ he has ~~ever~~ been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or

elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

- (f) ~~whether-if~~ at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) ~~whether-if~~ he has ~~ever~~ been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) ~~whether-if~~ he has ~~ever~~ been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) ~~whether-if~~ he has ~~ever~~ been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) ~~whether-if~~ he has ~~ever~~, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of —
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,
 in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust;
- (k) ~~whether-if~~ he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

- (29) Explanatory Note: Amendments to paragraph 8 are proposed to make it clear that disclosures will be necessary only if the aforesaid requirements apply.

Compensation for Services

9. Disclose, in bands of up to \$250,000 —

- (a) the amount of compensation paid by the relevant corporation or its subsidiary or subsidiary entity for each of the 2 most recent completed financial years; and
- (b) the estimated amount of compensation paid and to be paid by the relevant corporation or its subsidiary or subsidiary entity for the whole of the current financial year,

to —

- (i) each director of the relevant corporation; and
- (ii) each of the top 5 (in terms of amount of compensation) key executives (not being directors) of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group,

for services rendered by such a person in all capacities to the relevant corporation or its related corporation or related entity.

10. For the purpose of paragraph 9 of this Part —

- (a) compensation includes any benefit in kind; and
- (b) compensation that has already been paid includes any deferred compensation accrued for the financial year in question and payable at a later date.

11. For the purposes of paragraph 9(b) of this Part, any estimated amount of compensation that is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, but which has not yet been paid, may be excluded from the calculation of the estimated amount of compensation in respect of the whole of the current financial year, provided that that fact is stated.

12. If any portion of the compensation was paid or is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, identify the person to whom such compensation was or is to be paid and briefly describe such plan, agreement or arrangement and the basis of such person's participation in the plan, agreement or arrangement. For key executives who are not directors or controlling shareholders, disclosure of their profit-sharing plans, agreements or arrangements need not be provided on an individual basis if —

- (a) the profit-sharing portion paid or is to be paid to such key executives, on an individual basis, had or would not account for more than 1% of the profit before tax of the relevant corporation, or if the relevant corporation is the holding company of a group, the group, in any financial year; and
- (b) the maximum aggregate amount that was paid or is to be paid to the such key executives under the profit-sharing plans, agreements or arrangements in each financial year is disclosed.

(30) Explanatory Note: MAS has received feedback that the requirement to disclose profit-sharing plans, agreements or arrangements in the prospectus may compromise staff recruitment and retention efforts of issuers, particularly in highly competitive industries where poaching of skilled or experienced key executives by competitors is commonplace. MAS has no objection to issuers not disclosing details of an individual's profit-sharing plan provided that he is not a director or controlling shareholder and the profit-sharing portion paid or to be paid to him had or would not exceed 1% of profit before tax. However, MAS considers that the maximum aggregate amount paid or to be paid under such profit sharing plans should be disclosed, so as to give investors an indication on the extent of such costs to the company. Amendments to paragraph 12 are proposed to give effect to this position.

13. If any portion of the compensation was paid or is to be paid in the form of stock options, identify the persons to whom such compensation was or is to be paid and provide the description and number of shares covered by the options, the exercise price, the option purchase price (if any), the period during which the options are exercisable and the expiration date of the options.

14. State the total amounts set aside or accrued by the relevant corporation or its subsidiary or subsidiary entity to provide pension, retirement or similar benefits, if any.

15. Provide details of any existing or proposed service contract entered or to be entered into by the directors of the relevant corporation with the relevant corporation or its subsidiary or subsidiary entity which provide for benefits upon termination of employment, or an appropriate negative statement.

16. For a service contract referred to in paragraph 15 of this Part with a fixed term, state the term of each such contract, the unexpired term and the name of the relevant director.

16A. Disclose the aggregate amount of compensation paid by the relevant corporation or its subsidiary or subsidiary entity for each of the 2 most recent completed financial years to employees who are immediate family members of a director or the chief executive officer of the relevant corporation. If such information could not be provided, explain why.

(31) Explanatory Note: Under the Code of Corporate Governance 2005, issuers are required to disclose in the annual report the aggregate compensation paid to employees who are family members of a director or the chief executive officer. The proposed new paragraph 16A is to require such disclosures to be made in the prospectus, in line with the requirement under the Code of Corporate Governance 2005.

[.....]

Employees

19. Provide either —

- (a) the average number of employees of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group for each of the 3 most recent completed financial years and any interim period for which financial statements have been included in

the prospectus and the reason for any change in the average number of such employees, if material; or

- (b) the number of employees of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group as at the end of each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus and the reason for any change in the number of such employees, if material,

and, if possible, a breakdown of persons employed by activity and geographic location. Disclose information regarding the relationship between management and labour unions. If the relevant corporation or, if the relevant corporation is the holding company of a group, the group employs a significant number of temporary employees, disclose the average number of temporary employees in respect of the most recent completed financial year.

- (32) Explanatory Note: Amendments made to paragraph 19 are to clarify that information on number of employees should also be provided for the interim period, if applicable.

[.....]

PART VIII

INTERESTED PERSON TRANSACTIONS AND CONFLICT OF INTERESTS

[.....]

Interests of Underwriters or Financial Advisers

7. If, in the reasonable opinion of the directors, any underwriter or other financial adviser in relation to the offer (including any consultant engaged by the relevant corporation) has a material relationship with the relevant corporation, describe the nature and terms of such relationship.

- (33) Explanatory Note: Amendments to paragraph 7 are proposed to clarify that the requirement shall extend to any consultant engaged by the issuer to assist in its offering and listing process.

PART IX

FINANCIAL INFORMATION

1.—(1) In this Part, unless the context otherwise requires —

“annual financial statements” means any annual financial statements of the relevant corporation or, where the relevant corporation is a holding company, any annual consolidated financial statements of the relevant corporation or any annual combined financial statements of the group;

“auditor” or “auditors” includes, where the relevant corporation has engaged any auditor other than its own in relation to any requirement under this Part, that auditor;

“common control business” means a business which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant corporation or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant corporation or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant corporation;

“common control business trust” means a business trust which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant corporation or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant corporation or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant corporation;

“common control entity” means an entity which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant corporation or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant corporation or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant corporation;

“group” means the group of which the relevant corporation is the holding company;

“interim financial statements” means any interim financial statements of the relevant corporation or, where the relevant corporation is a holding company, any interim consolidated financial statements of the relevant corporation or any interim combined financial statements of the group;

“pro forma financial statements” means any pro forma financial statements of the relevant corporation or, where the relevant corporation is a holding company, of the group;

“underlying financial statements”, in relation to any financial statements which have been restated pursuant to paragraph 8(b)(i) of this Part (referred to in this definition as the restated financial statements), means the financial statements that form the basis for the restated financial statements.

(2) For the purposes of this Part, a person controls an entity, a business or a business trust if —

- (a) subject to sub-paragraph (b), under the accounting standards adopted by the relevant corporation in the preparation of its annual financial statements; or
- (b) where those annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, under the body of accounting standards in accordance with which those annual financial statements have been restated,

had the relevant corporation been a holding company, the person would have been treated, in the preparation of any consolidated financial statements of the relevant corporation or any combined financial statements of the group, as having the capacity to determine the outcome of decisions on the financial and operating policies relating to the entity, business or business trust.

Audited Financial Information

2. Subject to paragraphs 3 and 7 of this Part, provide —

(a) in a case where the relevant corporation or, if the relevant corporation is a holding company, the relevant corporation or any other entity in the group has acquired a common control entity, common control business or common control business trust between the beginning of the period comprising the 3 most recent completed financial years of the relevant corporation or group, as the case may be, and the date of registration of the prospectus by the Authority —

(i) the annual financial statements of the relevant corporation or, if the relevant corporation is a holding company, its annual consolidated financial statements or the annual combined financial statements of the group for the 3 most recent completed financial years; or

(ii) where —

(A) the relevant corporation has been in existence for less than 3 completed financial years or, if the relevant corporation is a holding company, neither the relevant corporation nor any other entity in the group (being an entity established by the relevant corporation or the group) has been in existence for at least 3 completed financial years; and

(B) no common control entity, common control business or common control business trust has been held and controlled, whether directly or indirectly, by a person who controls the relevant corporation as at the end of the earliest of the 3 most recent completed financial years,

the annual financial statements of the relevant corporation or, if the relevant corporation is a holding company, its annual consolidated financial statements or the annual combined financial statements of the group for each financial year beginning with the financial year in which —

(AA) the relevant corporation or, if the relevant corporation is a holding company, the relevant corporation or any other entity in the group (being an entity established by the relevant corporation or the group) came into existence; or

(BB) any of the common control entities, common control businesses or common control business trusts was first held and controlled by a person who controls the relevant corporation,

whichever is earlier; or

- (b) in any other case, the annual financial statements of the relevant corporation or, if the relevant corporation is a holding company, its annual consolidated financial statements for the 3 most recent completed financial years or, where the relevant corporation has been in existence for less than 3 completed financial years, for each of the financial years during which it has been in existence.

(34) Explanatory Note: Amendments to paragraph 2 are proposed for clarity.

3. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year —

- (a) the annual financial statements for the most recent completed financial year need not be provided under paragraph 2 of this Part;
- (b) a reference to the 3 most recent completed financial years in paragraphs 2 and 7 of this Part shall be construed as a reference to the 3 completed financial years immediately preceding the most recent completed financial year; and
- (c) a reference to the most recent completed financial year in paragraphs 2 and 5 of this Part shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

4. The annual financial statements to be provided under paragraph 2(a) of this Part shall be prepared as if the common control entities, common control businesses or common control business trusts were, at the time they were held and controlled, whether directly or indirectly, by a person who controls the relevant corporation, a part of the relevant corporation or the group, as the case may be, for the relevant financial periods.

5. If any annual financial statements to be provided under paragraph 2 of this Part relate to a period other than 12 months due to a change in the financial year end of the relevant corporation or the group, as the case may be, the annual financial statements in respect of that financial year and the financial years preceding that financial year shall be provided on a restated 12-month basis, so that the financial year end for each of the restated financial statements corresponds to the financial year end for the most recent completed financial year.

6. For the avoidance of doubt, where the relevant corporation or any other entity in the group has acquired any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust), the annual financial statements to be provided under paragraph 2 of this Part shall include such asset, entity, business or business trust only from the date of its acquisition by the relevant corporation or the other entity in the group, as the case may be.

6A. For the avoidance of doubt, if prior to acquisition —

- (a) the business of the relevant corporation, any other entity in the group, any common control entity or common control business trust; or
- (b) any common control business,

was undertaken by another entity or business trust which was held and controlled, whether directly or indirectly, by a person who controls the relevant corporation, the second-mentioned entity or business trust, or if the business was not its sole business, the business of such entity or business trust, shall be

regarded as a common control entity, common control business or common control business trust, as the case may be, for the purposes of paragraph 2 of this Part.

- (35) Explanatory Note: In some cases, the controlling shareholder may decide to transfer the business from one entity (not part of the group) to another entity which is subsequently acquired by the relevant corporation as part of the group restructuring exercise. The proposed new paragraph 6A is to clarify that in such a case, the first-mentioned entity, or if the business was not its sole business, such business of the first-mentioned entity, will be regarded as a common control entity or common control business for the purposes of preparing the annual financial statements of the relevant corporation or the group under this Part.

7. The annual financial statements of the relevant corporation or the group, as the case may be, need not be provided under paragraph 2 of this Part in respect of any financial year in which —

- (a) the relevant corporation and, if the relevant corporation had acquired any common control business between the beginning of the period comprising the 3 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control businesses; or
- (b) where the relevant corporation is a holding company, the group and, if the relevant corporation or any other entity in the group had acquired any common control entity, common control business or common control business trust between the beginning of the period comprising the 3 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control entities, common control businesses and common control business trusts,

were dormant or had not commenced any activity as at the end of that financial year.

8. Each of the annual financial statements to be provided under paragraph 2 of this Part must be —

- (a) prepared in accordance with the Financial Reporting Standards (referred to in this Part as FRS), the International Financial Reporting Standards (referred to in this Part as IFRS) or the US Generally Accepted Accounting Principles (referred to in this Part as US GAAP); or
- (b) where the annual financial statements are not prepared in accordance with any body of accounting standards referred to in sub-paragraph (a) —
 - (i) restated in accordance with any body of accounting standards referred to in sub-paragraph (a);
 - (ii) if no material adjustments are required to restate the annual financial statements in accordance with any body of accounting standards referred to in sub-paragraph (a), accompanied by an opinion from the auditors that this is so; or

- (iii) prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority.

9. State, in respect of each financial year, the body of accounting standards that was adopted by the relevant corporation in the preparation of the annual financial statements to be provided under paragraph 2 of this Part for that financial year and, where the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the body of accounting standards in accordance with which the underlying financial statements have been restated.

10. Each of the annual financial statements to be provided under paragraph 2 of this Part or, where the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the underlying financial statements must be audited in accordance with —

- (a) the Singapore Standards on Auditing (referred to in this Part as SSA), the International Standards on Auditing (referred to in this Part as ISA) or the US Generally Accepted Auditing Standards (referred to in this Part as US GAAS);
- (b) any body of auditing standards which is not materially different from any body of auditing standards referred to in sub-paragraph (a) to the extent applicable to the audit of the annual financial statements; or
- (c) such other body of auditing standards as may be approved in any particular case by the Authority.

11. State, in respect of each financial year, the body of auditing standards that was adopted by the auditors of the relevant corporation in the audit of the annual financial statements to be provided under paragraph 2 of this Part for that financial year or, where the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the body of auditing standards that was adopted in the audit of the underlying financial statements.

12. Where any annual financial statements to be provided under paragraph 2 of this Part or, if the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the underlying financial statements are audited in accordance with any body of auditing standards referred to in paragraph 10(b) of this Part, include in the prospectus an opinion from the auditors of the relevant corporation that there are no material differences between the body of auditing standards adopted in the audit of the annual financial statements or underlying financial statements, as the case may be, and the SSA, ISA or US GAAS to the extent applicable to the audit of the annual financial statements or underlying financial statements.

13. Subject to paragraph 14 of this Part, each of the annual financial statements to be provided under paragraph 2 of this Part shall be accompanied by —

- (a) the audit report in respect of the annual financial statements or, if the auditors have refused to issue an audit report in respect of the annual financial statements, a statement highlighting and providing the reasons for the auditors' refusal;
- (b) a statement identifying the auditors who audited the annual financial statements and the membership or memberships of each auditor in any professional body or bodies; and

- (c) if the audit report in respect of the annual financial statements contains any material qualification, modification or disclaimer, a statement highlighting and providing the reasons for the qualification, modification or disclaimer in the prospectus.

14. Where any annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, state that fact and include in the prospectus in respect of each of the restated financial statements —

- (a) an opinion from the auditors of the relevant corporation that nothing has come to their attention that causes them to believe that the restated annual financial statements have not been properly restated in all material respects in accordance with a body of accounting standards referred to in paragraph 8(a) of this Part;
- (b) a statement of reconciliation between the restated annual financial statements and the audited underlying financial statements;
- (c) a statement identifying the auditors who audited the underlying financial statements and the membership or memberships of each auditor in any professional body or bodies;
- (d) a statement that the underlying financial statements have been audited in accordance with the relevant auditing standards;
- (e) either of the following:
 - (i) a statement that the audit report for the underlying financial statements does not contain any material qualification; or
 - (ii) if the audit report for the underlying financial statements contains any material qualification, modification or disclaimer, a statement setting out in full and providing the reasons for the qualification, modification or disclaimer, as the case may be;
- (f) a statement that the auditor for the underlying financial statements has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statements referred to in subparagraphs (c), (d) and (e) in the form and context in which they are included in the prospectus; and
- (g) a statement that copies of the audited underlying financial statements are available for inspection at a specified place in Singapore for a period of at least 6 months from the date of registration of the prospectus by the Authority.

15. The annual financial statements to be provided under paragraph 2 of this Part or, where annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the underlying financial statements shall be made up to a date not earlier than 12 months before the date of lodgment of the prospectus.

Interim Financial Information

16. If the date of lodgment of the prospectus is more than 6 months after the end of the most recent completed financial year for which audited financial statements have been prepared, provide the interim financial statements of the relevant corporation or, where the relevant corporation is a holding company, of the group in accordance with paragraphs 17, 18 and 19 of this Part.

17. If the date of lodgment of the prospectus is more than 6 months but ~~less than~~ not more than 9 months after the end of the most recent completed financial year for which audited financial statements have been prepared —

- (a) the interim financial statements to be provided under paragraph 16 of this Part shall cover at least the first 3 months of the current financial year;
- (b) the interim financial statements shall be reviewed by the auditors of the relevant corporation but need not be audited; and
- (c) the fact that the interim financial statements have only been reviewed but not audited shall be stated.

18. If the date of lodgment of the prospectus is more than 9 months but ~~less than~~ not more than 12 months after the end of the most recent completed financial year for which audited financial statements were prepared —

- (a) the interim financial statements to be provided under paragraph 16 of this Part shall cover at least the first 6 months of the current financial year;
- (b) the interim financial statements shall be reviewed by the auditors of the relevant corporation but need not be audited; and
- (c) the fact that the interim financial statements have only been reviewed but not audited shall be stated.

19. If the date of lodgment of the prospectus is more than 12 months but ~~less than~~ not more than 15 months after the end of the most recent completed financial year for which audited financial statements were prepared —

- (a) the interim financial statements to be provided under paragraph 16 of this Part shall cover at least the first 9 months of the most recent completed financial year;
- (b) the interim financial statements for at least the first 3 months of the most recent completed financial year shall be audited;
- (c) the interim financial statements for the remaining months of the period covered by the interim financial statements referred to in paragraph (a) ~~most recent completed financial year~~ shall be reviewed by the auditors of the relevant corporation but need not be audited; and
- (d) the fact the interim financial statements for the remaining months of the period covered by the interim financial statements referred to in paragraph (a) ~~the most recent completed financial year~~ have only been reviewed but not audited shall be stated.

(36) Explanatory Note: Amendments to paragraphs 17 to 19 are proposed for clarity.

21. Include the following in the interim financial statements:

- (a) comparative figures (other than balance sheet figures) for the same period in the preceding financial year in respect of the relevant corporation or, if the relevant corporation is a holding company, of the group, unless annual financial statements of the relevant corporation or group, as the case may be, have not been provided for the preceding financial year; and

- (b) selected note disclosures that explain any event or change which is significant to the understanding of any change in the financial position and results of the relevant corporation or, if the relevant corporation is a holding company, of the group since the last annual reporting date.

22. Include in the prospectus —

- (a) a report by the auditors of the relevant corporation on the audit of the interim financial statements; or
- (b) if the interim financial statements are not audited, a report by the auditors on the review of the interim financial statements.

Pro Forma Financial Information

23. Where —

- (a) the relevant corporation, or, if the relevant corporation is a holding company, the relevant corporation or any other entity in the group, has —
 - (i) acquired or disposed of any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust); or
 - (ii) entered into any agreement to acquire or dispose of any asset or any entity, business or business trust (whether or not that entity, business or business trust is a common control entity, common control business or common control business trust),

during the period between the beginning of the most recent completed financial year and the date of registration of the prospectus by the Authority and —

- (A) the net book value, or the absolute amount of the profit or loss before tax, of that asset, entity, business or business trust has or would have accounted for 10% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant corporation or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or
- (B) the total net book value, or the total absolute amount of the profit or loss before tax, of all of those assets, entities, businesses and business trusts together have or would have accounted for 20% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant corporation or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or
- (b) any significant change to the capital structure (including any material distribution) of the relevant corporation, or, if the relevant corporation is a holding company, of the relevant corporation or of any other entity or any business trust in the group, has occurred during the period between the end of the most recent completed

financial year and the date of registration of the prospectus by the Authority,

provide pro forma financial statements for the most recent completed financial year and, if interim financial statements of the relevant corporation or of the group have been included in the prospectus, for the period covered by the interim financial statements.

23A. The pro forma financial statements required under paragraph 23(a) of this Part need not be provided if the acquisition or disposal, or agreement to acquire or dispose of, was in relation to a new production line, construction-in-progress, or any other machinery or equipment which was, or was to be, acquired or disposed of, by the relevant corporation, or, if the relevant corporation is a holding company, any other entity or any business trust in the group, in the ordinary course of its business for which disclosures have been made under paragraph 1(d) or 1(e) of Part V or paragraph 7 of Part VI.

(37) Explanatory Note: The proposed new paragraph 23A is to clarify that the requirements for preparation of pro forma financial statements shall not apply to an acquisition, or disposal of, machinery and equipment made in the ordinary course of business in respect of which disclosures have been made pursuant to the requirements on material capital expenditures/divestments and commitments.

24. The pro forma profit and loss statement and pro forma cash flow statement shall be prepared —

- (a) for the most recent completed financial year; and
- (b) where any interim financial statements have been provided (whether under paragraph 16 of this Part or otherwise), for the period covered by the interim financial statements,

as if the acquisition, disposal or significant change had occurred at the beginning of the most recent completed financial year.

25. The pro forma balance sheet shall be prepared —

- (a) as at the end of the most recent completed financial year as if the acquisition, disposal or significant change had occurred at the end of that financial year; and
- (b) where any interim financial statements have been provided (whether under paragraph 16 of this Part or otherwise), as at the end of the period covered by the interim financial statements, as if the acquisition, disposal or significant change had occurred at the end of the period.

25A. Where the pro forma financial statements are required to be provided for any reason referred to in paragraph 23(a) of this Part, the pro forma profit and loss statement and pro forma cash flow statement required under paragraph 24 of this Part need not be prepared —

- (a) for the most recent completed financial year; and
- (b) where any interim financial statements have been provided (whether under paragraph 16 of this Part or otherwise), for the period covered by the interim financial statements,

if the acquisition or disposal, or agreement to acquire or dispose of, was in relation to an asset, entity or business which was dormant or had not

commenced any activity as at the end of that financial year, or the period covered by the interim financial statements, respectively.

- (38) Explanatory Note: The proposed new paragraph 25A is to clarify that pro forma profit and loss statement and pro forma cash flow statement need not be prepared if the asset, entity or business acquired or disposed of, was dormant or had not commenced any activity.

26. Where the auditors of the relevant corporation have given an opinion that the pro forma profit and loss statement, cash flow statement or balance sheet in respect of the most recent completed financial year or, where any interim financial statements have been provided (whether under paragraph 16 of this Part or otherwise), in respect of the period covered by the interim financial statements, is the same, in all material respects, as the audited annual or interim profit and loss statement, cash flow statement or balance sheet of the relevant corporation, or the audited annual or interim consolidated profit and loss statement, cash flow statement or balance sheet of the relevant corporation, or the audited annual or interim combined profit and loss statement, cash flow statement or balance sheet of the group, as the case may be, which has been included in the prospectus, the pro forma profit and loss statement, cash flow statement or balance sheet, as the case may be, for that financial year or period need not be provided.

- (39) Explanatory Note: Amendments to paragraph 26 are proposed to make clear that an opinion from the auditors of the relevant corporation will be required.

[.....]

Dividends

37. Disclose the amount of dividends ~~per share~~, if any, paid or declared by the relevant corporation or, if the relevant corporation is a holding company, the relevant corporation or any other entity or business trust in the group (except where the dividends are paid to the relevant corporation or another entity in the group). in respect of each class of shares for each of the 3 most recent completed financial years and for the period from the end of the most recent completed financial year to the latest practicable date. ~~giving~~ Provide particulars of each such class of shares and of any case in which no dividends have been paid in respect of any class of shares for any of those years. Where dividends have been declared but not paid, state when they will be paid

- (40) Explanatory Note: Amendments to paragraph 37 are proposed to require the issuer to disclose any dividends declared or paid during the period from the end of the last financial year to the latest practicable date and to extend the requirement to include dividends paid or declared by other entities in the group.

[.....]

PART X

THE OFFER AND LISTING

[.....]

PART XI

ADDITIONAL INFORMATION

[.....]

SIXTH SCHEDULE

[.....]

SEVENTH SCHEDULE

Regulation 8(2)(a)

PARTICULARS TO BE INCLUDED UNDER SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR AN OFFER OF DEBENTURES OR UNITS OF DEBENTURES (OTHER THAN ASSET-BACKED SECURITIES OR STRUCTURED NOTES), WHERE AN APPLICATION HAS BEEN OR WILL BE MADE TO A SECURITIES EXCHANGE TO LIST FOR QUOTATION OR QUOTE THOSE DEBENTURES OR UNITS OF DEBENTURES ON THE SECURITIES EXCHANGE

(41) MAS seeks your comments on the requirements contained in this Schedule, in particular, the amendments to the existing requirements set out below which are proposed mainly for the purposes of aligning the disclosure requirements in this Schedule with the *International Disclosure Principles For Cross-Border Offerings and Listings of Debt Securities by Foreign Issuers* issued by the International Organisation of Securities Commissions (IOSCO) (“IOSCO Disclosure Principles for Debt Offerings”).

PART I

FRONT COVER

[.....]

PART II

IDENTITY OF DIRECTORS, KEY EXECUTIVES,
GUARANTOR ENTITIES, ADVISERS AND AGENTS

[.....]

Advisers

2. Provide the names and addresses of —

~~(a) the relevant entity’s principal banker or bankers;~~

~~(ab)~~ the issue manager (commonly known as the arranger) to the offer, if any;

~~(c) the arranger of the offer, if any;~~

~~(ba)~~ the underwriter to the offer, if any; and

~~(ce)~~ the legal adviser for or in relation to the offer.

(42) Explanatory Note: Amendments to paragraph 2 are proposed mainly to remove the requirement for disclosure of the identities of the issuer’s principal bankers, as industry has commented that such information is not significant to debenture holders. Amendments have also been

proposed to remove the separate reference to “arranger” which could cause confusion currently. In the case of an offer of debentures or units of debentures, the “arranger” is the equivalent of an “issue manager”.

[.....]

Representative for Debenture Holders

7. Provide the name and address of the trustee, fiscal agent or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative.

Where there are condition precedents or other requirements to be satisfied before the trustee, fiscal agent or representative will –

- (a) enforce a lien against the property of the relevant entity;
- (b) act on behalf of the debenture holders; or
- (c) take any action at the request of the debenture holders,
- to disclose such conditions or requirements.

8. If, in the reasonable opinion of the directors or equivalent persons, the trustee, fiscal agent or representative has a material relationship with the relevant entity which could cause a conflict to arise between its interest as a trustee, fiscal agent or representative for the debenture holders and its other interests, describe the nature and terms of such relationship and explain why the directors or equivalent persons of the relevant entity still consider its appointment to be appropriate.

(43) Explanatory Note: Amendments to paragraph 7 are proposed to elaborate on the information that should be provided. In addition, a new paragraph 8 is proposed to require the prospectus to disclose any material relationship between the relevant entity and the trustee, fiscal agent or any other representative for the debenture holders which could cause a conflict of interest to arise. These amendments are in line with the IOSCO Disclosure Principles for Debt Offerings. It is also proposed that the issuer’s directors be required to provide an explanation on the appropriateness of the appointment so that investors can make a proper assessment on whether their interests may be prejudiced.

PART III

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state —

- (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;
- (b) the nature, denomination and, where applicable, number of the debentures or units of debentures, as the case may be, being offered;

- (c) ~~where the debentures or units of debentures, as the case may be, are being offered at a discount or premium,~~ the face value of the debentures or units of debentures being offered; and
- (d) the currency of the issue ~~and, if the issue is payable in any currency other than the currency of issue, this fact.~~

(44) Explanatory Note: The requirement in paragraph 1(d) with regards to disclosure of the currency in which principal and interests is payable, if different from the currency of issue, is proposed to be moved to paragraph 1 of Part IV below as it relates to terms of the notes.

[.....]

PART IV

KEY INFORMATION

Principal Terms and Conditions

1. Provide the following information on the debentures or units of debentures, as the case may be, being offered:

- (a) the yield, a summary of the method by which that yield is calculated, the issue and redemption prices, the nominal interest rate and —
 - (i) if the nominal interest rate is a floating rate, how the rate is calculated; or
 - (ii) if several or variable interest rates are provided for, the conditions for changes in the rate;
- (b) the date from which interest accrues and the interest payment dates;
- (c) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;
- (ca) if the principal sum of, or the interest on, the debentures or units of debentures, as the case may be, is payable in any currency other than the currency of the issue, state this fact. Where payments may be payable in 2 or more currencies, indicate who has the option to determine the currency conversion and the basis for that determination;
- (d) the final repayment date and any early repayment dates, specifying whether exercisable at the option of the relevant entity or of the holder of the debentures or units of debentures, as the case may be;
- (e) details of the arrangements for the amortisation or early redemption of the debentures or units of debentures, as the case may be, including procedures to be adopted;
- (f) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred. If the rights of the holders of the debentures or units of debentures, as the case may be, will be subordinated to other security holders or creditors, state the aggregate amount of outstanding indebtedness that

is senior to the debentures or units of debentures being offered as of the latest practicable date. If there is no limitation on the creation of additional indebtedness that is senior to the debentures or units of debentures being offered, state such fact;

- (g) the rights conferred upon the holders of the debentures or units of debentures, as the case may be, including rights in respect of interest and redemption, and whether these rights may be materially limited or qualified by the rights of any other class of securities;
- (h) the particulars of any security including provisions relating to the release or substitution of such security, if applicable, and where the security is in the form of a fixed asset, any requirement for maintenance of the asset;
- (i) the particulars of any significant covenant, including those concerning subsequent issues of other forms or series of debentures or units of debentures;
- (j) where applicable, a statement as to whether or not the relevant entity has any right to create additional charges over any of the assets subject to a charge to secure the repayment of the debentures or units of debentures, as the case may be, which will rank in priority to or *pari passu* with the second-mentioned charge and, if there is such a right, particulars of its nature and extent;
- (k) the nature and scope of any guarantee, surety or commitment intended to ensure that the issue will be duly serviced with regard to both the principal sum of and the interest on the debentures or units of debentures, as the case may be, and the material terms and conditions of such guarantee, surety or commitment including any conditions on its application in the event of a default;
- (l) any legislation under which the debentures or units of debentures, as the case may be, have been created, and the governing law and the competent courts in the event of litigation;
- (m) definition of events constituting defaults and the remedies available in the event of default, including~~and the~~ effect upon acceleration of maturity of the debentures or units of debentures, as the case may be, as well as information on when holders of the debentures or units of debentures would be able to take action to enforce their claims; and
- (n) provisions on how ~~for modifications of the~~ terms and conditions of the debentures or units of debentures, as the case may be, or the rights of the holders of the debentures or units of debentures, may be modified; and
- (o) the consequences of any failure to make payments which does not constitute an event of default and the remedies available under the terms of the debentures or the applicable law.

(45) Explanatory Note: Amendments to paragraph 1 are proposed mainly to set out certain additional information relating to terms of the debentures which should be disclosed. These amendments are in line with the IOSCO Disclosure Principles for Debt Offerings.

Periodic Disclosures

1A. State whether or not the relevant entity and its guarantor entity are required under the terms of the document governing trusteeship or representation of the debenture holders, or the applicable law or rules of the securities exchange, to make periodic disclosures of its financial statements or other information so as to enable holders of the debentures or units of debentures, as the case may be, to assess the entity's ability to fulfill its obligations under the debentures or units of debentures.

- (46) Explanatory Note: New paragraph 1A is proposed to require the issuer to disclose whether or not it has an obligation to make periodic disclosures to debenture holders. This will enable investors to assess if they will be able to get an early indication of any deterioration in the issuer's financial condition. This is in line with the IOSCO Disclosure Principles for Debt Offerings.

Credit Rating

2. If the relevant entity, its guarantor entity or the debentures or units of debentures being offered have been given a credit rating by a credit rating agency, disclose the name of the credit rating agency, the credit rating (including whether it is a short-term or long-term credit rating), whether or not the relevant entity, its guarantor entity or any of their related parties had paid any fee or benefit of any kind to the credit rating agency in consideration for the credit rating, and the date on which the credit rating was given.

2A. When a credit rating is disclosed, provide—

- (a) a statement that the credit rating is current as of the date of registration of the prospectus;
- (b) a statement to the effect that if there is any change in the credit rating from the date of registration of the prospectus to the close of the offer, the relevant entity shall lodge a supplementary or replacement prospectus to update the information;
- (c) a statement that the credit rating is not a recommendation to invest in the debentures or units of debentures, as the case may be;
- (d) a statement that the credit rating may be subject to revision or withdrawal at any time; and
- (e) an explanation of the meaning, function and limitations of the credit rating, including the fact that it is a statement of opinion.

- (47) Explanatory Note: Given that the credit rating of the issuer, its guarantor or the debentures being offered is material information, it must be kept updated up till the close of the offer. New paragraph 2A is proposed to make this clear. Further, while credit ratings may provide useful information on the credit quality of the issuer, its guarantor or the debentures being offered, it is important that investors be alerted to the significance and limitations of such ratings so that they will not place undue reliance on the rating when making investment decisions. New paragraph 2A therefore seeks to also require issuers to explain the significance and limitations of credit ratings when a rating is disclosed in the prospectus.

[.....]

Use of Proceeds from Offer and Expenses Incurred

4. In the same section, provide the information set out in paragraphs 5 to 9 of this Part.

5. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 6 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

6. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of debentures or units of debentures, as the case may be.

7. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined as well as whether it is on an arm's length basis.

8. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, ~~briefly describe~~provide information on the business and ~~give information on~~ the status of the acquisition.

9. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

9A. Disclose —

(a) the amount of discount or commission per debenture or per unit of debenture, as the case may be, agreed upon between —

(i) the underwriter or other placement or selling agent in relation to the offer; and

(ii) the relevant entity or holder of debentures or units of debentures in the relevant entity selling such debentures or units of debentures;

(b) the major expenses incurred in connection with the offer and the issue and distribution of the debentures or units of debentures, as the case may be, being offered (in absolute terms and as a percentage of

the total amount of the offer) that are payable by, or on behalf of, the relevant entity, in a reasonably itemised statement;

(c) if any expenses are to be paid by a person on behalf of the relevant entity, the identity of the person; and

(d) the amount of any expense specifically charged to the subscriber or purchaser of the debentures or units of debentures, as the case may be, being offered.

(48) Explanatory Note: Disclosure of expenses to be paid in relation to the offering enables investors to assess how much of the proceeds goes into paying expenses and the amount of commissions and discounts paid to underwriters or other placement or selling agents. New paragraph 9A is proposed to require the issuer to provide such disclosures. This is in line with the IOSCO Disclosure Principles for Debt Offerings.

Risk Factors

10. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant entity and its industry as well as the debentures or units of debentures, as the case may be, being offered, which had materially affected, or could materially affect, directly or indirectly, the relevant entity’s ability to fulfill its obligations to holders of the debentures or units of debentures, as the case may be~~financial position and results and business operations~~, and the price or value of investments by holders of the debentures or units of debentures~~of the relevant entity~~. In the case of a guaranteed debenture issue, provide also such information in respect of the guarantor entity.

(49) Explanatory Note: To comply with the disclosure requirement, issuers may sometimes include too many risk factors which may end up undermining the value of disclosure. Amendments to paragraph 10 are proposed to make clear that the issuer of debentures or units of debentures should focus on those risks which are useful to investors in assessing whether it is able to fulfill its obligations as well as the investment and market risks which could affect their investments.

PART V

INFORMATION ON THE RELEVANT ENTITY

History of the Relevant Entity

1. Provide the following information:

- (a) the date of incorporation or constitution and, where the constituent documents of the relevant entity provide a limit as to the duration for which the relevant entity is to exist, such duration;
- (b) the legal form of the relevant entity, the legislation under which it operates, and the address and telephone and facsimile numbers of its registered office and principal place of business (if different from those of its registered office);

- (c) the length of time for which the business of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group has been carried on; and
- (d) ~~a description of any material capital investment by the relevant entity or, if the relevant entity is the holding company or holding entity of a group, by the group, the making or divestment of which is being planned for or in progress, including the geographical location of the investment and the method of financing~~ any recent events particular to the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any recent events particular to any entity of the group, which are material to the evaluation of the solvency of the relevant entity or its ability to meet the obligations to holders of the debentures or units of debentures, as the case may be.

(50) Explanatory Note: The requirement in paragraph 1(d) is moved to paragraph 6 of this Part given that they relate to the same subject matter. In its place, a new requirement is introduced to require the prospectus to disclose information on any recent events which are material to the evaluation of the issuer's solvency or its ability to fulfill its obligations to debenture holders. This is in line with the requirements prescribed under the EU/UK Prospectus Directive.

Organisational Structure

2. If the relevant entity is part of a group, briefly describe the group, and the relevant entity's position within the group. If the relevant entity is dependent on other entities within the group for its profitability and viability, identify such entities and explain this dependence. ~~If the relevant entity is the holding company or holding entity of a group, provide information on every subsidiary and subsidiary entity of the relevant entity, being a subsidiary or subsidiary entity, as the case may be, the absolute amount of the net assets, net liabilities or profit or loss before tax of which accounts for 10% or more of the absolute amount of the net assets, net liabilities or profit or loss before tax, respectively, of the group for any of the 2 most recent completed financial years. Such information shall include the name, country of incorporation or constitution, principal place of business, principal activities, proportion of ownership interest of the relevant entity and, if different, proportion of voting power held by the relevant entity.~~

(51) Explanatory Note: Amendments to paragraph 2 are proposed to reduce the amount of details which the issuer has to provide in respect of its significant subsidiaries as such detailed information is not necessary for debenture holders. It is proposed instead that disclosure be limited to the case where the issuer is dependent on any entity within the group. This is in line with the requirements prescribed under the EU/UK Prospectus Directive.

Business Overview and Financial Review

- 3. Provide the following information in respect of the relevant entity:
 - (a) the nature of the operations and principal activities;

- (b) the main categories of products sold and services performed and any significant new products or services;
- (c) the principal markets in which the relevant entity competes;
- (d) the net sales or revenue of the relevant entity for the 2 most recent completed financial years;
- (e) in respect of each financial year for which audited financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity, the extent to which the profit or loss before tax was so affected, and any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods; ~~and~~
- (f) a summary on whether the business or profitability of the relevant entity is materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process; ~~and~~
- (g) where the relevant entity has not complied with any government regulations applicable to its business, including not having obtained the relevant approvals, licences or permits, which could materially affect its financial position or performance, state the reasons for the non-compliance and the potential impact to its financial position or performance.

(52) Explanatory Note: New paragraph 3(g) is proposed to require the issuer to disclose material government regulations which may have a material effect on its business and potentially, its ability to fulfill its obligations under the debentures or units of debentures.

4. In paragraph 3 of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group.

4A. Where the relevant entity has made any statement regarding its position vis-à-vis its competitors, disclose the basis for such statement.

(53) Explanatory Note: New paragraph 4A is proposed to require the issuer to disclose the basis for any statement made regarding its competitive competition. This is to make clear that unsubstantiated statements which are mere puffery should not be included in the prospectus.

Liquidity and Capital Resources

5. Provide the following information regarding liquidity (both short and long term) in respect of the relevant entity:

- (a) a description of the material sources of liquidity, whether internal or external, and a brief discussion of any material unused sources of liquidity, as of the latest practicable date, including a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to

the relevant entity as at the date of lodgment of the prospectus is sufficient for present requirements and, if insufficient, how the additional working capital, considered by the directors or equivalent persons to be necessary, is proposed to be provided;

- (b) an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —
 - (i) each financial year for which audited cash flow statements have been included in the prospectus; and
 - (ii) if an interim cash flow statement has been included in the prospectus, the period covered by the interim cash flow statement;
- (c) the nature and extent of any legal, financial or economic restriction on the ability of a subsidiary or subsidiary entity of the relevant entity to transfer funds to the relevant entity in the form of cash dividends, loans or advances, and the impact such restrictions have had or are expected to have on the ability of the relevant entity to meet its cash obligations;
- (d) the level of borrowings as at the end of the most recent completed financial year or, if any interim financial statements have been included, the period covered by the interim financial statements, the extent to which the borrowings are at a fixed rate, and the maturity profile of the borrowings and committed borrowing facility, with a description of any restriction on its use;
- (e) if the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of debentures or units of debentures, as the case may be, of the relevant entity —
 - (i) a statement of that fact;
 - (ii) details of the credit arrangement or bank loan; and
 - (iii) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable); and
- (f) in the case of a guaranteed debenture issue, the information referred to in sub-paragraphs (a) to (e) in respect of the guarantor entity.

6. Provide information on —

- (a) any material capital investment, including the amount invested, from the end of the period covered by the most recent financial statements included in the prospectus (whether such financial statements are annual financial statements or interim financial statements) to the latest practicable date;
- (b) any material commitment for capital expenditures as of the latest practicable date, including ~~and indicate~~ the general purpose of such commitment and the anticipated source of funds needed to fulfil such commitment; and

(c) any other material capital investment which is being planned for or in progress as of the latest practicable date, including the method of financing.

7. In paragraphs 5 and 6 of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group.

(54) Explanatory Note: Amendments to paragraph 6 are proposed to consolidate all relevant disclosure requirements relating to material capital expenditures in one paragraph. Disclosure on planned divestments is proposed to be made non-mandatory as such information is generally not significant to debenture holders. Where such divestments is material to the evaluation of the issuer's solvency or its ability to fulfill its obligations to debenture holders, the issuer would have to make relevant disclosures under proposed new paragraph 1(d) above.

Trend Information and Profit Forecast or Profit Estimate

8. Where there has been a material adverse change in Discuss, for at least the current financial year, the business and financial prospects since the end of the period covered by the most recent financial statements included in the prospectus, provide details of this material adverse change. If there has been no material adverse change, provide an appropriate statement to that effect.

8A. Discuss as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the prospectus to be not necessarily indicative of the future operating results or financial condition of the relevant entity. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

(55) Explanatory Note: Amendments to paragraph 8 are proposed to reduce the amount of details which the issuer has to provide in respect of its discussion on business and financial prospects. Specifically, it is proposed that a detailed discussion would be required only if there has been a material adverse change to its prospects. This is in line with the approach taken in the EU/UK.

9. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

10. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 9 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

11. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 10 of this Part —

- (a) a statement by the issue manager (commonly known as the arranger) to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

12. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 10 of this Part —

- (a) a statement by the issue manager (commonly known as the arranger) to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

13. In paragraphs 8, 10, 11 and 12 of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group.

PART VI

CONTROLLING PERSONS, DIRECTORS, KEY EXECUTIVES AND EMPLOYEES

Directors and Key Executives

1. Provide the following information with respect to each of the directors or equivalent persons and key executives of the relevant entity:

- (a) name, details of educational and professional qualifications, if any, and areas of expertise or responsibility in the relevant entity or, if the relevant entity is the holding company or holding entity of a group, in the group; and
- (b) each significant business activity performed outside the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the group and each principal directorship or

equivalent position held at present ~~or in the last 5 years~~ other than in the relevant entity.

- (56) Explanatory Note: Amendments to paragraph 1(b) are proposed to remove the requirement for the issuer to disclose the list of past directorships of its directors and key executives as such information is not significant to debenture holders.

[.....]

PART VII

INTERESTED PERSON TRANSACTIONS AND INTERESTS OF EXPERTS, UNDERWRITERS AND FINANCIAL ADVISERS

[.....]

PART VIII

FINANCIAL INFORMATION

[.....]

PART IX

THE OFFER AND LISTING

Offer Details

1. ~~Where the debentures or units of debentures, as the case may be, are offered at a discount or premium, state. Indicate the issue premium or discount or premium at which the debentures or units of debentures, as the case may be, are being offered and the method for determining such discount or premium, and the amount of any expense specifically charged to the subscriber or purchaser.~~

2. Indicate whether the debentures or units of debentures, as the case may be, being offered are in registered or bearer form.

3. Describe the arrangement for transfer and any restriction on the free transferability of the debentures or units of debentures, as the case may be, being offered.

Plan of Distribution

4. Where not all of the debentures or units of debentures, as the case may be, being offered are underwritten or guaranteed, provide a statement of the portion not so underwritten or guaranteed.

4A. Where the offer of debentures or units of debentures, as the case may be, being offered are underwritten, provide a brief summary of the features of the underwriting relationship and state whether the arrangement is –

- (a) one under which the underwriters are or will be committed to take and to pay for all of the debentures or units of debentures; or

(b) an agency or “best efforts” type of arrangement under which the underwriters are required to take and to pay for only such debentures or units of debentures as they may sell to the public.

(57) Explanatory Note: New paragraph 4A is proposed to require the issuer to describe briefly the features of any underwriting arrangement so as to enable investors to assess the underwriters’ financial interest in the success of the offering and listing. This is in line with the IOSCO Disclosure Principles for Debt Offerings.

5. ~~State whether or not~~ Where the relevant entity reserves the right to accept or retain over-subscriptions, ~~state and, if the relevant entity reserves such a right,~~ the limit on the right so reserved expressed as a sum of money. Also, ~~if indicate whether~~ the amount of the debentures or units of debentures, as the case may be, being offered can be increased, such as by the exercise of an underwriter’s over-allotment option or “greenshoe option”, ~~and~~ state the exercise period of and amount under such option.

(58) Explanatory Note: The proposed amendments to paragraph 5 are mainly drafting amendments to clarify that disclosures would be required only if the issuer has the right to accept or retain over-subscriptions, or the amount of the debentures or units of debentures could be increased.

[.....]

PART X

ADDITIONAL INFORMATION

Capital

1. In a case where the relevant entity is a corporation, state the amount of issued share capital in respect of the relevant entity as of the latest practicable date and, for each class of share capital, provide the following information:

- (a) the number of shares issued and fully paid; and
- (b) the number of shares issued but not fully paid.

2. In a case where the relevant entity is not a corporation, state the amount of equity capital in respect of the relevant entity as of the latest practicable date and, for each class of equity capital, provide the following information:

- (a) the amount of equity interests issued and fully paid; and
- (b) the amount of equity interests issued but not fully paid.

~~3. Provide information on the number and amount of securities or equity interests in the relevant entity which have been issued, or agreed to be issued, in the 2 years before the latest practicable date as fully or partly paid up in cash or otherwise than in cash, and where any of these securities or equity interests are issued as partly paid up in cash, the extent to which they are so paid up. State also the consideration for which such securities or equity interests have been issued or agreed to be issued (whether in cash or otherwise).~~

~~4. Indicate the number of shares or amount of equity interests in the relevant entity held by or on behalf of the relevant entity itself or by its subsidiary or subsidiary entity.~~

~~5. Provide the description, number and amount of any securities or equity interests in the relevant entity which any person has, or has the right to be given, an option to subscribe for or purchase, together with the following particulars of the option:~~

- ~~(a) the period during which the option is exercisable;~~
- ~~(b) the exercise price;~~
- ~~(c) the consideration, if any, given or to be given for the option or for the right to the option; and~~
- ~~(d) the identity of the person to whom the option or the right to it was given.~~

~~6. If the option or right referred to in paragraph 5 of this Part was given to all existing holders of the shares or equity interests in, or debentures of, the relevant entity on a pro rata basis or to employees under an employees' share option or investment scheme, it will be sufficient to state that fact without identifying each holder or employee.~~

(59) Explanatory Note: The requirements in paragraphs 3 to 6 are proposed to be deleted as such information is not significant to debenture holders.

7. Provide an indication of the resolutions, authorisations and approvals by virtue of which any debentures or units of debentures of the relevant entity may be issued, the nature and amount of the issue, and the number of debentures or units of debentures which may be issued, if predetermined.

Constituent Documents of Relevant Entity

8. Provide a summary of the provisions of the relevant entity's constituent documents and bylaws with respect to —

- (a) the borrowing powers exercisable by the directors or equivalent persons of the relevant entity;
- (b) how such borrowing powers may be varied; and
- (c) the number of shares or amount of equity interests, if any, required for qualification as a director or an equivalent person.

Material Contracts

9. Provide a brief summary of each material contract, other than a contract entered into in the ordinary course of business, ~~to~~ which could result in the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group ~~is a party, being under an obligation or entitlement that is material to the ability of the relevant entity to meet its obligations to holders of the debentures or units of debentures, as the case may be~~ before the period of 2 years before the date of lodgment of the prospectus, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

- (60) Explanatory Note: Amendments to paragraph 9 are proposed to clarify that the issuer is only required to disclose those material contracts which could result in the relevant entity or any entity in the group being under an obligation or entitlement that is material to the ability of the relevant entity to meet its obligations. This is in line with the requirement prescribed under the EU/UK Prospectus Directive.

[.....]

Consents from Issue Managers and Underwriters

14. Where a person is named in the prospectus as the issue manager (~~commonly known as the arranger~~) or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the prospectus as the issue manager or underwriter, as the case may be, to the offer.

Documents for Inspection

15. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

- (a) the constituent documents of the relevant entity;
- ~~(b) any trust deed, fiscal agency agreement or other document constituting the debentures or units of debentures, as the case may be;~~
- (c) every material contract referred to in the prospectus or, where the contract is not reduced into writing, a memorandum giving full particulars thereof;
- (d) the service contracts of directors or equivalent persons of the relevant entity referred to in the prospectus;
- (e) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus;
- (f) if the relevant entity is not the holding company or holding entity of a group, the audited financial statements of the relevant entity for each of the financial years for which audited financial statements of the relevant entity have been included in the prospectus;
- (g) if the relevant entity is the holding company or holding entity of a group, the respective audited financial statements of the entities, businesses or business trusts in the group (being entities, businesses or business trusts which have audited financial statements) for each of the financial years for which audited financial statements of the relevant entity have been included in the prospectus;
- (h) if the relevant entity is the holding company or holding entity of a pro forma group and pro forma financial statements have been included in the prospectus, the respective audited financial statements of the entities, businesses or business trusts in the pro forma group (being entities, businesses or business trusts which have audited financial statements), other than the entities, businesses or business trusts referred to in sub-paragraph (g), for the financial year in

respect of which pro forma financial statements have been included in the prospectus;

- (i) any interim financial statements of the relevant entity, group or pro forma group, as the case may be, which are included in the prospectus, whether or not pursuant to Part VIII of this Schedule;
- (j) in the case of a corporation incorporated in Singapore, all notes, reports or information relating to the financial statements referred to in sub-paragraphs (f), (g), (h) and (i) which are required to be prepared under the Companies Act (Cap. 50);
- (k) where the financial statements referred to in this paragraph have been restated pursuant to paragraph 9(b)(i) or 29(c)(ii)(A) of Part VIII of this Schedule, the restated annual financial statements and the audited annual financial statements which form the basis for the restated annual financial statements; and
- (l) in the case of a guaranteed debenture issue, documents (or copies thereof) referred to in sub-paragraphs (f) to (k) of the guarantor entity.

16. Provide a statement that the trust deed, fiscal agency agreement or other document constituting the debentures or units of debentures (or copy thereof) and in the case of a guaranteed debenture issue, the guarantee and other related documents (or copy thereof), may be inspected at a specified place in Singapore for as long as any debentures or units of debentures remain outstanding.

(61) Explanatory Note: Amendments to paragraph 15 and the new paragraph 16 are proposed to clarify that the trust deed, fiscal agency agreement or other document constituting the debentures or units of debentures and in the case of a guaranteed issue, the guarantee and related documents, should be made available for inspection for as long as any debentures or units of debentures remain outstanding.

PART XI

ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

1. In paragraphs 3C, 4, 5 and 89 to 12 of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group unless the context otherwise requires.

Information on Convertible Debentures

2. Provide information concerning the nature of the securities, equity interests or property offered by way of conversion, exchange, subscription or purchase and the rights attached thereto including, in particular, the voting rights, entitlement to share in profits and, in the event of liquidation, any surplus and any other special rights.

3. Provide information on the terms, conditions and procedures for conversion, exchange, subscription or purchase and details of the circumstances under which they may be amended, including the following information:

- (a) the total number or value of securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase;
- (b) the period during which the conversion, exchange, subscription or purchase right may be exercised and the date on which this right commences;
- (c) the amount payable on the exercise of the conversion, exchange, subscription or purchase right;
- (d) any arrangement for the transfer or transmission of the conversion, exchange, subscription or purchase right;
- (e) the rights of the holders of the debentures or units of debentures in respect of the conversion, exchange, subscription or purchase right on the liquidation of the entity the securities, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase;
- (f) any arrangement for the variation in the subscription price of the securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, or in the exercise price of the convertible debentures, or in the number or value of securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, in the event of any alteration in the capital of the entity the securities, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase; and
- (g) if there is no established market for the securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, the manner of determining the subscription or exercise or conversion price, including who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

Risk Factors

3A. In addition to paragraph 10 of Part IV, disclose in the same section with the heading "Risk Factors", any other risk factors that are specific to the relevant entity and its industry as well as the debentures or units of debentures, as the case may be, being offered, which had materially affected, or could materially affect, directly or indirectly, the relevant entity's financial position and results and business operations.

Organisational Structure

3B. If the relevant entity is the holding company or holding entity of a group, provide information on every subsidiary and subsidiary entity of the relevant entity, being a subsidiary or subsidiary entity, as the case may be, the absolute amount of the net assets, net liabilities or profit or loss before tax of which accounts for 10% or more of the absolute amount of the net assets, net liabilities or profit or loss before tax, respectively, of the group for any of the 2 most recent completed financial years. Such information shall include the name, country of incorporation or constitution, principal place of business, principal

activities, proportion of ownership interest of the relevant entity and, if different, proportion of voting power held by the relevant entity.

Material Divestments

3C. Provide a description of any material capital investment by the relevant entity as well as –the divestment of which is being planned for or in progress, including the geographical location of the investment.

Research and Development

4. Provide a description of the material research and development policies of the relevant entity for the 3 most recent completed financial years, including the amount spent on research and development activities and the percentage of the net sales or revenue of the relevant entity in each of those years spent on such activities.

5. Provide information on any significant new product or service introduced by the relevant entity between the beginning of the period comprising the 3 most recent completed financial years and the latest practicable date and, to the extent the development of the new product or service has been publicly disclosed, the status of such development.

[.....]

Trend Information and Profit Forecast or Profit Estimate

8. Discuss, for at least the current financial year, any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services provided by the relevant entity. If there is no such trend, provide an appropriate statement to that effect.

[.....]

Capital

26. If there are shares or equity interests in the relevant entity not representing capital, state the number and main characteristics of such shares or equity interests.

27. Where there is, in respect of the relevant entity, an undertaking to increase the capital, state —

- (a) the amount of such capital increase and, where appropriate, the duration of the undertaking;
- (b) the categories of persons having preferential subscription rights for such additional portions of capital; and
- (c) the terms, arrangements and procedures for the issue of shares or equity interests corresponding to such portions.

27A. Provide information on the number and amount of securities or equity interests in the relevant entity which have been issued, or agreed to be issued, in the 2 years before the latest practicable date, as fully or partly paid-up in cash or otherwise, and where any of these securities or equity interests are issued as partly paid-up in cash, the extent to which they are so paid up. State also the consideration for such securities or equity interests which have been issued or agreed to be issued (whether in cash or otherwise).

27B. Indicate the number and amount of securities or equity interests in the relevant entity held by or on behalf of the relevant entity itself or by its subsidiary or subsidiary entity.

27C. Provide the description, number and amount of any securities or equity interests in the relevant entity which any person has, or has the right to be given, an option to subscribe for or purchase, together with the following particulars of the option:

- (a) the period during which the option is exercisable;
- (b) the exercise price;
- (c) the consideration, if any, given or to be given for the option or for the right to the option; and
- (d) the identity of the person to whom the option or the right to it was given.

27D. If the option or right referred to in paragraph 27C of this Part was given to all existing holders of the shares or equity interests in, or debentures of, the relevant entity on a pro-rata basis or to employees under an employees' share option or investment scheme, it will be sufficient to state that fact without identifying each holder or employee.

Constituent Documents of Relevant Entity

28. Provide a summary of the material provisions of the relevant entity's constituent documents and bylaws with respect to —

- (a) the rights, preferences and restrictions attaching to each class of shares or equity interests;
- (b) any change in capital;
- (c) any change in the respective rights of the various classes of shares or equity interests, including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law; and
- (d) any time limit after which a dividend or distribution entitlement will lapse and an indication of the party in whose favour this entitlement then operates.

29. Provide a summary of the provisions of the relevant entity's constituent documents and bylaws with respect to —

- (a) the power of a director or an equivalent person to vote on a proposal, an arrangement or a contract in which he is interested;
- (b) the power of a director or an equivalent person to vote on remuneration (including pension or other benefits) for himself or for any other director or equivalent person, and whether the quorum at a meeting of the board of directors or equivalent persons to vote on the remuneration of the directors or equivalent persons may include the director or equivalent person whose remuneration is the subject of the vote; and
- (c) the retirement or non-retirement of a director or an equivalent person under an age limit requirement.

Information on Entity of Underlying Securities or Property

30. Where the convertible debentures are issued by an entity other than the entity the securities, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase, the requirements in paragraphs 4 to 29 of this Part shall apply only to the second-mentioned entity. In addition, provide the information required under Parts II, V, VI, VII, VIII and X of this Schedule in respect of the second-mentioned entity. Where applicable, provide the date and source of such information.

(62) Explanatory Note: The amendments to Part XI are proposed mainly to incorporate the requirements which have been proposed to be removed for offers of debentures or units of debentures as the disclosures required are not significant to debenture holders. As such information may be relevant for investors in shares of the issuer, the requirements are incorporated in this Part.

EIGHTH SCHEDULE

[.....]

NINTH SCHEDULE

[.....]

TENTH SCHEDULE

Regulation 8(2)(d)

PARTICULARS TO BE INCLUDED UNDER SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR AN OFFER OF DEBENTURES OR UNITS OF DEBENTURES IN A CASE REFERRED TO IN REGULATION 8(2)(d)

PART I

FRONT COVER

[.....]

PART II

IDENTITY OF DIRECTORS, KEY EXECUTIVES,
GUARANTOR ENTITIES, ADVISERS AND AGENTS

[.....]

PART III

OFFER STATISTICS AND TIMETABLE

[.....]

PART IV

KEY INFORMATION

[.....]

PART V

INFORMATION ON THE RELEVANT ENTITY

[.....]

PART VI

CONTROLLING PERSONS, DIRECTORS,
KEY EXECUTIVES AND EMPLOYEES

[.....]

PART VII

INTERESTED PERSON TRANSACTIONS
AND INTERESTS OF EXPERTS, UNDERWRITERS
AND FINANCIAL ADVISERS

[.....]

PART VIII

FINANCIAL INFORMATION

[.....]

PART IX

THE OFFER AND LISTING

[.....]

Markets

8. Where applicable, identify the overseas securities exchange on which —
- (a) debentures or units of debentures, as the case may be, of the same class as those being offered are already listed for quotation or quoted, or on which permission to list for quotation or quote the debentures or units of debentures is being or is proposed to be sought; and
 - (b) any part of the shares or equity interests of the relevant entity is already listed for quotation or quoted, or on which permission to list for quotation or quote any part of the shares or equity interests is being or is proposed to be sought, specifying the name of the overseas securities exchange on which the relevant entity's primary listing is or is to be, or an appropriate negative statement.

9. When permission to list for quotation or quote on any overseas securities exchange is being or is proposed to be sought in respect of the first-mentioned debentures or units of debentures in paragraph 8 of this Part, or the debentures or units of debentures which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such debentures or units of debentures will be listed for quotation or quoted and on which trading will commence.

9A. Provide information on how holders of the debentures or units of debentures can sell their debentures or units of debentures after the offer. If no market exists after the offer, highlight prominently on the front cover of the prospectus and the section with the heading "Risk Factors" to the effect that there is no market through which the debentures or units of debentures, as the case may be, may be sold and investors may not be able to re-sell the debentures or units of debentures.

- (63) Explanatory Note: For debentures or units of debentures which will not be listed on the securities exchange, it is important for investors to know how they could exit their investments or if there is no market for investors to sell their debentures or units of debentures, such fact. A new paragraph 9A is accordingly proposed to require the issuer to disclose such information.

PART X

ADDITIONAL INFORMATION

[.....]

PART XI

ADDITIONAL INFORMATION REQUIRED FOR
CONVERTIBLE DEBENTURES

[.....]

ELEVENTH SCHEDULE

[.....]

TWELFTH SCHEDULE

[.....]

THIRTEENTH SCHEDULE

[.....]

FOURTEENTH SCHEDULE

[.....]

FIFTEENTH SCHEDULE

[.....]

SIXTEENTH SCHEDULE

Regulation 30(1)

PARTICULARS TO BE INCLUDED IN AN OFFER INFORMATION
STATEMENT UNDER SECTION 277 OF THE ACT ~~OR REGULATION 32~~

- (64) Explanatory Note: Regulation 32 has been deleted following the introduction of a new section 277(1B) in the SF(A)Act to cater for an offer made using offer information statement through the automated teller machine or such other prescribed electronic means.
- (65) **MAS seeks your comments on the requirements contained in this Schedule, in particular, the amendments to the existing requirements set out below.**

PART I

FRONT COVER

[.....]

PART II

IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

[.....]

Advisers

2. Provide the names and addresses of —

- (a) the issue manager (or in the case of an offer of debentures or units of debentures, commonly known as the arranger) to the offer, if any;
- (b) the underwriter to the offer, if any; and
- (c) the legal adviser for or in relation to the offer, if any.

[.....]

PART III

OFFER STATISTICS AND TIMETABLE

[.....]

PART IV

KEY INFORMATION

[.....]

PART V

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

[.....]

1. Provide selected data from —

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
- (b) earnings or loss per share; and
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

2A. Notwithstanding paragraph 1 of this Part, where unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recent completed financial year and the audited financial statements for that year are unavailable, the data referred to in paragraph 1 of this Part in respect of the most recent completed financial year may be provided from such unaudited financial statements, provided that the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recent completed financial year.

- (66) Explanatory Note: New paragraph 2A is proposed to clarify that where the issuer has announced unaudited financial statements for the most recent completed financial year, the financial data to be provided in the offer information statement under paragraph 1 may comprise such unaudited data for the most recent completed financial year and audited data for the earlier two financial years (i.e. a total of three years), provided that the unaudited financial statements are not significantly different from the audited financial statements. For the avoidance of doubt, where such a confirmation could not be provided, the offer information statement would need to include the unaudited financial data for the most recent completed financial year as well as audited financial data for the three most recent completed financial years in respect of which audited financial statements have been published.

[.....]

PART VI

THE OFFER AND LISTING

[.....]

PART VII

ADDITIONAL INFORMATION

[.....]

PART VIII

ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Guarantor Entity, Advisers and Agents

1. Provide the names and addresses of —

~~(a) the arranger of the offer, if any; and~~

~~(b)~~ the paying agent of the relevant entity.

2. In the case of a guaranteed debenture issue, provide —

(a) the name and address of the guarantor entity; and

(b) the names and addresses of each of the directors or equivalent persons of the guarantor entity.

3. Provide the name and address of the trustee, fiscal agent or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative.

[.....]

PART IX

ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

[.....]

PART X

ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

[.....]