

# Singapore

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## MARKET OVERVIEW

### Size of market

- 1 | What is the size of the market for initial public offerings (IPOs) in your jurisdiction?

In 2018, there were 15 IPOs on the Singapore Exchange Securities Trading Limited (SGX-ST) raising a total of approximately S\$730 million, with three new listings on the Mainboard raising S\$560 million and 12 new listings on the Catalist raising S\$170 million. In 2019, there were 11 IPOs of equity securities on the SGX-ST raising a total of approximately S\$3.13 billion, with four new listings on the Mainboard raising S\$3.07 billion and seven new listings on the Catalist raising S\$60 million. The marketplace for real estate investment trusts (REITs) on the SGX-ST has been particularly vibrant, raising S\$3.5 billion between 2018 and 2019.

### Issuers

- 2 | Who are the issuers in the IPO market? Do domestic companies tend to list at home or overseas? Do overseas companies list in your market?

The SGX-ST has high international representation, with 507 issuers listed on the Mainboard and 216 issuers listed on the Catalist, of which 470 are Singapore issuers and 253 are overseas issuers, as at the end of 2019. Foreign issuers that are incorporated or otherwise established outside Singapore may list on the Mainboard of the SGX-ST and the listing may be a primary or secondary listing.

In particular, the SGX-ST is one of Asia's largest REIT and property trust markets, with 44 listed REITs and property trusts as at the end of 2019 with a combined market capitalisation of more than S\$100 billion, of which over 80 per cent have exposure to overseas properties.

The SGX-ST, with the support of the China Securities Regulatory Commission, also offers a platform for companies incorporated in China to seek a direct listing on the Mainboard under the direct listing framework.

In addition, the SGX-ST offers issuers the option to list and trade shares in two currencies within a single pool with full fungibility between the two currencies. This enables issuers to offer flexibility and to reach a wider investor base through a single listing. Foreign currencies available for dual currency trading include EUR, HKD and USD.

### Primary exchanges

- 3 | What are the primary exchanges for IPOs? How do they differ?

SGX-ST, a wholly owned subsidiary of the Singapore Exchange Limited, is the primary stock exchange for IPOs in Singapore. The SGX-ST maintains two boards, the Mainboard and the Catalist. The Mainboard caters to the needs of established enterprises, whereas the Catalist is

a sponsor-supervised platform and caters to the needs of fast-growing enterprises.

### Types of listings

Equity securities can be listed on the Mainboard in the form of shares or global depository receipts, whereas equity securities can only be listed in the form of shares on the Catalist. Furthermore REITs, business trusts (BTs) and secondary listings can only be listed on the Mainboard.

### Quantitative requirements

The Mainboard has quantitative and qualitative thresholds (including minimum operating track record period, minimum profit or market capitalisation) for listing applicants, which are comparable to the main markets of international exchanges. In contrast, there are no quantitative financial requirements to be met for entry on to the Catalist. Instead, companies seeking a primary listing on the Catalist must be brought to list by authorised full sponsors via an IPO or a reverse takeover.

### Approval and supervisory regime

A listing application on the Mainboard is subject to review and approval by Singapore Exchange Regulation Pte Ltd (SGX RegCo), whereas a listing application on the Catalist is made to the appointed full sponsor who determines the suitability of a company for listing and supervises the listed companies' compliance with their continuing listing obligations.

Subject to meeting prescribed quantitative requirements, a Catalist issuer can transfer its listing to the Mainboard after its been listed on the Catalist for two years.

## REGULATION

### Regulators

- 4 | Which bodies are responsible for rulemaking and enforcing the rules on IPOs?

The Monetary Authority of Singapore (MAS) regulates the securities and futures markets in Singapore. The MAS has powers under the Securities and Futures Act, Chapter 287 of Singapore (SFA) to make regulations and issue directions if the MAS thinks it necessary or expedient for ensuring the fair, orderly and transparent operation of any organised market, ensuring the integrity and stability of the capital markets or the financial system, or in the interests of the public or for the protection of investors. The SFA is the primary legislation governing offers of securities and securities-based derivatives contracts in Singapore along with applicable subsidiary legislation.

The SGX-ST operates the Mainboard and the Catalist in accordance with the SGX-ST Listing Manual and Catalist Rules, respectively, which set out the requirements that apply to issuers, the manner in which securities are to be offered and the continuing obligations of issuers,

with a view to promoting a fair, orderly and transparent market. The listing rules are interpreted, administered and enforced by the SGX RegCo and the decisions and requirements of the SGX RegCo are conclusive and binding on an issuer.

In addition, both the SGX RegCo and the MAS will issue guidelines, decisions and practice notes from time to time to regulate, inter alia, prospectus requirements, the interpretation of listing rules and requirements in relation to offers of investments and securities. Due diligence undertaken on and in connection with listing applications is expected to be thorough and comprehensive. In this regard, the SGX RegCo has enhanced the listing rules from January 2020 to incorporate The Association of Banks in Singapore Listing Due Diligence Guidelines and issue managers independence requirements into the listing rules. The guidelines serve as a reference point for expected industry standards and provides the broad framework and principles that issue managers should consider when conducting due diligence work.

### Authorisation for listing

- 5** | Must issuers seek authorisation for a listing? What information must issuers provide to the listing authority and how is it assessed?

Singapore operates a predominantly disclosure-based regime for capital markets. An issuer seeking a listing is required to prepare a prospectus in accordance with the SFA. During the review process for both Mainboard and Catalist listings, the SGX RegCo may also raise queries on key issues or provide comments on prospectus disclosures.

For a Mainboard listing application, the listing admissions framework entails a two-stage submission process. Stage 1 requires the issue manager to submit Section (A) of the Listing Admissions Pack, which sets out general information of the issuer and highlights key issues for the SGX RegCo's attention. Upon completion of the SGX RegCo's review of the matters set out in Section (A), the SGX RegCo will then inform the issue manager of the outcome of their review and whether it can proceed with Stage 2. Stage 2 requires the issue manager to submit Section (B) of the Listing Admissions Pack to the SGX RegCo, together with the full listing application including the draft prospectus. Concurrently with the Section (B) submission, a pre-lodgement submission can also be made to the MAS for concurrent review of the draft prospectus.

For a Catalist listing application, the full sponsor is required to submit the pre-admission notification to the SGX RegCo, together with the supporting documents required for the application, and the draft offer document. Upon approval, the sponsor is then required to submit the listing confirmations in the form prescribed under the listing rules, for the purposes of lodgement with, and registration of the offer document by, the SGX-ST (as agent for the MAS).

### Prospectus

- 6** | What information must be made available to prospective investors and how must it be presented?

A prospectus for an offer of securities is required to contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of the matters specified under the SFA and the matters prescribed by the SGX RegCo and the MAS. The information in the prospectus should be presented in plain English and in a clear, comprehensive and well-organised manner, avoiding legal and technical jargon.

The particulars to be included in a prospectus include:

- an overview of the issuer's business and organisational structure;
- risks to the issuer's business and its prospects;
- audited historical financial information (for three full financial years and any interim period);

- operating and financial review;
- regulatory overview;
- offering statistics and timetable;
- plan of distribution;
- use of proceeds;
- substantial shareholders, directors and key executives;
- interested person transactions and conflict of interests;
- constitutive documents;
- expert reports (eg, an industry report or valuation report); and
- other statutorily required information.

For REITs, information on the manager, the trustee, the property portfolio and the structure of the collective investment scheme and its objectives, focus and approach must also be disclosed. The listing rules also prescribe additional disclosures required for issuers in the mineral, oil and gas (MOG) and life sciences sectors.

### Publicity and marketing

- 7** | What restrictions on publicity and marketing apply during the IPO process?

There is a general prohibition against publicity of the IPO prior to the registration of the prospectus. This includes the publication of any statement referring directly or indirectly to the IPO, or which is reasonably likely to induce persons to subscribe for or purchase the shares, unless authorised by the SFA.

Regard needs to be had to whether the statement forms part of the normal advertising of the issuer's products or services and is genuinely directed at maintaining its existing customers or attracting new customers (which is an exception to the general rule), communicates information that materially deals with the affairs of the issuer, or is likely to encourage investment decisions being made on the basis of the statement rather than on the basis of information contained in the prospectus.

A research report about the securities that are the subject of the IPO may be published and delivered to an institutional investor (as defined under the SFA) no later than 14 days prior to the date of lodgement of the prospectus.

Marketing to institutional investors should only commence after the lodgement of the preliminary prospectus, whilst marketing to retail investors should only commence after the registration of the final prospectus.

### Enforcement

- 8** | What sanctions can public enforcers impose for breach of IPO rules? On whom?

The SFA prescribes both civil and criminal liability for false and misleading statements in relation to an offer of securities. Under the SFA, where an offer of securities is made in or accompanied by a prospectus and a false or misleading statement is contained in the prospectus or any application form for the securities, or if there is an omission to state any information required to be included in the prospectus under the SFA or a new circumstance that has arisen since the prospectus was lodged with the MAS (and would have been required to be included in the prospectus under the SFA if it had arisen before such lodgement), the persons prescribed under the SFA would be guilty of an offence even if such persons, unless otherwise specified, were not involved in the making of the false or misleading statement or the omission.

Persons guilty of the offence as prescribed under the SFA include, but are not limited to: the person making the offer; (where the person making the offer is an entity) each director or equivalent person of the entity; and an issue manager and underwriter (but not a sub-underwriter)

to the issue or sale of securities who has consented to be named in the prospectus if he intentionally or recklessly makes the false or misleading statement or omits to state the information or circumstance, or knowing that the statement is false or misleading or that the information or circumstance has been omitted, he fails to take such remedial action as is appropriate in the circumstances without delay, or he is reckless as to whether the statement is false or misleading or whether the information or circumstance has been included.

The MAS also has the power to serve a stop order to prevent offers under a deficient prospectus where no supplementary or replacement document to rectify the deficiency is issued. Where a final stop order is issued, the issuer is required under the SFA to return monies received for the subscription or purchase of the securities under the deficient prospectus. Where a registered prospectus is found to be deficient after the securities have been issued and trading has commenced, the MAS will not issue a stop order but the issuer, its directors, the issue manager and underwriter for the offer could still be liable under the SFA for false or misleading information in the prospectus if they are found to be responsible for the deficiency.

Additionally, the SGX-ST imposes obligations on issue managers and full sponsors under the listing rules. These include the obligation to discharge its obligations with due care, diligence and skill. The SGX RegCo may also exercise investigative and enforcement powers for the purposes of enforcing the listing rules, including the powers to initiate and conduct investigations, initiate disciplinary proceedings or take enforcement actions against issuers, their directors, issue managers and sponsors. If, upon the conclusion of its investigations, the SGX RegCo is of the opinion that the issuer has contravened the listing rules, it may provide an offer of composition to an issuer, which may include payment of a specified sum to the SGX and fulfilment of any accompanying terms, or initiate disciplinary proceedings against a relevant person. In addition, where the Disciplinary Committee of the SGX-ST makes a finding that the proceeded charges are made out, it may impose sanctions such as issuing a private warning or a public reprimand, imposing fines payable, issuing an order for the suspension of trading of an issuer's securities or for the removal of an issuer from the Official List, or requiring the resignation of the director or executive officer.

## TIMETABLE AND COSTS

### Timetable

- 9 | Describe the timetable of a typical IPO and stock exchange listing in your jurisdiction.

The timetable of a typical IPO and listing application in Singapore is as follows.

### Appointment of professionals

The appointment of professionals, including an issue manager or sponsor, legal advisers and auditors would be the first step in the process. Generally, at least two months of due diligence and preparatory work needs to be undertaken prior to the submission of any listing application to the SGX-ST. A longer gestation period could be required for more complex matters.

### Pre-consultation of specific issues with the SGX-ST

An applicant may consult the SGX-ST to resolve any novel or unprecedented issues prior to the submission of a listing application. Such matters may be referred to the Listings Advisory Committee of the SGX-ST, which provides advice on listing policies and Mainboard listing applications involving novel or unprecedented issues.

### Submission of listing application to the SGX-ST

A Mainboard listing applicant submits to the SGX-ST the listing application prepared under the listing admissions framework. The SGX-ST has said that it will provide comments or queries on the prospectus within one week of its receipt of the documents submitted together with Section (B). On the basis that any queries are responded to within three calendar days, the SGX-ST has informally committed to a four-week review period after receipt of Section (B) before granting eligibility-to-list. Listing on the SGX-ST will not be permitted until all conditions set out in the eligibility-to-list have been satisfied.

To reduce the time-to-market, a Mainboard listing applicant may submit its draft prospectus to the MAS for pre-lodgement review at the same time as the submission of their listing application to SGX-ST.

A full sponsor of a Catalist listing applicant will submit a pre-admission notification to the SGX-ST once it is satisfied of the suitability of the applicant to be listed on Catalist. Each full sponsor has different internal review processes which need to be satisfied prior to the submission of the pre-admission notification.

### Lodgement of preliminary prospectus and the commencement of institutional bookbuilding

Prior to commencing institutional bookbuilding, a Mainboard listing applicant lodges the preliminary prospectus with the MAS. There is public exposure of the preliminary prospectus on the MAS website and members of the public can submit comments on the lodged preliminary prospectus.

For Mainboard listing applicants which has submitted the prospectus for pre-lodgement review to the MAS, the public exposure period for such prospectuses is reduced from a minimum of 14 days to seven days in order to further shorten the time-to-market and the prospectus will not be subject to further review by the MAS during this time, unless there are new developments or public comments that have a material impact on the issuer or the offer.

For a Catalist listing applicant, the sponsor submits the listing confirmation and lodges the preliminary offer document on behalf of the applicant with the SGX-ST (as agent for the MAS). The preliminary offer document will be exposed on SGX Catalodge for public comment for a minimum period of 14 days, unless extended by the SGX-ST. All comments received from the public will be forwarded to the sponsor who must take such actions as it deems fit and the SGX-ST may also carry out its own investigations and delay the listing until it is satisfied with the findings.

### Registration of the prospectus and the launch of the deal

Following the public exposure period, and assuming that the institutional bookbuilding process is successful, issuers will then register the final prospectus with the MAS for Mainboard listings, or the SGX-ST (as agent for the MAS) for Catalist listings.

### Public offer

The public offer must be kept open for at least two market days. A public offer is not required for Catalist listings if the spread requirements are otherwise satisfied.

### Commencement of trading and stabilising actions

Upon satisfaction of any conditions prescribed by the SGX RegCo and/or the MAS and the close of the public offer, the securities will be allotted to the successful applicants, following which the issuer is admitted to the Official List and trading on the SGX-ST will commence.

Subject to certain minimum quantitative requirements on the size of the offer, stabilising actions may also be undertaken after the commencement of trading.

## Costs

### 10 | What are the usual costs and fees for conducting an IPO?

An initial listing fee is payable when an issuer is admitted into SGX-ST and when a new class of securities issued by an issuer is listed. The initial listing fee, *n*, is calculated based on S\$100 per million dollars or part thereof of the market value at admission, subject to a minimum fee of S\$100,000 and a maximum fee of S\$200,000. There will also be a fixed non-refundable processing fee of S\$20,000 for a Mainboard listing application.

In respect of the fees and expenses payable for the services of the various professional advisers, including the underwriters to the IPO, the fees charged by such professional parties will vary depending on factors such as the size of the share offer, size of the listing group, as well as the timeline and complexity of the listing exercise.

The MAS has introduced the Grant for Equity Market Singapore (GEMS) scheme to help issuers defray some listing costs. GEMS is valid for three years from 14 February 2019 and includes a listing grant to encourage qualifying issuers to list on the SGX-ST by co-funding part of the eligible expenses. For new technology sectors, the co-funding can be as high as S\$1 million if the issuer has a market capitalisation of at least S\$300 million at the point of listing.

## CORPORATE GOVERNANCE

### Typical requirements

#### 11 | What corporate governance requirements are typical or required of issuers conducting an IPO and obtaining a stock exchange listing in your jurisdiction?

The corporate governance requirements required of issuers conducting an IPO on the SGX-ST are typically set out in the Code of Corporate Governance (the Code) and the listing rules, with additional requirements for REITs and BTs set out in the Code on Collective Investment Schemes and the Business Trusts Act, Chapter 31A of Singapore.

The issuer must establish one or more committees to perform the functions of an audit committee, a nominating committee and a remuneration committee, with written terms of reference which clearly set out the authority and duties of the committees. Each of these committees is required to comprise a majority of independent non-executive directors, and the only committee on which an executive director can be represented is the nominating committee. A director who has no prior experience as a director of an issuer that is listed on the SGX-ST, must undergo training in the roles and responsibilities of a director of a listed issuer.

### Code of Corporate Governance and listing rules

The Code applies to listed companies in Singapore on a comply-or-explain basis (except where incorporated into the listing rules) and aims to promote high levels of governance in Singapore by putting forth principles of good corporate governance and provisions with which companies are expected to comply. One of the principles set out in the Code is that the board of directors has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company, and the Code provides that independent directors must make up a majority of the board where the Chairman is not independent, non-executive directors must make up a majority of the board, and that the board and board committees have appropriate diversity to avoid groupthink and foster constructive debate.

The SGX-ST listing rules also require that the board of directors of the issuer have at least two non-executive directors who are independent and free of any material business or financial connection with the issuer. Further, issuers are required to comply with the principles

of the Code and describe in their annual report their corporate governance practices with specific references to the principles and provisions of the Code. Where an issuer's practices deviate from any provisions of the Code, it must explicitly state the provision it has deviated from, explain the reason for this deviation, and explain how the practices it had adopted are consistent with the intent of the relevant principle in its annual report.

### New issuers

#### 12 | Are there special allowances for certain types of new issuers?

Compared to the Mainboard, the Catalist has higher thresholds for acquisitions and disposals that do not require shareholders' approval, as well as allowing a higher threshold for share issuances under a general mandate from shareholders. This is in keeping with the spirit that fast-growing enterprises generally require more flexibility in fund-raising and M&A activity.

### Anti-takeover devices

#### 13 | What types of anti-takeover devices are typically implemented by IPO issuers in your jurisdiction? Are there generally applicable rules relevant to takeovers that are relevant?

The Singapore Code on Take-overs and Mergers (the Take-over Code) issued by the MAS pursuant to the SFA applies to both takeovers and mergers of corporations with a primary listing of their equity securities in Singapore. The Take-over Code is administered and enforced by the Securities Industry Council whose members mostly comprise representatives from the private sector with some from the public sector.

Under the Take-over Code, a mandatory offer is generally triggered where any person acquires whether by a series of transactions over a period of time or otherwise, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30 per cent or more of the voting rights of a company, or any person who, together with persons acting in concert with him, holds not less than 30 per cent but not more than 50 per cent of the voting rights and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1 per cent of the voting rights.

While anti-takeover devices such as poison pills are not common in Singapore, many issuers in Singapore have a concentrated shareholding structures with the founders of the business retaining significant control over the company after the IPO as controlling shareholders. This may make it difficult for a change of control event to occur without the founders and controlling shareholders being on board with any takeover attempt.

## FOREIGN ISSUERS

### Special requirements

#### 14 | What are the main considerations for foreign issuers looking to list in your jurisdiction? Are there special requirements for foreign issuer IPOs?

Foreign issuers seeking to list on the SGX-ST are not required to be domiciled in Singapore or have their business operations based in Singapore.

Foreign issuers seeking a listing in Singapore should consider the access and visibility it can achieve in a dynamic global financial hub which is a key in-road into the ASEAN region; one of the fastest growing regions globally. Singapore also has a stable political and socio-economic landscape and a core base of reputable institutional investors.

A foreign issuer which has a primary listing on the SGX-ST must comply with the listing rules in full. In addition, such foreign issuer will be required to provide a confirmation that an announcement will be made

via SGXNET as soon as there is any change in the law of its place of incorporation which may affect or change shareholders' rights or obligations in respect of its securities. If the corporate law provisions applicable to the foreign issuer are significantly different from that in Singapore, such foreign issuer is required to explain the effect of the law in such areas in its prospectus. A key area of focus would be the availability of shareholder protection mechanisms in such jurisdictions.

For secondary listings, a foreign issuer listed on a developed home market need not comply with the listing rules, provided that it undertakes to release all information and documents in English to the SGX-ST at the same time as they are released on the home exchange, inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST and the decision of the home exchange, and comply with such other listing rules as may be applied by the SGX-ST from time to time, whether before or after listing. Where a foreign issuer is not listed on the pre-determined list of developed home markets but has similar safeguards in the listing rules in their home markets, certain exemptions may also be sought, for example, in relation to shareholders' approvals for interested person transactions, or major acquisitions or disposals.

### Selling foreign issues to domestic investors

#### 15 | Where a foreign issuer is conducting an IPO outside your jurisdiction but not conducting a public offering within your jurisdiction, are there exemptions available to permit sales to investors within your jurisdiction?

Yes. Generally, an offer of securities in Singapore is required to be made in or accompanied by a prospectus prepared in accordance with the SFA, a copy of which has been lodged with and registered with the MAS, which complies with the requirements prescribed by the MAS.

The SFA nonetheless contains safe harbour provisions that exempt certain offers of securities from the requirement of being accompanied by a prospectus, including offers of securities in Singapore to institutional investors, accredited investors and other prescribed categories of persons, no more than 50 persons within any 12-month period, or personal offers where no more than S\$5 million is raised in any 12-month period. Various conditions and pre-requisites are applicable to each of the exemptions.

## TAX

### Tax issues

#### 16 | Are there any unique tax issues that are relevant to IPOs in your jurisdiction?

Singapore does not currently impose tax on capital gains or withholding tax on dividends paid to resident or non-resident shareholders.

Stamp duty is also not applicable to electronic transfers of shares through the scripless trading system operated by the Central Depository operated by the SGX-ST.

## INVESTOR CLAIMS

### Fora

#### 17 | In which fora can IPO investors seek redress? Is non-judicial resolution of complaints a possibility?

Enforcement proceedings in respect of IPO rules are generally under the purview of the MAS and the SGX RegCo, as the relevant regulatory authorities.

The SGX RegCo has also established the Whistleblowing Office as a confidential and dedicated channel for members of the public and investors to report any issues or areas of concern relating to listed companies

on the SGX-ST. The Whistleblowing Office will assess all concerns raised independently to ensure that they are fairly and properly considered. It is the primary department for the receipt, assessment and management of all whistleblowing allegations against companies listed on SGX-ST.

The SGX-ST listing rules expressly provide that issuers should encourage their shareholders to attend, speak and vote at general meetings in person and that general meetings are important avenues for shareholders to voice their opinion and seek clarifications from the board and management. Investors may also, though informal associations such as the Securities Investors Association Singapore, seek clarification from issuers on certain issues by asking to meet with the board of directors to relay concerns, requesting for issuers to organise townhalls or to address and publish certain questions raised by investors.

### Class actions

#### 18 | Are class actions possible in IPO-related claims?

Representative actions may be brought pursuant to the Rules of Court, made in accordance with the provisions of the Supreme Court of Judicature Act, Chapter 322 of Singapore, which provides that where numerous persons have the same interest in any proceedings, the proceedings may be commenced and unless the Court otherwise orders, continued by or against any one or more of them as representing all or as representing all except one or more of them. In determining whether a representative action under the Rules of Court is suitable for an IPO-related claim, the claimants must first satisfy the jurisdictional threshold requirement of possessing the 'same interest' and assuming the first requirement is met, the court may then exercise its discretion to discontinue the proceedings in question as a representative action where the overall circumstances of the case so justify.

Representative actions of any nature are not common in Singapore.

### Claims, defendants and remedies

#### 19 | What are the causes of action? Whom can investors sue? And what remedies may investors seek?

The SFA prescribes civil liability for false and misleading statements in relation to an offer of securities. Under the SFA, the persons prescribed under the SFA shall be liable to compensate any person who suffers loss or damage as a result of the false or misleading statement in or omission from the prospectus or the profit statement, even if such persons, unless otherwise specified were not involved in the making of the false or misleading statement or the omission. Such prescribed persons include, but are not limited to: the person making the offer; (where the person making the offer is an entity) each director or equivalent person of the entity; and an issue manager and underwriter (but not a sub-underwriter) to the issue or sale of securities who has consented to be named in the prospectus.

## UPDATE AND TRENDS

### Key developments

#### 20 | Are there any other current developments or emerging trends that should be noted?

An issuer may now be listed on the Mainboard by way of primary listing with a dual class share (DCS) structure if it can establish that it is suitable for listing with such structure. The ability to issue multiple voting shares under the DCS structure was seen to allow companies greater flexibility in capital management, with the necessary safeguards and restrictions imposed on listed issuers under the listing rules, instead of by statute. The issuer must specify the holders of multiple voting shares

at IPO, which shall not carry more than 10 votes per share. A holder of multiple voting shares must also be appointed as a responsible director of the issuer. The listing rules prescribe several safeguards against the risks of holders of multiple voting shares in a DCS structure entrenching control of the issuer, which include the right of holders of ordinary voting shares holding at least 10 per cent of the voting rights on a one-share-one-vote basis to convene a general meeting, automatic conversion provisions in the constituent documents of the issuer in certain events, and restriction on the issuance of multiple voting shares post-IPO.

The listing rules have also been amended to facilitate the listing of MOG companies to reflect how the sector categorises companies based on each firm's stage of development. Companies at an earlier stage of development can now list under the framework, with the Mainboard for businesses that are more mature, based on both asset development and size, than those on the Catalist. In particular, an MOG issuer seeking to list on the Mainboard is required to establish a meaning portfolio of 'reserves' able to generate sufficient production revenue to sustain its development of resources, whereas mineral companies with only 'inferred resources' are eligible for listing on the Catalist.

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