

**SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED**

(Registered in the Kingdom of Thailand as a public company with limited liability)

**Directors:**

Dr. Viyavood Sincharoenkul (Chairman)  
Mr. Prasit Panidkul (Vice Chairman)  
Mr. Chaiyos Sincharoenkul (Executive Director)  
Mr. Kitichai Sincharoenkul (Executive Director)  
Mr. Veerasith Sinchareonkul (Director)  
Mr. Paul Sumade Lee (Executive Director)  
Mr. Prakob Visitkitjakarn (Independent Director)  
Mr. Kriang Yanyongdilok (Independent Director)  
Mr. Samacha Potavorn (Independent Director)  
Mr. Neo Ah Chap (Independent Director)

**Registered Office:**

10 Soi 10  
Phetkasem Road  
Hatyai, Songkhla 90110  
Kingdom of Thailand

25 March 2014

To: All Shareholders and Depositors of Sri Trang Agro-Industry Public Company Limited (the "**Company**")

Dear Sir/Madam

**PROPOSED CONVERSION OF THE COMPANY'S LISTING STATUS FROM A PRIMARY LISTING TO A SECONDARY LISTING (THE "CONVERSION") ON THE MAIN BOARD OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")**

**1. INTRODUCTION**

1.1 **Notice of AGM.** We refer to the Invitation Notice of the Annual General Meeting of the Company dated 25 March 2014 (the "**Invitation Notice**") convening the 2014 Annual General Meeting (the "**Meeting**") of shareholders of the Company (the "**Shareholders**") to be held on 29 April 2014 at 10.30 a.m. (Bangkok time) at The 60th Anniversary of His Majesty the King's Accession to the Throne International Convention Center, Punnakan Road, Tambol Kho Hong, Amphur Hadyai, Songkhla, Thailand.

1.2 **Agenda.** One of the Agenda Items specified in the Invitation Notice, namely Agenda Item 9, relates to the resolution in relation to the proposed Conversion.

1.3 **Letter to Shareholders (the "Letter").** The purpose of this Letter is to provide Shareholders with information relating to the proposed Conversion to be tabled at the Meeting.

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

1.4 **SGX-ST.** The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Letter.

## 2. PROPOSED CONVERSION

2.1 **Listing of the Company.** Currently, the Company is dual primary listed on the Main Board of the SGX-ST and the Stock Exchange of Thailand (the "**SET**"). The Company proposes to convert its listing status on the Main Board of the SGX-ST from a primary listing to a secondary listing. If the resolution in relation to the Conversion is approved by Shareholders at the Meeting, the Company shall continue its primary listing on the SET and it would have a secondary listing on the Main Board of the SGX-ST.

### 2.2 Rationale and Benefits of the Proposed Conversion

2.2.1 **Low Trading Volumes on the SGX-ST.** The trading volume of the shares of the Company (the "**Shares**") on the Main Board of the SGX-ST from the time of the Company's listing in Singapore to-date continues to be significantly lower than the trading volume of the Shares on the SET. As at 6 September 2013, 93.79% of the Shares are traded on the SET.

The tables below set out the number of Shares traded and the average daily trading volume of the Shares on both the SGX-ST and the SET for the relevant reference periods between 2011 to 2013.

	Number of Shares Traded		
	1 February 2011 to 31 December 2011	1 January 2012 to 31 December 2012	1 January 2013 to 31 December 2013
<b>SGX-ST</b>	155,386,000	11,780,000	12,909,000
<b>SET</b>	2,343,000,000	1,943,405,004	1,167,588,700

	Average Daily Trading Volume		
	1 February 2011 to 31 December 2011	1 January 2012 to 31 December 2012	1 January 2013 to 31 December 2013
<b>SGX-ST</b>	780,834	89,924	89,646
<b>SET</b>	10,459,821	7,932,265	4,765,668

Given the trends as shown above, the Company expects that, following the Conversion, the trading volume of the Shares on the Main Board of the SGX-ST will continue to be lower than that on the SET.

2.2.2 **Large Proportion of the Company's New Investors Trades Shares on the SET.** As the Company carries out its principal business activities in Thailand, the Company expects a continuing trend where a large proportion of investors, including new investors, will trade shares on the SET rather than the SGX-ST.

2.2.3 **Compliance Costs.** Given the Company's dual primary listing status on both the Main Board of the SGX-ST and the SET, where there is any conflict between the listing rules of the SGX-ST and the SET, the Company is required to comply with the stricter requirement. As a result, the Company has to incur higher costs in order to

comply with its continuing listing obligations under the listing rules of both the SGX-ST and the SET, as compared to other dual-listed companies which have a primary listing on only one stock exchange.

Thus, the Company is proposing to convert its listing status on the Main Board of the SGX-ST from primary to secondary so as to streamline its compliance obligations, reduce its legal and compliance costs, and re-direct such cost savings into the business operations of the Company.

For the reasons above, the directors of the Company (the "**Directors**") are of the view that the Conversion will allow the Company greater flexibility in its activities and will be able to increase shareholder value in the Company.

### **3. IMPLICATIONS FOR THE COMPANY**

3.1 **Implications under the Listing Manual of the SGX-ST (the "Listing Manual").** An application was made by the Company to the SGX-ST to seek a ruling in relation to the proposed Conversion. On 23 January 2014, the SGX-ST ruled that it had no objections to the proposed Conversion subject to the following conditions:

- (a) Shareholders' approval for the proposed Conversion;
- (b) compliance with the SGX-ST's listing requirements;
- (c) the Company maintaining its primary listing on the SET;
- (d) submission of a written undertaking from the Company that it will comply in full with the delisting requirements in the Listing Manual in the event that the Company is delisted from the Official List of the SGX-ST within three years of the proposed Conversion;
- (e) submission of a written undertaking from the Company that it will comply with the following as set out in Rule 217 of the Listing Manual:
  - (i) to release all information and documents in English to the SGX-ST via SGXNET at the same time as they are released on the SET;
  - (ii) to inform the SGX-ST of any issue of additional ordinary shares and the decision of the SET on the listing and quotation of the additional securities issued by the Company; and
  - (iii) to comply with such other listing rules as may be applied by the SGX-ST from time to time (whether before or after listing);
- (f) submission of a written undertaking from the Company that an announcement via SGXNET will be made as soon as there is any change in the law of Thailand, which may affect or change Shareholders' rights or obligations over its securities, including:
  - (i) the right to attend, speak, vote at Shareholders' meetings and the right to appoint proxies;
  - (ii) the right to receive rights offering and any other entitlements;
  - (iii) withholding taxes on its securities;

- (iv) stamp duties on its securities; and
- (v) obligations to file documents or make declarations in respect of its securities; and
- (g) submission of a written undertaking from the Company that in the event of a need for a trading halt or suspension in its Shares, it will request a trading halt or suspension on all exchanges on which its Shares are traded at the same time.

The SGX-ST's in-principal approval (the "**AIP**") is not to be taken as an indication of the merits of the proposed Conversion, the Company or its subsidiaries or their securities.

- 3.2 **Implications under the Singapore Code on Take-overs and Mergers (the "**Code**").** Pursuant to the Conversion, the Company made an application to the Securities Industry Council (the "**SIC**") to seek an express ruling that, following the Conversion, the Code will not be applicable to the Company. On 14 March 2014, the SIC ruled that the Code will cease to apply to the Company after the completion of the Conversion to a secondary listed company on the Main Board of the SGX-ST. The Company will thereafter be subject to Thai take-over laws and regulations and not the Code.

#### 4. **IMPLICATIONS FOR SHAREHOLDERS**

- 4.1 **Compliance with the listing rules of the SET (the "**SET Listing Rules**").** If the proposed Conversion is approved by Shareholders, the Company will only be subject to the SET Listing Rules and the Company will not be required to comply with the listing rules of the SGX-ST, save for Rules 216(2) and 217 of the Listing Manual.

In accordance with Rule 216(2) of the Listing Manual and the AIP, the Company will undertake to make an announcement via SGXNET as soon as there is any change in the laws of Thailand which may affect or change Shareholders' rights or obligations over its securities, including:

- (a) the right to attend, speak, vote at shareholders' meetings and the right to appoint proxies;
- (b) right to receive rights offering and any other entitlements;
- (c) withholding taxes on its securities;
- (d) stamp duty on its securities;
- (e) substantial shareholder reporting requirements for its securities;
- (f) foreign shareholding limits on the securities;
- (g) capital controls over cash dividends or other cash distributions payable in respect of its securities; and
- (h) obligations to file documents or make declarations in respect of its securities.

In accordance with Rule 217 of the Listing Manual and the AIP, the Company will undertake to:

- (a) release all information and documents in English to the SGX-ST via SGXNET at the same time as they are released on the SET (being the home exchange);
- (b) inform the SGX-ST of any issue of additional ordinary shares and the decision of the SET on the listing and quotation of the additional securities issued by the Company; and
- (c) comply with such other listing rules as may be applied by the SGX-ST from time to time (whether before or after listing).

The key differences between the SET Listing Rules and the equivalent provisions in the Listing Manual are set out in the comparison table enclosed in the Appendix to this Letter for the reference of Shareholders.

4.2 **Non-applicability of the Code.** The Code regulates the acquisition of ordinary shares of, *inter alia*, corporations with a primary listing on the SGX-ST, including the Company before the Conversion.

Under Rule 14 of the Code, except with the consent of the SIC, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, 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
- (b) 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,

such person must extend offers immediately, on the basis set out in Rule 14 of the Code (the "**Mandatory Offer Threshold**"), to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

**By voting in favour of the Conversion, the Code would no longer apply to the Company following the Conversion. Shareholders should note that they will be waiving their rights to receive a mandatory offer for all the Shares should the Mandatory Offer Threshold be exceeded by any person and parties acting in concert with him. A person and parties acting in concert with him would otherwise be obliged to make a mandatory offer to the Shareholders at the highest price paid or agreed to be paid by them in the past six months before the mandatory offer is triggered in the case where the Mandatory Offer Threshold is exceeded. The regulation of the acquisition of the Shares, including any take-overs of the Company, would continue to be regulated by applicable Thai take-over laws and regulations.**

Under the Thai take-over laws and regulations, subject to certain exceptions, a person must make a mandatory tender offer for all the Shares and certain equity-linked securities of the Company if:

- (a) after acquiring any Shares of the Company, the aggregate voting rights of the Shares owned by that person reaches or exceeds 25 per cent., 50 per cent. or 75 per cent. (each such percentage level, a "**Tender Offer Threshold Level**") of the aggregate voting rights of all issued Shares as at the date of the relevant acquisition (less the voting rights of any Shares that have been repurchased by the Company and which were not disposed of or cancelled by the day immediately preceding the first day of the calendar month in which the relevant acquisition occurred);
- (b) that person acquires any additional Shares of the Company after its voting rights reaches or exceeds any Tender Offer Threshold Level as a result of the Company repurchasing some of its Shares (thereby decreasing the aggregate number of voting rights of the Company to be counted for the purpose of determining whether or not a Tender Threshold Level has been reached); or
- (c) that person acquires a significant degree of control ("**control**") of a company with an existing ownership of the Shares (an "**immediate holding entity**"), either directly or indirectly through such person's ownership in the shares, or control, of other companies through to the immediate holding entity (such situation being an application of the "chain principle") and, following such acquisition, the voting rights of the Shares of the Company owned in aggregate by (i) that person, (ii) the immediate holding entity, and (iii) their respective related persons, reaches or exceeds any Tender Offer Threshold Level.

The key differences between the Code and the applicable Thai take-over rules and regulations are set out in the comparison table enclosed in the Appendix to this Letter for the reference of Shareholders.

- 4.3 **Adequacy of Laws.** The Company is, and will continue to be, subject to compliance with the Thai Securities and Exchange Act (as amended), the Thai Public Limited Companies Act and all applicable regulations issued thereunder (together, the "**Thai Laws**") and the SET Listing Rules as it is a company incorporated in the Kingdom of Thailand with primary listing status on the SET. Accordingly, Shareholders will have protection under the Thai Laws and the SET Listing Rules following the Conversion.
- 4.4 **Rights of Shareholders.** Following the Conversion, Shareholders who trade their Shares on the Main Board of the SGX-ST will continue to enjoy the same rights as they did prior to the Conversion.
- 4.5 **Trading of the Shares.** Shareholders can continue to trade their Shares on the Main Board of the SGX-ST after the Conversion.
- 4.6 **Shareholders' Actions.** Shareholders who are in any doubt as to the course of action which they should take following the Conversion, including the implication of the non-applicability of the Code to the Company, should consult their professional advisers immediately.

## 5. ACTION TO BE TAKEN BY SHAREHOLDERS AND DEPOSITORS

- 5.1 **Shareholders.** Under the Thai Public Limited Companies Act, only Shareholders whose names are entered on the Register of Shareholders of the Company have the right to attend and vote at general meetings.

Depositors would not be recognised as Shareholders, and would not have the right to attend and vote at general meetings convened by the Company.<sup>1</sup>

- 5.2 **Appointment of Proxies.** A Shareholder who is entitled to attend and vote at the Meeting is entitled to appoint only one proxy. Such proxy need not be a Shareholder. Shareholders who are unable to attend the Meeting and wish to appoint a proxy to attend and vote at the Meeting on their behalf will find attached to the Invitation Notice a proxy form which they are requested to complete, sign and return to the Company Secretary Office at 17<sup>th</sup> Floor, Park Ventures Ecoplex Unit 1701, 1707-1712, 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand, for the attention of the Company Secretary, no later than 28 April 2014. Sending of a proxy form by a Shareholder does not preclude him from attending and voting in person at the Meeting if he finds that he is able to do so.

Shareholders who wish to appoint a proxy are recommended to appoint Mr. Prakob Visitkitjakarn or Mr. Kriang Yanyongdilok or Mr. Samacha Potavorn or Mr. Neo Ah Chap, each of whom is an independent director of the Company. In such case, they would only need to insert the name of that person as the name of the proxy. Details relating to the age and address of the proxy may be left uncompleted.

- 5.3 **Depositors.** The Central Depository (Pte) Limited ("**CDP**") will despatch to Depositors Voting Instruction Forms which will set out, *inter alia*, the resolution in relation to the proposed Conversion to be tabled at the Meeting. Depositors will be required to return the duly completed Voting Instruction Forms to CDP on or before 5.00 p.m. (Singapore time) on 21 April 2014 (the "**Specified Date**"). Depositors may direct CDP to exercise voting rights in respect of the number of Shares credited to their Securities Account<sup>2</sup> by completing and returning the Voting Instruction Forms to CDP on or before the Specified Date. In the event that CDP does not receive the duly completed Voting Instruction Form from a Depositor with Shares standing to the credit of his Securities Account on or before the Specified Date, or if the Voting Instruction Form has not been duly completed or is invalid for any reason, CDP will not vote or take any action in respect of the Shares that such Depositor holds through CDP at the Meeting.

## 6. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed Conversion is in the best interests of the Company and Shareholders. Accordingly, for the reasons set out in paragraph 2.2 of this Letter, they recommend that Shareholders vote in favour of the resolution set out in Agenda 9 of the Invitation Notice of the Meeting, being the resolution relating to the proposed Conversion.

## 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material

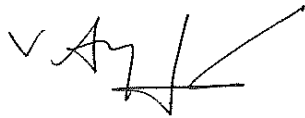
---

<sup>1</sup> "**Depositors**" means persons being Depository Agents or holders of Securities Accounts (as defined in this Letter), who have Shares entered against their names in the Depository Register, where "**Depositor Agent**" shall have the meaning ascribed to it under Section 130A of the Companies Act (Chapter 50 of Singapore).

<sup>2</sup> "**Securities Account**" means a securities account maintained by a Depositor with CDP but does not include a securities subaccount.

facts about the Conversion, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this circular misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Letter in its proper form and context.

Yours faithfully  
for and on behalf of the Board of Directors of  
**SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED**

A handwritten signature in black ink, consisting of several stylized, overlapping strokes that form a unique, cursive-like mark.

Dr. Viyavood Sincharoenkul  
Chairman of the Board of Directors



## APPENDIX – SUMMARY OF PRINCIPAL LISTING RULES, SECURITIES LAWS AND TAKEOVER LAWS AND REGULATIONS IN THAILAND AND SINGAPORE

### THAI LISTING RULES AND THAI SECURITIES LAWS

Key provisions relating to Sri Trang Agro-Industry Public Company Limited (the "Company") under the Securities and Exchange Act B.E. 2535 (1992) of Thailand (the "SEC Act") and the listing rules of the Stock Exchange of Thailand (the "SET")

#### General Disclosure Requirements

##### **General Disclosure Requirements under the SEC Act**

Under the SEC Act, the company shall submit a report with reasons to the office of the Securities and Exchange Commission of Thailand (the "SEC") immediately when one of the following incidents occurs:

- (1) the company suffers serious damage;
- (2) the company ceases operating all or part of its business;
- (3) the company alters its objectives or the nature of its business;
- (4) the company enters into an agreement entrusting other persons with power in whole or in part in the management of the company;
- (5) the company takes over another company or is taken over in accordance with Section 247 of the SEC Act; or
- (6) any incident which affects or is likely to affect the rights and interests of securities holders or the decision-making on investment or the change in the securities price of the company as specified in the notification of the office of the SEC.

##### **Disclosure Requirements of the SET**

Upon the company becoming a listed company on the SET, the listed company must report to the SET upon the occurrence of any of the following events without delay on the date on which the event occurs at least one hour before each round

### SGX-ST LISTING RULES AND SINGAPORE SECURITIES LAWS

Key provisions relating to the Company under the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA") and the listing manual (the "Listing Manual") of Singapore Exchange Securities Trading Limited (the "SGX-ST")

##### **General Disclosure Requirements under Section 203 of the SFA**

Under the SFA, a corporation the securities of which are listed for quotation on the securities market operated by the SGX-ST, is required to notify the SGX-ST of information on specified events or matters as they occur or arise for the purpose of the SGX-ST making that information available to the securities market operated by the SGX-ST, in accordance with the requirements under the listing rules or other requirement of the securities exchange.

##### **Chapter 7 of the Listing Manual (Continuing Obligations)**

##### **Rule 703 of the Listing Manual: Disclosure of Material Information**

- (1) An issuer must announce any information

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

of trading hours or after the closing of trading hours or at least one hour before the first round of trading hours on the next business day:

- (1) the board of directors of the company passes a resolution on the date for an ordinary general meeting, or extraordinary general meeting, of shareholders of the company. In such a report, the company shall also include the agenda of the meeting;
- (2) the board of directors of the company passes a resolution on the share register closing date, or record date for attending the shareholder meeting or conferring of any rights to shareholders;
- (3) the board of directors of the company passes a resolution on a capital increase, or the allocation of shares for a capital increase;
- (4) the company issues new securities, or performs any act which affects the convertibility of any convertible securities or affects the exercising of rights to subscribe for the shares of the company;
- (5) the company performs any act, or issues any securities with conditions, which affects the redemption, cancellation or maturity of listed securities in whole or in part. In this regard, the company shall notify the SET not less than 30 days prior to such a redemption, cancellation or maturity;
- (6) the company undergoes any change with respect to the rights of the holders of debt securities convertible into shares or exchangeable for shares as well as a change in the material aspect, or the withdrawal of securities, or a default in payment during the period of repayment, on debt securities or debentures listed on the SET;
- (7) the company, or its parent company, undergoes any change in the shareholding structure of major shareholders of the company or the parent company which results in changes in management control of the company;
- (8) the company acquires or loses a significant

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

known to the issuer concerning it or any of its subsidiaries or associated companies which:

- (a) is necessary to avoid the establishment of a false market in the issuer's securities; or
  - (b) would be likely to materially affect the price or value of its securities.
- (2) Rule 703(1) does not apply to information which it would be a breach of law to disclose.
- (3) Rule 703(1) does not apply to particular information while each of the following conditions applies:
- Condition 1: a reasonable person would not expect the information to be disclosed;
- Condition 2: the information is confidential; and
- Condition 3: one or more of the following applies:
- (a) the information concerns an incomplete proposal or negotiation;
  - (b) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (c) the information is generated for the internal management purposes of the entity;
  - (d) the information is a trade secret.
- (4) In complying with the SGX-ST's disclosure requirements, an issuer must:
- (a) observe the Corporate Disclosure Policy set out in Appendix 7.1 of the Listing Manual; and
  - (b) ensure that its directors and

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

- commercial contract;
- (9) the company or its subsidiary acquires or disposes of assets of the company or its subsidiary under regulations prescribed by the Capital Market Supervisory Board (the "**CMSE**");
- (10) the company or its subsidiary has a connected transaction under regulations prescribed by the CMSB;
- (11) the company or its subsidiary acquires or disposes of an investment in another company which results in that other company becoming, or ceasing to be, a subsidiary of the company or its subsidiary;
- (12) the company or its subsidiary joins in, or leaves, a joint venture with another company with an investment of 10% or more of the paid-up capital of the joint venture company;
- (13) the company or its subsidiary introduces a significant new product, makes a significant development with respect to its resources, technology, products or market, or a significant discovery of natural resources;
- (14) the company or its subsidiary takes out a loan or issues debt instruments in an amount significant to its financial position and performance;
- (15) the company or its subsidiary engages in a significant dispute which affects the performance of the company, such as a labor dispute or a dispute with a subcontractor or supplier to the company;
- (16) the company or its subsidiary engages in a significant legal dispute;
- (17) the company or its subsidiary undergoes a change in its capital investment plan;
- (18) the company or its subsidiary lists its securities on another stock exchange or discloses information about the company's or its subsidiary's securities listed on other stock exchange;

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

executive officers are familiar with the SGX-ST's disclosure requirements and Corporate Disclosure Policy.

- (5) The SGX-ST will not waive any requirements under this Rule.

**Rule 704 of the Listing Manual:  
Announcement of Specific Information**

In addition to Rule 703, an issuer must immediately announce the following:

**General**

- (1) Any change of address of the registered office of the issuer or of any office at which the Register of Members or any other register of securities of the issuer is kept.
- (2) Any proposed alteration to the Memorandum of Association or Articles of Association or Constitution of the issuer.
- (3) [Deleted]
- (4) Any call to be made on partly paid securities of the issuer or of any of its principal subsidiaries.
- (5) Any qualification or emphasis of a matter by the auditors on the financial statements of:
- (a) the issuer; or
- (b) any of the issuer's subsidiaries or associated companies, if the qualification or emphasis of a matter has a material impact on the issuer's consolidated accounts or the group's financial position; and
- (6) if an issuer has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors.

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

- (19) the company or its subsidiary changes a significant accounting policy;
- (20) the company or its subsidiary winds up and liquidates itself;
- (21) the company or its subsidiary, assigns an independent appraiser to appraise its major assets for disclosure to shareholders or general investors. In this regard, the company shall notify and submit the appraisal report to the SET;
- (22) the board of directors of the company or the company resolves to buy back the shares of the company, or the board of directors of the company resolves to dispose of the shares that have been bought back in accordance with the rules and procedures under the law governing limited public companies;
- (23) the company or its subsidiary, grants financial assistance to another person, in the amount that is material to its financial condition and operating results, wherein such granting of financial assistance is not its normal business or a practice in its ordinary course of business, except for granting of financial assistance to its subsidiary of associate company, or according to its employee welfare regulations.

The company must report on the progress of the receipt of debt payment from a person under the first paragraph, by the day which is the due date of submission of its financial statement for each quarter, or when there is such progress, whichever occurs first;

- (24) a company, or its subsidiary company, is in default of debt payment, or is unable to perform its obligations under any juristic act relating to the receipt of financial assistance, or the issuance of debt instrument, in an amount equivalent to, or more than, 5 percent of its total assets as shown in its latest financial statement or consolidated financial statements, together with the direction for resolving such circumstance;

The company must report on the progress of the receipt of debt payment from a person

**Appointment or Cessation of Service**

- (7) Any appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority, company secretary, registrar or auditors of the issuer.
- (8) Any appointment or reappointment of a director to the audit committee.
- (9) Any appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the issuer to a managerial position in the issuer or any of its principal subsidiaries.
- (10) Any promotion of an appointee referred to in Rule 704(9) of the Listing Manual.
- (11) Any appointment of, or change in legal representative(s) (or person(s) of equivalent authority, however described), appointed as required by any relevant law applicable to the issuer and/or any of its principal subsidiaries, with sole powers to represent, exercise rights on behalf of, the issuer and/or that principal subsidiary.
- (12) For issuers with principal subsidiaries based in jurisdictions other than Singapore, any of its independent directors' appointment or cessation of service from the boards of these principal subsidiaries.
- (13) Within 60 days after each financial year, the issuer must make an announcement of each person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer as set out in Appendix 7.2 Part II of the Listing Manual. If there are no such persons, the issuer must make an appropriate negative statement. The SGX-ST may require the issuer to provide additional information on any such person, including his

## **THAI LISTING RULES AND THAI SECURITIES LAWS**

under the first paragraph, by the day which is the due date of submission of its financial statement for each quarter, or when there is such progress, whichever occurs first; and

- (25) any case which affects, or will affect, the interests of securities holders or any decision to invest in, or the price of, the securities of the company.

Also, the company shall report, or submit documents, to the SET within three business days of the date on which any of the following events occur:

- (a) the company changes its directors or persons with management power. In this regard, the company shall submit a curriculum vitae for each of the new directors, or such persons, in the form prescribed by the SET;
- (b) the company amends its memorandum of association, or articles of association, except for an amendment to the memorandum of association with respect to a matter which is required to be reported without delay to the SET;
- (c) the company moves its head office;
- (d) the company, or its subsidiary, changes its auditor. In the case where an auditor of the company, or its subsidiary, resigns, the company, or its subsidiary, shall send a copy of the auditor's resignation letter to the SET with the report; and
- (e) the company changes its securities registrar or changes the location of its securities registrar.

When a change as provided in (a), (b) or (c) above has been registered with the Ministry of Commerce of Thailand (the "**MOC**"), the company shall furnish evidence of such registration to the SET within seven days from the date on which the MOC effects such registration.

The company shall refrain from promotional disclosure information which exceeds that necessary to enable the public to make informed investment decisions. Such information includes:

## **SGX-ST LISTING RULES AND SINGAPORE SECURITIES LAWS**

remuneration, any changes to his duties, responsibilities and remuneration package.

### **Appointment of Special Auditors**

- (14) The SGX-ST may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to the SGX-ST or the issuer's Audit Committee or such other party as the SGX-ST may direct. The issuer may be required by the SGX-ST to immediately announce the requirement, together with such other information as the SGX-ST directs. The issuer may also be required by the SGX-ST to announce the findings of the special auditors.

### **General Meetings**

- (15) The date, time and place of any general meeting. All notices convening meetings must be sent to shareholders at least 14 calendar days before the meeting (excluding the date of notice and the date of meeting). For meetings to pass special resolution(s), the notice must be sent to shareholders at least 21 calendar days before the meeting (excluding the date of notice and the date of meeting).
- (16) All resolutions put to a general meeting of an issuer, and immediately after such meeting, whether or not the resolutions were passed.

### **Acquisitions and Realisations**

- (17) Any acquisition of:
- (a) shares resulting in the issuer holding 10.0% or more of the total number of issued shares excluding treasury shares of a quoted company;
- (b) except for an issuer which is a bank, finance company, securities dealing company or approved financial institution, quoted securities resulting in the

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

- (i) inappropriately worded news releases;
- (ii) public announcements not justified by actual developments in the company's affairs;
- (iii) exaggerated reports or predictions; and
- (iv) flamboyant wording and other forms of over-stated or over-zealous disclosure activity which may mislead investors and cause unwarranted price movements and activity in the company's securities.

**Cases where a company is not required to promptly disclose material information:**

In the following circumstances a company may temporarily refrain from publicly disclosing material information, provided that complete confidentiality is maintained:

- (i) when immediate disclosure would prejudice the ability of the company to pursue its corporate objectives.
- (ii) when the facts are in a state of flux and a more appropriate moment for disclosure is imminent.

Occasionally the company's plans or developments may give rise to material information but is subject to rapid change. If the situation is about to stabilise or resolve itself in the near future, it may be proper to withhold public announcement until a firm conclusion has been made, since successive public announcements concerning the same subject but based on changing facts may confuse or mislead the public.

In the course of a negotiation for the acquisition of another company, for example, the only information known to each party at the outset may be the willingness of the other to hold discussions. Shortly thereafter it may become apparent to the parties that it is likely an agreement can be reached. Finally agreement in principle may be reached on specific terms. In such circumstances the company need not issue a public announcement at each stage of the

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

issuer's aggregate cost of investment exceeding each multiple of 5.0% of the issuer's latest audited consolidated net tangible assets;

- (c) shares resulting in a company becoming a subsidiary or an associated company of the issuer; and
- (d) shares resulting in the issuer increasing its shareholding in a subsidiary or an associated company.

(18) Any sale of:

- (a) shares resulting in the issuer holding less than 10.0% of the total number of issued shares excluding treasury shares of a quoted company;
- (b) except for an issuer which is a bank, finance company, securities dealing company or an approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment in quoted securities falling below each multiple of 5.0% of the issuer's latest audited consolidated net tangible assets;
- (c) shares resulting in a company ceasing to be a subsidiary or an associated company of the issuer; and
- (d) shares resulting in the issuer reducing its shareholding in a subsidiary or an associated company.

(19) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10 of the Listing Manual.

**Winding Up, Judicial Management, etc**

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

- negotiations, describing the current state of constantly changing facts, but may await agreement in principle on specific terms. If, on the other hand, progress in the negotiations should stabilise at some other point, disclosure should then be made if the information is material; and
- (iii) when the immediate disclosure will significantly benefit the company's competitor.

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

- (20) Any application filed with a court to wind up the issuer or any of its subsidiaries, or to place the issuer or any of its subsidiaries under judicial management.
- (21) The appointment of a receiver, judicial manager or liquidator of the issuer or any of its subsidiaries.
- (22) Any breach of any loan covenants or any notice received from principal bankers or from the trustee of any debenture holders to demand repayment of loans granted to the issuer or any of its subsidiaries which, in the opinion of the issuer's directors, would result in the issuer facing a cash flow problem.
- (23) Where Rule 704(20), (21) or (22) of the Listing Manual applies, a monthly update must be announced regarding the issuer's financial situation, including (a) the state of any negotiations between the issuer and its principal bankers or trustee; and (b) the issuer's future direction, or other material development that may have a significant impact on the issuer's financial position. If any material development occurs between the monthly updates, it must be announced immediately.

**Announcement of Results, Dividends, etc**

- (24) Any recommendation or declaration of a dividend (including a bonus or special dividend, if any), the rate and amount per share and date of payment. If dividends are not taxable in the hands of shareholders, this must be stated in the announcement and in the dividend advice to shareholders. If there is a material variation in the interim or final dividend rate compared to that for the previous corresponding period, the directors must state the reasons for the variation at the time the dividend is recommended or declared. If the directors decide not to declare or recommend a dividend, this must be announced.
- (25) After the end of each of the first three

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

quarters of its financial year, half year or financial year, as the case may be, an issuer must not announce any:

- (a) dividend;
- (b) capitalisation or rights issue;
- (c) closing of the books;
- (d) capital return;
- (e) passing of a dividend; or
- (f) sales or turnover,

unless it is accompanied by the results of the quarter, half year or financial year, as the case may be, or the results have been announced.

**Books Closure**

The company shall report the date of the share register closing or the date of shareholders record for attending the shareholders meeting or conferring any rights to shareholders, to the SET at least 14 days prior to the date of such closing of the share register or the date of shareholders record.

In a case where the company changes the date of the share register closing or the date of shareholders record for attending the shareholders meeting or conferring any rights to shareholders from the dates which have been reported to the SET under the first paragraph, the company shall notify the SET of the change at least seven days prior to the original date of share register closing or the date of shareholders record for attending the shareholders meeting or conferring any rights to shareholders which have been notified.

**Books Closure**

(26) Any intention to fix a books closure date, stating the date, reason and address of the share registry at which the relevant documents will be accepted for registration. At least five market days of notice (excluding the date of announcement and the books closure date) must be given for any books closure date. Issuers could consider a longer notice period, where necessary. Subject to the provisions of the Companies Act (Chapter 50 of Singapore) (the "**Singapore Companies Act**"), the SGX-ST may agree to a shorter books closure period. In fixing a books closure date, an issuer must ensure that the last day of trading on a cum basis falls at least one day after the general meeting, if a general meeting is required to be held.

(27) The issuer must not close its books for any purpose until at least eight market days after the last day of the previous books closure period. This rule does not prohibit identical books closure dates for different purposes.



**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

**Treasury Shares**

- (28) Any sale, transfer, cancellation and/or use of treasury shares, stating the following:
- (a) date of the sale, transfer, cancellation and/or use;
  - (b) purpose of such sale, transfer, cancellation and/or use;
  - (c) number of treasury shares sold, transferred, cancelled and/or used;
  - (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
  - (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
  - (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

**Employee Share Option or Share Scheme**

- (29) Any grant of options or shares. The announcement must be made on the date of the offer and provide details of the grant, including the following:
- (a) date of grant;
  - (b) exercise price of options granted;
  - (c) number of options or shares granted;
  - (d) market price of its securities on the date of grant;
  - (e) number of options or shares granted to each director and controlling shareholder (and each of their associates), if any; and

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

- (f) validity period of the options.

**Use of Proceeds**

- (30) The use of the initial public offering (the "**IPO**") proceeds and any proceeds arising from any offerings pursuant to Chapter 8 of the Listing Manual as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the prospectus or the announcement of the issuer. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.

**Loan Agreements/Issue of Debt Securities**

- (31) When the issuer or any of its subsidiaries enters into a loan agreement or issues debt securities that contain a condition making reference to shareholding interests of any controlling shareholder in the issuer, or places restrictions on any change in control of the issuer, and the breach of this condition or restriction will cause a default in respect of the loan agreement or debt securities, significantly affecting the operations of the issuer:
- (a) the details of the condition(s) making reference to shareholding interests of such controlling shareholder in the issuer or restrictions placed on any change in control of the issuer; and
  - (b) the aggregate level of these facilities that may be affected by a breach of such condition or restriction.
- (32) Any breach of the terms of loan agreements or debt issues which may have a significant impact on the operations of the issuer.

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

**Financial Results**

Listed companies are required to submit the following documents to the SEC and SET:

- (1) reviewed quarterly financial statements within 45 days of the last day of each quarter;
- (2) audited financial statements of each accounting period within three months of the last day of the accounting period;
- (3) form showing required annual details (Form 56-1) within three months of the last day of the accounting period; and
- (4) annual report within 120 days of the last day of the accounting period.

**Rule 705 of the Listing Manual**

- (1) An issuer must announce the financial statements for the full financial year (as set out in Appendix 7.2 of the Listing Manual) immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.
- (2) An issuer must announce the financial statements for each of the first three quarters of its financial year (as set out in Appendix 7.2 of the Listing Manual) immediately after the figures are available, but in any event not later than 45 days after the quarter end if:
  - (a) its market capitalisation exceeded S\$75.0 million as at 31 March 2003;
  - (b) it was listed after 31 March 2003 and its market capitalisation exceeded S\$75.0 million at the time of listing (based on the IPO issue price); or
  - (c) its market capitalisation is S\$75.0 million or higher on the last trading day of each calendar year commencing from 31 December 2006. An issuer whose obligation falls within this sub-section (c) will have a grace period of a year to prepare for quarterly reporting.
- (3)
  - (a) An issuer who falls within the sub-sections in Rule 705(2) above must comply with Rule 705(2) even if its market capitalisation subsequently decreases below S\$75.0 million.
  - (b) An issuer who does not fall within the sub-sections in Rule 705(2) above must announce its first half financial statements (as set out in Appendix 7.2 of the Listing Manual) immediately after the figures are available, but in any

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

event not later than 45 days after  
the relevant financial period.

- (4) Notwithstanding the foregoing, with respect to the first announcement to be made by the issuer pursuant to Rules 705(1) or (2) following its listing on the SGX-ST, where the time period between the date of its listing and the final date for the issuer to make the relevant announcement pursuant to Rule 705(1) or (2) above is less than 30 days, the issuer shall have 30 days from the relevant deadline to make the relevant announcement of the financial statements provided that the following conditions are satisfied:
- (a) the extension is announced by the issuer at the time of the issuer's listing; and
  - (b) in the announcement referred to in paragraph (a), the issuer must confirm that there is no material adverse change to the financial position of the issuer since the date of its prospectus or introductory document issued in connection with its listing on the SGX-ST.
- (5) In the case of an announcement of interim financial statements (quarterly or half-yearly, as applicable, but excluding full year financial statements), an issuer's directors must provide a confirmation that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect. In order to make this confirmation, directors would not be expected to commission an audit of these financial statements. The confirmation may be signed by two directors on behalf of the board of directors.

**Rule 707 of the Listing Manual: Annual Report**

- (1) The time between the end of an issuer's

## THAI LISTING RULES AND THAI SECURITIES LAWS

## SGX-ST LISTING RULES AND SINGAPORE SECURITIES LAWS

financial year and the date of its annual general meeting (if any) must not exceed four months.

- (2) An issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting.

### Proxy

Section 89/31 of the SEC Act provides that solicitation, leading or doing any act in general manner to shareholders of the company with a view to enticing the shareholders to give proxy to the person doing such act or any other persons to attend and vote at the shareholders' meeting on their behalf, shall comply with the rules, conditions and procedures as specified in the notification of the CMSB.

A shareholder of a Singapore-incorporated company listed on the SGX-ST would normally be entitled to attend and vote at a general meeting of shareholders if his name appears on the depository register maintained by the Central Depository (Pte) Limited ("**CDP**") 48 hours before the general meeting. However, this entitlement will not apply to shareholders of a foreign-incorporated company.

### Holding of General Meetings

The general meeting of a listed company shall be held in the locality in which the head office of the listed company is located or in a nearby province, unless otherwise stipulated by the articles of association.

### **Rule 730A of the Listing Manual**

An issuer primary-listed on the SGX-ST must hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation.

### Power of Directors to Allot and Issue Shares

The power to allot and issue new shares in a company is a power of the shareholders.

### **Rule 805(1) of the Listing Manual**

Except as provided in Rule 806 of the Listing Manual, an issuer must obtain the prior approval of shareholders in a general meeting for, *inter alia*, the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer.

### Listing of Additional Newly Issued Securities

The ordinary or preferred shares issued for a capital increase shall have qualifications equivalent to those of the ordinary or preferred shares of such listed company which have been listed on the SET.

### **Rule 806(1) of the Listing Manual**

If any of the following events occurs, the SET may decline to approve the listing of the ordinary or preferred shares issued for a capital increase:

A company need not obtain the prior approval of shareholders in a general meeting under Rule 805(1) of the Listing Manual if the shareholders had by ordinary resolution in a general meeting, given a general mandate to the directors of the issuer to issue these securities.

- (i) the listed company increases its capital or allots the new shares and fails to comply with the Notification of the SET Governing Rules, Conditions and Procedures Regarding the Disclosure of Information in respect of Capital Increase of Listed Companies;

### **Rule 806(2) of the Listing Manual**

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

- (ii) the listed company issues ordinary or preferred shares as a consideration for the property acquired and the issuance of such shares fails to comply with the Notification of the CMSB Governing Rules of Significant Transactions in Category of Acquisition or Disposition of Assets of Listed Companies;
- (iii) the listed company issues new ordinary or preferred shares to connected persons and fails to comply with the Notification of the CMSB Governing Rules of Connected Transactions of Listed Companies; or
- (iv) the listed company fails to submit an application for the listing of ordinary or preferred shares issued for the capital increase in the form required or fails to give an explanation or submit documents or evidence to support the consideration as instructed by the SET.

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

A general mandate must limit the aggregate number of shares and convertible securities that may be issued. The limit must be not more than 50.0% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20.0% of the total number of issued shares excluding treasury shares. Unless prior shareholder approval is required under the Listing Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.

**Rule 806(6) of the Listing Manual**

A general mandate may remain in force until the earlier of the following:

- (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution. By an ordinary resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or
- (b) it is revoked or varied by ordinary resolution of the shareholders in general meeting.

**Specific Mandate**

**Rule 824 of the Listing Manual**

Every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in general meeting.

**Rule 864 of the Listing Manual**

The following are some of the factors that will be taken into account by the SGX-ST in considering an application for listing of additional equity securities:

- (1) rationale for the issue;
- (2) whether the issuer is and has been in compliance with the listing rules;

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

- (3) whether the issuer has made full disclosure of the material facts relating to the issue necessary for the SGX-ST to decide on the application; and
- (4) the SGX-ST must be notified immediately if, before the commencement of dealing in any equity securities which are the subject of an application, the issuer becomes aware that:
  - (a) there has been a significant change affecting any matter contained in the application; or
  - (b) a significant new matter has arisen, which would have been required to be included in the application if it had arisen before the application was submitted.

For the purpose of this rule, "significant" means significant for the purpose of making an assessment of the activities, assets and liabilities, financial position, management and prospects of the group, and of its profits and losses and of the rights attaching to the securities.

**Connected Transactions**

**Sections 89/1, 89/12 and 89/13 of the SEC Act, Clause 2 of CMSB Notification No. TorChor. 21/2551 Re: Rules on Entering into Connected Transactions, Clause 2 of the SEC Notification Re: Definition of Terms in Notifications Relating to Issuance and Offer of Securities and Clause 3 of the Notification of the Board of Governors of the SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 dated 19 November 2003 (the "Connected Transaction Rules")**

"**Connected person**" means:

- (a) the management, major shareholders, controlling persons or persons to be nominated as the management or controlling persons of a listed company or a subsidiary company including related persons and close relatives of such persons;

**Interested Person Transactions**

**Definition of Interested Person and Interested Person Transaction**

**Rule 904 of the Listing Manual**

"**Interested person**" means:

- (a) a director, chief executive officer or controlling shareholder of the issuer; or
- (b) an associate of any such director, chief executive officer or controlling shareholder.

"**Associate**" means:

- (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual);
  - (i) his immediate family;

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

(b) any juristic person having a major shareholder or a controlling person as the following persons of a listed company or a subsidiary of the listed company:

- (i) the management;
- (ii) major shareholder;
- (iii) controlling person;
- (iv) person to be nominated as the management or a controlling person; or
- (v) related persons and close relatives of any persons in (i) to (iv);

(c) any person whose behavior can be indicated as an acting person or under a major influence of persons from (a) to (b) when making decision, determining policy, handling management or operation; or other persons the SET deems as having the same manner;

(d) the director of the juristic person having control over the company;

(e) the spouse, minor child or adopted minor child of the director under (d);

(f) the juristic person over which the person under (d) or (e) has control; or

(g) the person who acts with understanding or agreement in the case that if the company enters into any transaction which provides financial benefits for such person, the following persons will also gain financial benefits from such particular transaction:

- (i) the director;
- (ii) the management;
- (iii) the person having control over the company;
- (iv) the director of the juristic person having control over the company;

(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and

(b) in relation to a substantial shareholder or a controlling shareholder (being a company), any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.

**"Control"** means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

**"Controlling shareholder"** means a person who:

- (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or
- (b) in fact exercises control over such company.

**"Entity at risk"** means:

- (a) the issuer;
- (b) a subsidiary of the issuer that is not listed on the SGX-ST or a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to principles similar to Chapter 9 of the Listing Manual (an "**Approved Exchange**"); or
- (c) an associated company of the issuer that is not listed on the SGX-ST or an Approved Exchange, provided that the



**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

or

- (v) the spouse, minor child or adopted minor child of the persons under (i) to (v).

**"Major shareholder"** means a shareholder who directly or indirectly holds shares in any juristic person in a total amount exceeding 10% of the paid up capital of that juristic person. Such shareholding shall also include the shares held by related person of that juristic person.

**"Related person"** means mean persons under Section 258 of the SEC Act.

**"Controlling person"** means shareholders or other persons who, under circumstances, have significant influence upon the policy making, management or operation of the company, regardless of whether such influence is as a result of being shareholders or being authorised under an agreement or any dealing, particularly the following persons:

- (a) persons having voting rights, either direct or indirect, of more than 25% of the total voting rights of the company;
- (b) persons who, under circumstances, can control the appointment or removal of directors of the company;
- (c) persons who, under circumstances, can control persons responsible for making policies, executives or managements of the company to ensure they comply with the instructions of the management or operations of the company;
- (d) persons who, under circumstances, operate business of the company or are responsible for the business operations of the company as if they are executives including such other persons who have similar positions and powers.

**"Control"** under Section 89/1 of the SEC Act means:

- (a) holding of shares with voting rights of a juristic person in an amount exceeding

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

listed group, or the listed group and its interested person(s), has control over the associated company.

**"Immediate family"**, in relation to a person, means such person's spouse, child, adopted child, step-child, sibling and parent.

**"Interested person transaction"** means a transaction between an entity at risk and an interested person.

**"Transaction"** includes:

- (a) the provision or receipt of financial assistance;
- (b) the acquisition, disposal or leasing of assets;
- (c) the provision or receipt of services;
- (d) the issuance or subscription of securities;
- (e) the granting of or being granted options; and
- (f) the establishment of joint ventures or joint investments,

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

50% of the total number of voting rights of such juristic person;

- (b) having control of majority voting rights in the shareholders meeting of any juristic person, whether directly or indirectly or any other reasons;
- (c) having control over appointment or removal of at least half of all directors.

"**Connected transaction**" means any decision to enter into a transaction between the company or its subsidiaries and the company's connected person.

**Rules relating to Connected Transactions**

If the company or its subsidiary enters into the connected transaction, the company is required to comply with the prescribed duties, depending on the value of the transaction. In the case of a transaction relating to assets or services, the company must have the following duties:

- (a) if the connected transaction's value is equal to or less than THB 1 million or equal to or less than 0.03% of the net tangible asset value, whichever is higher, the company does not have a duty to make a disclosure to the SET or to seek approval from the board of directors of the company;
- (b) if the connected transaction's value is more than THB 1 million but less than THB 20 million or more than 0.03% but less than 3% of the net tangible asset value, whichever is higher, the company must have the following duties:
  - (i) make a disclosure to the SET; and
  - (ii) obtain an approval from the board of directors meeting; or
- (c) if the connected transaction's value is equal to or more than THB 20 million or equal to or more than 3% of the net tangible asset value, whichever is higher, the company must have the following duties:
  - (i) make a disclosure to the SET;

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

**Rules relating to Interested Person Transactions**

**Rule 905 of the Listing Manual**

The issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3.0% of the group's latest audited net tangible assets. If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3.0% or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

The above does not apply to any transaction below S\$100,000.

**Rules 907 and 908 of the Listing Manual**

In relation to the above:

- (a) transactions between an entity at risk and interested persons who are members of the same group of companies are deemed to be transactions between the entity at risk and the same interested person; and
- (b) an issuer must disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report in the prescribed format in Rule 907 of the

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

- (ii) obtain an approval from the board of directors meeting; and
- (iii) obtain an approval from the shareholders meeting whereby the notice to the shareholders must include the information required by the Connected Transaction Rules.

**Contents of Information Memorandum**

To make a disclosure in relation to the connected transaction to the SET, an information memorandum must be submitted to the SET by the company immediately upon entering into the transaction. The information required here is primarily a detailed description of the transaction, which must include at least the following:

- (a) date, month, year when a decision to enter into a transaction is made and relevant parties;
- (b) general explanation regarding the nature of an asset or service and an offer or receipt of financial assistance relating to the decision to enter into a transaction. In the case where the asset under the transaction, in whole or in part, is securities, the name, type of business, nature of business, summary of financial status and operating result, as well as the financial statement of the company which issues such securities, must be identified;
- (c) a total value and criteria used in determining a transaction's total value, a total return value, mode of payment either in cash or exchange of asset, conditions, interest rates, period of return payment,

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

Listing Manual.

**Rule 910 of the Listing Manual**

- (1) An issuer must announce a sale or proposed sale of any units of its local property projects or those of its entity at risk to an interested person or a relative of a director, chief executive officer or controlling shareholder within two weeks of the sale or proposed sale, regardless of whether the sale or proposed sale is required to be announced under Rule 905 of the Listing Manual.
- (2) An issuer is required to comply with Rule 905 of the Listing Manual for a sale or proposed sale of any units of its non-local property projects, or those of its entity at risk, to its interested person.

**Contents of Announcement**

**Rule 917 of the Listing Manual**

An announcement under Rule 905 of the Listing Manual must contain the following information:

- (1) details of the interested person transacting with the entity at risk and the nature of that person's interest in the transaction;
- (2) details of the transaction, including relevant terms of the transaction and the bases on which the terms were arrived at;
- (3) the rationale for, and benefit to, the entity at risk;
- (4) (a) a statement:
  - (i) whether or not the audit committee of the issuer is of the view that the transaction is on normal commercial terms, and is not prejudicial to the interests of the issuer and its minority shareholders, subject to certain exceptions; or

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

interest, and collateral (if any);

- (d) name of connected persons, who are contractual parties, including titles of such connected persons in the company or their shareholding ratio in the company, circumstances which may indicate that they are controlling persons, as the case may be, including nature of relationship between connected persons who are corporate entities and the management, major shareholders, controlling persons, persons nominated as the management or controlling persons in such corporate entity, as well as related persons or close relatives of persons having relationship with such corporate entity and name of such persons;
- (e) characteristics and scope of interests of connected persons when agreeing to enter into such connected transaction;
- (f) in the case of asset purchase and offer of financial assistance, financial sources and adequacy of capital flow must be identified. In the case of loan, conditions that may affect shareholders' rights such as restriction of dividend payment must be indicated;
- (g) statements which show that directors who have interests and/or directors who are connected persons, have not attended the meeting and have no right to vote in the meeting, in the case where the company has duty to seek approval to enter into a connected transaction from the board of directors;
- (h) opinions of the board of directors concerning a decision to enter into a connected transaction specifying the reasonableness and the highest benefit to the company compared with a decision to enter into a transaction with an independent third party, in the case where the company has duty to seek approval to enter into a connected transaction from the board of directors; and
- (i) opinions of the company's audit committee

(ii) that the audit committee is obtaining an opinion from an independent financial adviser before forming its view, which will be announced shortly;

(b) transactions that satisfy Rule 916(1), (2) and (3) of the Listing Manual are not required to comply with Rule 917(4)(a) of the Listing Manual;

(5) the current total for the financial year of all transactions with the particular interested person whose transaction is the subject of the announcement and the current total of all interested person transactions for the same financial year; and

(6) where the issuer accepts a profit guarantee or a profit forecast (or any covenant which quantifies the anticipated level of future profits) from the vendor of businesses / assets, the announcement is to contain the following information as required by Rule 1013(1) of the Listing Manual. The issuer must also comply with Rule 1013(3) of the Listing Manual.

**Rule 911 of the Listing Manual**

An announcement relating to any sale or proposed sale of units of the issuer or those of its entity at risk's property must state the name of the project, the name of each purchaser, the unit number, the sale price and the percentage discount given.

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

and/or directors which are different from the opinions of the board of directors under (h).

**Shareholders' Approval for Connected Transactions**

In the case where the shareholders meeting is required to be convened to approve the decision to enter into a connected transaction, the proposed transaction must be approved by not less than three-fourths of the total number of votes of the shareholders (and proxies) present at the meeting and entitled to vote. The votes of any shareholder with an interest in the matter shall not be counted.

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

**Shareholders' Approval for Interested Person Transactions:**

**Rule 906 of the Listing Manual**

An issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than: (a) 5.0% of the group's latest audited net tangible assets; or (b) 5.0% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders or which is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above does not apply to any transaction below \$100,000.

In relation to the above, transactions between an entity at risk and interested persons who are members of the same group of companies are deemed to be transactions between the entity at risk and the same interested person.

**Rule 918 of the Listing Manual**

If a transaction requires shareholders' approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

**Rule 919 of the Listing Manual**

In a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

**Rule 920 of the Listing Manual**

An issuer may seek a general mandate from the shareholders for recurrent transactions of a revenue or trading nature or those necessary for

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

An issuer must disclose the general mandate (in the form set out in Rule 907 of the Listing Manual) in the annual report, giving details of the aggregate value of the transactions conducted pursuant to the general mandate during the financial year and announce the aggregate value of transactions conducted pursuant to the general mandate for the financial periods which it is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report.

**Notice to Shareholders**

In the case where the company is required to obtain shareholders' approval prior to entering into the connected transactions, a notice calling for the shareholders meeting must be submitted no less than 14 days prior to the date of the shareholders meeting, and the company must send such notice to the SEC and the SET for its review of the adequacy of information therein, in accordance with any of the following rules:

- (1) the company must send a notice of invitation to the shareholders meeting to the SEC and the SET at least five business days before sending it to the shareholders. The SEC and the SET may order the company to disclose additional information as deemed necessary and appropriate.

The company will send a notice to attend the shareholders meeting to its shareholders after five business days from the date the SEC and the SET has duly received such notice, during which the SEC and the SET does not require the listed company to provide additional information; or

- (2) the company must send a notice of invitation to the shareholders meeting to the SEC and the SET at the same time it is sent to the shareholders. The SEC and the SET will review the adequacy of the

**Circular to Shareholders**

**Rule 921 of the Listing Manual**

Except in the case of a general mandate, if shareholders' approval is required, the circular to shareholders must include:

- (1) details of the interested person transacting with the entity at risk, and the nature of that person's interest in the transaction;
- (2) details of the transaction (and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Listing Manual) including relevant terms of the transaction, and the bases on which the terms were arrived at;
- (3) the rationale for, and benefit to, the entity at risk;
- (4) (a) an opinion in a separate letter from an independent financial adviser who is acceptable to the SGX-ST stating whether the transaction (and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Listing Manual):
  - (i) is on normal commercial

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

information therein within five business days following the date the SEC and the SET have duly received such notice, and the SEC and the SET may take any act including ordering the company to disclose additional information for shareholders as deemed necessary and appropriate.

The company must disclose the criteria for sending the notice of invitation to the shareholders meeting under the aforesaid paragraph to the SEC and the SET at the same time it discloses the information when the board of directors passes a resolution to fix the date of the shareholders meeting.

The notice must include at least the following information:

- (a) information stipulated in disclosures to the SET as explained above;
- (b) the following information:
  - (i) brief information concerning the company and its business operation;
  - (ii) list of the management and list of the first ten shareholders as at the date of closure of share register book;
  - (iii) inter-transactions during the past year and present year until the latest quarter (if any);
  - (iv) summary of financial statements during the past three years and the present year until the latest quarter, as well as the management's discussion and analysis of financial conditions and results of operation in the past year and the present year until the latest quarter; and
  - (v) other information that may materially affect the decision of investors (if any);
- (c) statements indicating that connected persons and/or shareholders having

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

terms; and

- (ii) is prejudicial to the interests of the issuer and its minority shareholders,
- (b) however, the opinion of an independent financial adviser is not required for the following transactions. Instead, an opinion from the audit committee in the form required in Rule 917(4)(a) of the Listing Manual must be disclosed:
  - (i) the issue of shares pursuant to Part IV of Chapter 8 of the Listing Manual or the issue of other securities of a class that is already listed, for cash; or
  - (ii) the purchase or sale of any real property where:
    - the consideration for the purchase or sale is cash;
    - an independent professional valuation has been obtained for the purpose of the purchase or sale of such property; and
    - the valuation of such property is disclosed in the circular;
- (5) an opinion from the audit committee, if it takes a different view to the independent financial adviser;
- (6) all other information known to the issuer, or any of its directors, that is material to shareholders in deciding whether it is in

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

interests shall have no right to vote whereby names and number of shares held by shareholders having no voting rights must be indicated;

- (d) appraisal of asset price by an independent appraiser in the case of acquisition or disposal of assets having fundamental significance in a form of asset value such as immovable property;
- (e) opinions of independent financial advisors in the following matters:
  - (i) reasonableness and benefits of connected transactions to the company;
  - (ii) fairness of price and conditions of connected transactions; and
  - (iii) whether shareholders resolve to agree or disagree to the connected transactions together with supporting reasons;

An independent financial advisor's opinion meanwhile must contain minimum information as required by the SEC and the SET and must be presented in a separate document from other information provided by the company, where rationale, important assumptions and supporting factors of such opinion must be indicated;

- (f) proxy form with at least one name of a member of the audit committee being nominated as shareholder's proxy;
- (g) opinion of the board of directors about a decision to enter into a connected transaction specifying reasonableness and the highest benefit to the company compared with a decision to enter into a transaction with independent third party; and
- (h) opinions of the company's audit committee and/or directors which are different from the opinion of the board of directors under (g).

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

the interests of the issuer to approve the transaction. Such information includes, from an economic and commercial point of view, the true potential costs and detriment of, or resulting from, the transaction, including opportunity costs, taxation consequences and benefits forgone by the entity at risk;

- (7) a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction; and
- (8) where the issuer accepts a profit guarantee or a profit forecast (or any convenient which quantifies the anticipated level of future profits) from the vendor of businesses/assets, the information required in Rules 1013(1) and 1013(2) of the Listing Manual, and a statement confirming that it will comply with Rule 1013(3) of the Listing Manual.

**Rule 920 of the Listing Manual**

A circular to the shareholders seeking a general mandate must include:

- (i) the class of interested persons with which the entity at risk will be transacting;
- (ii) the nature of the transactions contemplated under the mandate;
- (iii) the rationale for, and benefit to, the entity at risk;
- (iv) the methods or procedures for determining transaction prices;
- (v) the independent financial adviser's opinion on whether the methods or procedures referred to in (iv) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders;
- (vi) an opinion from the audit committee if it



**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

takes a different view from the independent financial adviser;

- (vii) a statement from the issuer that it will obtain a fresh mandate from shareholders if the methods or procedures referred to in (iv) above become inappropriate; and
- (viii) a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.

**Exceptions**

**Exceptions**

**Section 89/12 of the SEC Act**

**Rule 915 of the Listing Manual**

The company or its subsidiaries may enter into a connected transaction only after obtaining approval from the shareholders meeting, unless such transaction is categorised as any of the following:

The following transactions are not required to comply with Rules 905, 906 and 907 of the Listing Manual:

- (1) a transaction with the same commercial terms as those an ordinary person would agree to with any unrelated counterparty under similar circumstances, on the basis of commercial negotiation and without any dependent interest resulting from the status of the director, executive or related person, as the case may be, provided further that the said commercial terms have been approved by the board of directors or in compliance with the principle approved by the board of directors;
- (2) a loan in accordance with the regulations on the welfare of the staff members and employees;
- (3) a transaction in which the counterparty to the company or both parties are:
  - (a) a subsidiary or subsidiaries whose shares are held by the company in an amount not less than 90% of its total number of shares sold; or
  - (b) a subsidiary or subsidiaries whose shares are held by a director, an executive or a related person that has interest, either directly or

- (1) a payment of dividends, a subdivision of shares, an issue of securities by way of a bonus issue, a preferential offering, or an off-market acquisition of the issuer's shares, made to all shareholders on a pro-rata basis, including the exercise of rights, options or company warrants granted under the preferential offer;
- (2) the grant of options, and the issue of securities pursuant to the exercise of options, under an employees' share option scheme approved by the SGX-ST;
- (3) a transaction between an entity at risk and an investee company, where the interested person's interest in the investee company (other than that held through the issuer) is less than 5.0%;
- (4) a transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the issuer at the time of the transaction;
- (5) a transaction between an entity at risk and an interested person for the provision of goods and services if:
  - (a) the goods or services are sold or

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

indirectly, not more than the amount, rate or characteristic specified in the notification of the CMSB; or

- (c) a transaction in a particular category or with a value not more than the amount or rate specified in the notification of the CMSB.

In addition, the company may be exempted from the obligations under the Connected Transaction Rules in the following connected transactions:

- (i) transaction between the company and a subsidiary having connected persons who are not the company, holding no more than 10% of the total shares with voting rights of the subsidiary in such subsidiary. The shareholding, however, must include shares held by related persons, and those connected persons must not be connected with the company and the subsidiary in another manner;
- (ii) transaction between subsidiaries of which the shares are held by the same company and by connected persons who are not the company for no more than 10% of the subsidiaries' total shares with voting rights. The shareholding, however, must include shares held by related persons, and those connected persons must not be connected with the subsidiary in another manner;
- (iii) connected transaction which is an issuance of new securities by a listed company or a subsidiary to a connected person in any of the following manners:
- (l) the securities are issued to a connected person with a purpose to re-transfer it to a third person who is not connected and based on the resolution of the shareholders meeting which has authorized its power to the company's board of directors, and:
- the price of such issued securities must not be lower than the market price of the

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

rendered based on a fixed or graduated scale, which is publicly quoted; and

- (b) the sale prices are applied consistently to all customers or class of customers;
- (6) the provision or receipt of financial assistance or services by a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business; and
- (7) director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments).

**Rule 920 of the Listing Manual**

Transactions conducted under a general mandate are not separately subject to Rules 905 and 906 of the Listing Manual.

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

securities deducted by its issuance expenses. The market price of the securities means an average price of securities traded on the SET on the day a decision to enter into a connected transaction is made. In case the securities are not traded on the SET, a fair price determined by an independent financial advisor must be applied; and

- the issuance of such securities does not increase the ratio of a connected person's interest in the issued securities as compared to his/her interest prior to the issuance of the securities;
- (II) a connected person receives securities based on his/her rights and in proportion to his/her shareholding;
- (III) a connected person acts as an underwriter or a sub-underwriter of securities of the company or a subsidiary through an underwriting approach. The company, however, must clearly and fully disclose all rules and conditions of the underwriting or the sub-underwriting during such period in a prospectus; or
- (IV) the securities have been issued to connected persons according to a project of offering securities to employees or the management, as approved by the SEC;
- (iv) transaction between the company or a subsidiary and a connected person that is a juristic person having a controlling person whom the company or the subsidiary as a shareholder of such juristic person has delegated to oversee such juristic person. The company or the

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

subsidiary and the juristic person, however, must not be connected with each other in another manner; and

- (v) transaction in which the company must prove such transaction is fair and does not cause misappropriation of benefits.

**Exceptions from Requirement to Seek Shareholders' Approval but not from Requirement to Disclose**

As discussed above, in entering into the connected transaction, the company is required to comply with the prescribed duties, depending on the value of transactions.

In the following transactions, the company is not required to seek shareholders' approval, but is still required to make disclosure to the SET and/or obtain an approval from the board of directors meeting:

- (1) the connected transaction in the type of supporting normal business transaction with general trading conditions having value of more than THB 1 million but less than THB 20 million, or more than 0.03% but less than 3% of the net tangible asset value, whichever is higher, the company must have a duty to make a disclosure to the SET;
- (2) for the connected transaction in the type of normal business transaction or supporting normal business transaction without general trading conditions having the value of transaction of more than THB 1 million but less than THB 20 million or more than 0.03% but less than 3% of the net tangible asset value, whichever is higher, the company is not required to seek shareholders' approval, but is still required to disclose relevant information to the SET and seek approval from the board of directors;
- (3) for transaction relating to rental or lease of immovable property not exceeding 3 years without any indication that it is based on general trading conditions having value of transaction of more than THB1 million, but

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

**Exceptions from Requirement to Seek Shareholders' Approval but not from Requirement to Disclose**

**Rule 916 of the Listing Manual**

The following transactions are not required to comply with Rule 906 of the Listing Manual:

- (1) the entering into, or renewal of, a lease or tenancy of real property of not more than three years if the terms are supported by independent valuation;
- (2) investment in a joint venture with an interested person if:
  - (a) the risks and rewards are in proportion to the equity of each joint venture partner;
  - (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
  - (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture;
- (3) the provision of a loan to a joint venture with an interested person if:
  - (a) the loan is extended by all joint venture partners in proportion to their equity and on the same

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

- less than THB 20 million or more than 0.03%, but less than 3% of the net tangible asset value, whichever is higher, the company is required to disclose relevant information to the SET although it is not required to obtain approval from either the board of directors or shareholders;
- (4) for transaction regarding rental or lease of immovable property not exceeding 3 years without any indication that it is based on general trading conditions having value of transaction of equal to or more than THB 20 million or equal to or more than 3% of the net tangible asset value, whichever is higher, the company is required to obtain approval from the board of directors and disclose relevant information to the SET;
- (5) for transaction relating to assets or services having value of transaction of more than THB 1 million, but less than THB 20 million or more than 0.03%, but less than 3% of the net tangible asset value, whichever is higher, the company is required to obtain approval from the board of directors and disclose relevant information to the SET;
- (6) for transaction relating to the grant or receipt of financial assistance:
- (i) listed company or subsidiary offering financial assistance to connected persons as follows:
- connected persons being natural person;
  - connected persons being juristic person with listed company or subsidiary, holding shares at a lower ratio than the ratio of shares held by other connected persons not being the listed company or subsidiary, as the case may be, in such entity;
- (ii) having value of transaction of less than THB 100 million or less than

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

- terms;
- (b) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture; and
- (c) the issuer confirms by an announcement that its audit committee is of the view that:
- (i) the provision of the loan is not prejudicial to the interests of the issuer and its minority shareholders; and
- (ii) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders;
- (4) the award of a contract by way of public tender to an interested person if:
- (a) the awarder entity at risk announces the following information:
- (i) the prices of all bids submitted; and
- (ii) an explanation of the basis of selection of the winning bid; and
- (b) both the listed bidder (or, if the bidder is unlisted, its listed parent company) and the listed awarder (or, if the awarder is unlisted, its listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

3% of the net tangible asset value, whichever is lower, the company is required to obtain approval from the board of directors and disclose relevant information to the SET; and

- (7) for transaction relating to the grant or receipt of financial assistance other than those listed above having value of transaction of more than THB 1 million, but less than THB 20 million, or more than 0.03%, but less than 3% of the net tangible asset value, whichever is higher, the company is required to obtain approval from the board of directors and disclose relevant information to the SET.

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

audit committees whose members are completely different; and

- (5) the receipt of a contract which was awarded by way of public tender by an interested person if:
- (a) the bidder entity at risk announces the prices of all bids submitted; and
  - (b) both the listed bidder (or, if the bidder is unlisted, its listed parent company) and the listed awardee (or, if the awardee is unlisted, its listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.

**Acquisition and Disposal of Assets**

**Bases for Classification of Transactions**

**Section 89/29 of the SEC Act, the Notification of the CMSB No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets (the "CMSB Notification") and the Notification of the Board of the Governors of the SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (the "SET Notification"), collectively, the "Assets Acquisitions and Disposition Rules"**

The following bases are used to categorise a transaction:

- (1) the value of assets acquired or disposed of, compared with the value of assets of the company or of the company and its subsidiaries collectively, as the case may be;
- (2) the net after tax profit from the normal course of business operations derived from the assets acquired or disposed of,

**Rule 1006 of the Listing Manual**

A transaction may fall into category (a), (b), (c) or (d) of Rule 1004 of the Listing Manual depending on the size of the relative figures computed on, *inter alia*, the following bases:

- (1) the net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets;
- (2) the net profits attributable to the assets acquired or disposed of, compared with the group's net profits;
- (3) the aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares; and
- (4) the number of equity securities issued by the issuer as consideration for an

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

compared with the net profit of the company or of the company and its subsidiaries collectively, as the case may be;

- (3) the total value of the consideration paid or received, compared with the value of assets of the company or of the company and its subsidiaries collectively, as the case may be; or
- (4) the value of the securities which are issued by a company or its subsidiaries as consideration for the assets acquired, compared with the value of securities which were already issued for sale by the company or its subsidiaries.

**Aggregation of Transactions**

**Clause 3 of the CMSB Notification and Clause 12 of the SET Notification**

The SEC may use the following bases to treat several transactions as one single transaction for the purpose of categorising the transaction if it appears that such transaction is intentionally segregated from each other in order to avoid any duty under the Assets Acquisition and Disposition Rules:

- (1) transactions taking place during the six months prior to the day a decision to enter into transaction, unless such connected transaction has already been approved by the shareholders meeting; or
- (2) transactions which are connected with the acquisition of securities for a business take-over or consolidation or which are the results of the acquisition of securities for a business take-over or consolidation.

**Classification of Transactions**

**Clauses 2, 13, 16, 18 and 20 of the SET Notification**

Transactions are classified according to the relative figures computed on the bases set out in Clause 4 of the SET Notification:

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

acquisition, compared with the number of equity securities previously in issue.

**Rule 1005 of the Listing Manual**

In determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Listing Manual, the SGX-ST may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.

**Rules 1004, 1008, 1010, 1014 and 1015 of the Listing Manual**

Transactions are classified into the following categories:

- (1) non-discloseable transactions (where all

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

- (1) Class 1 transactions (being: (i) decisions to enter into transactions between the company or any of its subsidiaries and a person which is not a listed company, where any of the relative figures is equal to, or exceeds, 50% but is less than 100%; or (ii) decisions to enter into transactions between the company or any of its subsidiaries and another listed company or subsidiary of such listed company, where any of the relative figures is equal to 50% or more);
- (2) Class 2 transactions (being decisions to enter into transactions between the company or any of its subsidiaries and another listed company or any subsidiary of such listed company, or a person which is not a listed company, where any of the relative figures is equal to 15% or more but is less than 50%);
- (3) Class 3 transactions (being acquisitions of assets by the company or any of its subsidiaries of another listed company or any subsidiary of such listed company, or a person which is not a listed company, where all the relative figures are less than 15% and there is an issuance of securities in consideration for the acquisition of such assets, in relation to which the company must file an application for the approval of such securities as listed securities); and
- (4) Class 4 transactions (being acquisitions by the company or any of its subsidiaries of all the assets or substantially all of the assets of a company which is not a listed company with the following characteristics:
  - (i) any of the relative figures is equal to 100% or more;
  - (ii) the asset acquisition results in the controlling power being transferred from the controlling persons of the company to controlling persons of a company which is not a listed company or to the former owner of those assets; and
  - (iii) the asset acquisition is a result of a

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

- of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual amount to 5.0% or less);
- (2) discloseable transactions (where any of the relative figures exceeds 5.0%, but does not exceed 20.0%);
- (3) major transactions (where any of the relative figures exceeds 20.0%); and
- (4) very substantial acquisitions or reverse takeovers (where any of the relative figures is 100.0% or more or is one which will result in a change in control of the company).

**"Transaction"** refers to the acquisition or disposal of assets by an issuer or a subsidiary of the issuer that is not listed on the SGX-ST or an approved Exchange, including an option to acquire or dispose of assets. It excludes an acquisition or disposal which is in, or in connection with, the ordinary course of its business or of a revenue nature.



**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

consolidation of businesses that results in the shareholders of the company owning shares comprising less than 50% of the paid-up share capital of the company resulting from the consolidation or results in the controlling power being transferred from the controlling persons of the company to the controlling persons of the company which is not a listed company).

**"Controlling person"** means shareholders or other persons who, under circumstances, have significant influence upon the policy making, management or operation of the company, regardless of whether such influence is as a result of being shareholders or being authorised under an agreement or any dealing, particularly the following persons:

- (a) persons having voting rights, either direct or indirect, of more than 25% of the total voting rights of the company;
- (b) persons who, under circumstances, can control the appointment or removal of directors of the company;
- (c) persons who, under circumstances, can control persons responsible for making policies, executives or managements of the company to ensure they comply with the instructions of the management or operations of the company;
- (d) persons who, under circumstances, operate business of the company or are responsible for the business operations of the company as if they are executives including such other persons who have similar positions and powers.

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

**Announcement / Reporting Requirements**

**Clauses 13, 16, 18 and 20 of the SET Notification**

The company is required to report and disclose, without delay, to the SET the information specified in Schedule (1) annexed to the SET Notification, as follows:

- (1) the date on which the transaction occurs;
- (2) the parties involved, their relationship with the company (except a party which is a third person which has no relationship with the company and which does not want to disclose its name, and the Exchange has considered that identifying such party is of no importance to the transaction in question);
- (3) the general characteristics of the transaction, which must include category and volume of the transaction;
- (4) the details of assets purchased or disposed of together with an explanation relating to the business to be further operated;
- (5) the total value of the consideration, giving clear details of the mode of payment including conditions of various agreements relating to payment or payment by installment;
- (6) the value of assets purchased or disposed of;
- (7) the basis used to determine the value of consideration;
- (8) where necessary, the amount of net after tax profit and profit after any specific transaction which is a part of assets purchased or disposed of for two fiscal years prior to the occurrence of the transaction;
- (9) the profit expected to be generated for the company as a result of the said transaction;

**Rule 1008 of the Listing Manual**

- (1) Unless Rule 703, Rule 905 or Rule 1009 of the Listing Manual applies, no announcement of the transaction is required if all the relative figures computed on the bases set out in Rule 1006 of the Listing Manual amount to 5.0% or less.
- (2) However, if the issuer wishes to announce the transaction, the announcement must include:
  - (a) details of the consideration as required in Rule 1010(3) of the Listing Manual; and
  - (b) the value of assets acquired or disposed of as required in Rule 1010(5) of the Listing Manual.

**Rule 1009 of the Listing Manual**

If the consideration is satisfied wholly or partly in securities for which listing is being sought, the issuer must announce the transaction as soon as possible after the terms have been agreed, stating the agreement set out in Part VI of Chapter 10 of the Listing Manual.

**Rule 1010 of the Listing Manual**

Where any of the relevant figures computed on the bases set out in Rule 1006 of the Listing Manual exceeds 5.0% but does not exceed 20.0%, an issuer must, after terms have been agreed, immediately announce the following:

- (1) particulars of the assets acquired or disposed of, including the name of any company or business, where applicable;
- (2) a description of the trade carried on, if any;
- (3) the aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment;

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

- |      |  |      |   |
|------|--|------|---|
| (10) | in the case of entering into a purchase of assets, the sources of funds to be used must be included. If it is a loan from a financial institution, conditions affecting the rights of shareholders, such as restrictions on payment of dividends, must also be included;   | (4)  | whether there are any material conditions attaching to the transaction including a put, call or other option and details thereof;   |
| (11) | in the case of disposition of assets, the proposed utilization of the proceeds from the sale must be included;   | (5)  | the value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation; |
| (12) | in the case of issuance of securities for payment of the purchase price of the assets, the category and details of securities issued by the company and the number and price of the shares issued as consideration must be included;   | (6)  | in the case of a disposal, the excess or deficit of the proceeds over the book value, and the intended use of the sale proceeds. In the case of an acquisition, the source(s) of funds for the acquisition;   |
| (13) | where entering into the transaction must proceed under the condition that an approval from the SET and/or the shareholders meeting, as the case may be, must be obtained, this must be stated clearly;   | (7)  | the net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal;  |
| (14) | in the case that the company invests in an enterprise which has a connected person of the company holding at least 10% of the total voting shares of that enterprise, and the business of that enterprise is related to the business of the company, explanation of the reasons why the company does not hold all of the shares of that enterprise in lieu of the connected person, and the measure for prevention of conflict of interest that may arise in the future, must be provided; | (8)  | the effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year;   |
| (15) | opinions of the board of directors concerning a decision to enter into a transaction; and  | (9)  | the effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year;  |
| (16) | opinions of the company's audit committee and/or directors which are different from the opinions of the board of directors under (o).  | (10) | the rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction;   |
|      |  | (11) | whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests;  |
|      |  | (12) | details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction;  |

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

and

- (13) the relative figures that were computed on the bases set out in Rule 1006 of the Listing Manual.

**Rule 1011 of the Listing Manual**

Where a sale and purchase agreement is entered into, or a valuation is conducted on the assets to be acquired, the issuer must include a statement in the announcement that a copy of the relevant agreement, or valuation, report is available for inspection during normal business hours at the issuer's registered office for three months from the date of the announcement.

**Rule 1012 of the Listing Manual**

Where the announcement in Rule 1010 of the Listing Manual contains a profit forecast, which may include any statement which quantifies the anticipated level of future profits, the issuer must announce the following additional information:

- (a) details of the principal assumptions including commercial assumptions upon which the forecast is based;
- (b) confirmation from the issuer's auditors that they have reviewed the bases and assumptions, accounting policies and calculations for the forecast, and setting out their report on such bases, assumptions, policies and calculations; and
- (c) a report from the issuer's financial adviser, if one is appointed, confirming that it is satisfied that the forecast has been stated by the directors after due and careful enquiry. If no such adviser has been appointed in connection with the transaction, the issuer must submit a letter from the board confirming that the forecast has been made by them after due and careful enquiry.

**Rule 1013 of the Listing Manual**

Where an issuer enters into a discloseable transaction, a major transaction, a very

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

substantial acquisition or a reverse takeover and accepts a profit guarantee or a profit forecast (or any covenant which quantifies the anticipated level of future profits) from a vendor of assets/business, the issuer's announcement in Rule 1010 of the Listing Manual must contain information on the profit guarantee or the profit forecast, including the information set out in Rule 1013(1) of the Listing Manual.

If applicable, the issuer is required to announce immediately via SGXNET whether or not the profit guarantee or profit forecast has been met and other information required under Rule 1013(3) of the Listing Manual.

**Rules 1014 and 1015 of the Listing Manual**

Where the issuer enters into a major transaction or a very substantial acquisition or a reverse takeover, the issuer must, after terms have been agreed, immediately announce the information required in Rules 1010, 1011, 1012 and 1013 of the Listing Manual, where applicable.

In the case of a very substantial acquisition or a reverse takeover, the announcement must also include the latest three years of proforma financial information of the assets to be acquired.

Where a major transaction or a very substantial acquisition or a reverse takeover is not completed or is rescinded by any party to the transaction due to any reason, the issuer must immediately announce via the SGXNET the following:

- (a) the reasons for the non-completion or rescission of the transaction;
- (b) the financial impact of the non-completion or rescission on the issuer; and
- (c) the possible course(s) of action to protect the interests of the shareholders of the issuer. Notwithstanding this, the issuer must provide timely updates on the specific course of action including its progress and outcome.

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

**Shareholders' Approval**

**Clauses 31, 32, 33 and 34 of the SET Notification**

When the company or any its subsidiaries makes a decision to enter into a transaction which requires approval from the shareholders, i.e. a Class 1 transaction and Class 4 transaction, the company must have an independent financial advisor to give the following opinions in connection with the transaction to the board of directors and must deliver such opinion to the SEC and the shareholders:

- (1) reasonableness and benefits of transactions to the company;
- (2) fairness of price and conditions of transactions;
- (3) whether shareholders resolve to agree or disagree with transactions together with supporting reasons; and
- (4) opinion of the financial advisor with respect to the sufficiency of working capital of the company, where the company or any of its subsidiaries makes a decision to enter into a Class 4 transaction.

An independent financial advisor's opinion must be presented in a separate document from other information provided by the company, where rationale, important assumptions and supporting factors of such opinion must be indicated.

The company has a duty to organize a shareholders meeting to seek approval for a decision to enter into a transaction and must send its shareholders a notice to attend the shareholders meeting no less than 14 days prior to the date of the shareholders meeting. The notice of the shareholders meeting must contain at least the information specified in Schedule (2) annexed to the SET Notification as follows:

- (a) the information under Schedule (1);
- (b) the statement relating to the responsibility of directors with respect to the information in documents sent to the shareholders;

**Rules 1010, 1013, 1014 and 1015 of the Listing Manual**

*Major Transaction*

A major transaction must be made conditional upon approval by shareholders in general meeting. A circular containing the information required under the Rule 1010 of the Listing Manual must be sent to all shareholders.

In addition, where the issuer accepts a profit guarantee or profit forecast, the circular has to contain the information required under Rules 1013(1) and 1013(2) of the Listing Manual.

In ascertaining whether or not the issuer is required to seek shareholders' approval for the transaction, the issuer should refer to the general principles set out in Practice Note 10.1 of the Listing Manual.

*Very Substantial Acquisition or Reverse Takeovers*

In the case of a very substantial acquisition or a reverse takeover, the acquisition must be made conditional upon the approval of shareholders and the approval of the SGX-ST.

The shareholders' circular must contain:

- (1) information required by Rules 1010, 1011, 1012, 1013 and Part II of Chapter 6 of the Listing Manual, where applicable;
- (2) an accountant's report on the assets to be acquired and the enlarged group. Rule 609 of the Listing Manual applies to the accountant's report;
- (3) a statement by the directors in the form set out in Rule 610(3) of the Listing Manual; and
- (4) a statement by the financial adviser(s) in the form set out in paragraph 3(d) of Appendix 8.2 of the Listing Manual.

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

- (c) where there is an opinion of an independent expert (e.g. an appraiser of assets), the report of the expert must include information as required by the SET and the qualifications of the expert, shareholding in and relationship of the expert with the company and the parties, permission of the expert for the disclosure of the opinion, and the date of the opinion;
  
- (d)
  - (i) the total amount of debt instruments that have been issued and those that have not been issued pursuant to the resolution of the shareholders meeting which authorises the board of directors of the company to consider issuing them for sale as it deems appropriate;
  
  - (ii) the total amount of loans with specified repayment period, including the liability to place assets as collateral;
  
  - (iii) the total value of debts in other categories, including overdrafts, indicating the liability to place assets as collateral; and
  
  - (iv) the indebtedness to be incurred in the future;
  
- (e)
  - (i) information relating to nature of business operations and business trends of the listed company, subsidiaries and associated companies of the listed company;
  
  - (ii) a summary of financial statements during the past three years and the present year until the latest quarter, as well as the explanation and analysis of financial condition and operating results in the past year and the present year until the latest quarter, including risk factors which may affect the profit of the listed company;
  
  - (iii) financial projections in the present

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

year (if any), including assumptions on trade, economics, industry, and review of the figures by a certified public auditor and the opinion of an independent financial advisor that the projections have been carefully prepared;

- (iv) a list of the management and list of the first ten shareholders as at the date of close of share register book;
- (v) other information that may materially affect the decision of investors (if any);
- (f) the opinion of the board of directors of the company relating to the sufficiency of cash flow. Where cash flow is not sufficient, the sources of funds to resolve the situation must also be included;
- (g) pending material lawsuits or claims;
- (h) interested or connected transactions between the company and directors, management and shareholders directly or indirectly holding shares amounting to 10% or more, including the nature of the transaction or the interests;
- (i) summaries of material contracts during the past two years; and
- (j) proxy form with at least one name of a member of the audit committee being nominated as shareholder's proxy.

Moreover, the company must send such notice to the SET for its review of the adequacy of the information therein in accordance with any of the following rules:

- (l) send a notice of invitation to the shareholders meeting to the SET at least five business days before sending it to the shareholders. The SET may order the company to disclose additional information as it deems necessary and appropriate. The company will send a notice of invitation to the shareholders meeting to its



**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

shareholders after five business days from the date the SET has duly received such notice, during which the SET does not require the company to inform additional information; or

- (II) send a notice of invitation to the shareholders meeting to the SET at the same time it is sent to the shareholders. The SET will review an adequacy of the information therein within five business days following the date the SET has duly received such notice and the SET may take any act including ordering the company to disclose additional information for shareholders as it deems necessary and appropriate.

The company must disclose criteria for the delivery of notice of invitation to the shareholders meeting under the first paragraph to the SET at the same time it discloses the information when the board of directors passes a resolution on the date of the shareholders meeting.

The company must send two copies of the notice of invitation to the shareholders meeting to the SET and one copy to the SEC concurrently.

The SET may require the company to arrange persons to be in charge of supervising the shareholders meetings in order to ensure that the company duly complies with the law on securities and exchange, the law on public limited companies, the regulations of the SET or the law related to the company's business in regard to shareholders meetings. The persons under the first paragraph mean the following persons:

- (A) an auditor approved by the SEC;
- (B) an independent financial advisor; or
- (C) a person designated by the SET based on the list of persons approved by the SEC.

When the company or any its subsidiaries makes a decision to enter into a transaction which requires approval from the shareholders, the company must convene a shareholders meeting to seek approval for entering into the transaction without delay. A resolution of the shareholders meeting to approve

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

a decision to enter into a connected transaction hereunder must consist of not less than three-fourths of the total votes of shareholders attending the meeting and having voting rights, excluding interested shareholders' equity. The names and number of shares of the shareholders who have no right to vote must be included in the notice to attend the shareholders meeting.

**Prohibition of Unfair Trading Activities / Market Misconduct**

**Insider Trading**

Section 241 of the SEC Act provides that in the purchase or sale of securities which are listed on the securities exchange or traded in an over-the-counter center, no person, whether directly or indirectly, shall purchase or sell, offer to purchase or sell or invite any other person to purchase, sell or offer to purchase or sell securities which are listed on the securities exchange or traded in an over-the-counter center in such a way as to take advantage of other persons by using information material to changes in the prices of securities which has not yet been disclosed to the public and to which information he has access by virtue of his office or position, whether or not such act is done for his own or another person's benefit, or to disclose such information so that he will receive consideration from the person who engages in the aforesaid acts.

For the purposes of Section 241 of the SEC Act, the person under the first paragraph shall include:

- (1) director, manager, person responsible for the operation or auditor of a company whose securities are listed on a securities exchange or traded in an over-the-counter center;
- (2) securities holder of a company whose securities are listed on a securities exchange or traded in an over-the-counter center, who holds securities the par value of which exceeds 5% of the registered capital. For the purpose of calculating the value of such securities held by such person, the securities held by his spouse and minor children shall be counted as his securities;
- (3) state agency personnel, or director, manager,

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

Sections 218 and 219 of the SFA prohibit persons from dealing in securities of a corporation if any such person knows or reasonably ought to know that he is in possession of information that is not generally available, which is expected to have a material effect on the price or value of securities of that corporation.

Such persons include:

- (1) officers of a corporation or a related corporation;
- (2) substantial shareholder of a corporation or a related corporation;
- (3) a person who occupies a position reasonably expected to give him access to inside information by virtue of:
  - (a) any professional or business relationship existing between himself (or his employer or a corporation of which he is an officer) and that corporation or a related corporation; or
  - (b) being an officer of a substantial shareholder of that corporation or in a related corporation;
- (4) any other person in possession of inside information.

## **THAI LISTING RULES AND THAI SECURITIES LAWS**

or officer of a securities exchange or of an over-the-counter center who is in an office or position with access to information which is material to changes in the price of securities; and

- (4) any person involved in securities and/or the trading of securities on a securities exchange or in an over-the-counter center.

### **Reporting Obligations of Shareholders, Directors and Executives**

#### **Reporting Requirements of Shareholders**

Where any person, on his own or acting in concert with others, acquires or disposes of the shares of the company and thereby increases or decreases the number of the securities of the company held by him or other person to a number which in aggregate reaches any multiple of 5% of the total number of voting rights of the company, whether or not the transfer of shares in such acquisition or disposition has been registered and regardless of the amount of such increase or decrease, such person shall report to the SEC within three business days each time such an acquisition or disposition has been made.

For the purpose of the above reporting requirement, the shares held by (i) the "related persons" (as defined by Section 258 of the SEC Act) of any person; (ii) the "acting in concert person" of any person (as defined in the CMSB); and (iii) the related persons (as defined by Section 258 of the SEC Act) of the person in (ii) shall be regarded as the shares held by such person.

On the basis that CDP merely acts as the clearing house for the shares traded on the SGX-ST and the depository agent as a holder of securities accounts maintained with CDP, when CDP or the depository agent acquires or disposes of any multiple of 5% of the total number of voting rights of the company, it would not be required to file an acquisition or disposition report to the office of the SEC pursuant to Section 246 of the SEC Act.

However, if an investor acquires or disposes of any beneficial interest in the shares of the company through CDP or a depository agent, either singly or in combination with his/her existing

## **SGX-ST LISTING RULES AND SINGAPORE SECURITIES LAWS**

### **Notification Obligations of Directors, Chief Executive Officers and Substantial Shareholders**

#### **Reporting Requirements of Substantial Shareholders**

##### **Sections 135, 136 and 137 of the SFA**

A substantial shareholder (i.e. a person who has an interest in voting shares of a corporation and the total votes attached to those shares is not less than 5.0% of the total votes attached to all the voting shares in the corporation) of a corporation shall give notice in writing to the corporation in the prescribed form within two business days after becoming aware:

- (1) that he is or had been a substantial shareholder; or
- (2) of a change in the percentage level of the substantial shareholder's interest; or
- (3) that he has ceased to be a substantial shareholder.

The reference to "percentage level" means the percentage figure ascertained by expressing the total votes attached to all the voting shares in which the substantial shareholder has an interest or interests immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to:

- (a) all the voting shares (excluding treasury shares) in the corporation; or
- (b) where the share capital of the corporation is divided into two or more classes of shares, all the voting shares (excluding treasury shares) included in

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

shares, and if, as a result of such holding, the investor would increase or decrease his/her beneficial interest in the shares of the company through CDP or the depository agent or the aggregate number of shares held by the investor by any multiple of 5% of the total number of voting rights of the company, the investor will be required to file an acquisition or disposition report to the SEC within three business days each time such an acquisition or disposition has been made in accordance with the requirement of Section 246 of the SEC Act.

In determining when the above reporting requirement is triggered, the investor will be required to aggregate the shares of the company held by the investor and any beneficial interest in the shares of the company. Any beneficial interest means (i) the "related persons" (as defined by Section 258 of the SEC Act) of the investor; (ii) the "acting in concert person" of the investor (as defined in the CMSB); and (iii) the related persons (as defined by Section 258 of the SEC Act) of the person in (ii).

**Reporting Requirements of Directors and Executives**

If a director or an executive of the company acquires, disposes, transfers or accepts any transfer of shares of the company (including the acquisition, disposition, transfer or acceptance of transfer of shares of the company on the SET and the SGX-ST), such director or executive of the company will be required to file a report on the change of his/her shareholding in the company, including the shareholding of his/her spouse and minors, to the SEC within three business days from the date of the acquisition, disposition, transfer or acceptance of transfer of shares of the company.

If it is the first filing of the report, a director or executive of the company is required to file such report within 30 days from the closing of the public offering or the date on which such person was appointed as a director or executive of the company.

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

the class concerned,

and, if it is not a whole number, rounding that figure down to the next whole number.

**Notification Obligations of Directors and Chief Executive Officers**

**Section 133 of the SFA**

A director or chief executive officer of the corporation shall give notice in writing of his interest in the relevant securities of the corporation in the prescribed form within two business days after:

- (1) the earlier of the date of his appointment or the date on which he acquires such interest; or
- (2) becoming aware of any subsequent change in his interest.

A person who is both a substantial shareholder and a director/chief executive officer of the corporation need not give notice of a matter as a substantial shareholder if he is required to give notice of such matter as a director/chief executive officer of the corporation. For example, a director of a corporation who has an interest of 5.9% in the voting shares of the corporation and who acquires a further 0.2% interest in the voting

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

shares of the corporation will only be required to give notice as a director.

**Securities Market Manipulation**

**Sections 243 and 244 of the SEC Act**

Section 243 of the SEC Act provides that in the purchase or sale of securities which are listed on a securities exchange or traded in an over-the-counter center:

- (2) no person by colluding or agreeing with any other person shall purchase or sell securities in concealment in order to mislead the general public to believe that such securities are purchased or sold in great volume or the price of such securities has changed or has not changed at any time or during any period of time which is not consistent with the normal market conditions; and
- (3) no person, either by himself or jointly with any other person, shall continuously trade securities which results in the purchase or sale of such securities which is not consistent with the normal market conditions and such trading is made to lure the general public to purchase or sell such securities unless such trading is made in good faith to protect his rightful benefit.

Section 244 of the SEC Act provides that the following cases shall also be deemed as concealment to mislead the general public in accordance with Section 243(1):

- (i) the purchase or sale of securities where the person who finally receives benefit from such purchase or sale is the same person;
- (ii) an order to purchase securities of the same category, type, and of the same juristic person, or mutual fund project, with the knowledge that he himself or jointly with any other person has ordered the sale or is going to order the sale, provided that the order shall be in proximate amount, price and time; and
- (iii) an order to sell securities of the same category, type, and of the same juristic person or mutual fund project, with the

**Section 198(1) of the SFA**

No person shall carry out directly or indirectly, two or more transactions in securities of a corporation, being transactions that have, or are likely to have, the effect of manipulating the price of the securities of that corporation on a securities market, with intent to induce other persons to purchase them.

**THAI LISTING RULES  
AND THAI SECURITIES LAWS**

knowledge that he himself or jointly with any other person has ordered the purchase or is going to order the purchase, provided that the order shall be in proximate amount, price and time.

**SGX-ST LISTING RULES  
AND SINGAPORE SECURITIES LAWS**

## THAI TAKEOVER LAWS

### Key provisions relating to takeovers in the SEC Act

#### Mandatory Tender Offer

##### Trigger Points

If any person purchases the shares of the company or, by any other action, acquires the shares of the company or becomes a shareholder of the company, giving rise to his voting rights, as at the end of any day, reaching or exceeding:

- (1) 25% of the total voting rights of the company;
- (2) 50%; or
- (3) 75%,

of the total voting rights of the company, such person will be obliged to make a tender offer for all shares of the company, unless a waiver from the SEC is obtained. The making of the tender offer in this case is required by law and is commonly referred to as the "mandatory tender offer".

"Parties acting in concert" comprise persons having a mutual intention to exercise their voting rights in the same direction or if any person allows any other person to exercise his voting, for the purpose of achieving a common control of the voting rights or of a business, and they have a relationship or act together in any of the manners set out below, such persons are deemed to be acting in concert and shall have an obligation to report the acquisition or disposal of securities of a business under the Notification issued by virtue of Section 246 of the SEC Act or an obligation to make a tender offer of securities of a business under the Notification issued by virtue of Section 247 of the SEC Act.

- (a) having an agreement to exercise their voting rights in the same direction, or an agreement to permit any party to exercise the voting rights of another party, or an agreement to jointly manage a business regardless of whether or not such agreement relates to the exercise of voting rights in the board of directors' or shareholders' meeting of a business or relates to the giving of a mutual consent to propose an important agenda to the board of directors or to the shareholders'

## SINGAPORE TAKEOVER REGULATIONS

### Key provisions relating to takeovers in The Singapore Code on Take-overs and Mergers (the "Singapore Take-over Code")

The Singapore Take-over Code regulates the acquisition of ordinary shares of public companies and contains certain provisions that may delay, deter or prevent a future takeover or change in control of the company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in shares carrying 30.0% or more of the voting rights of the company, or, if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of shares carrying voting rights of the company, and if he (or parties acting in concert with him) acquires additional shares carrying more than 1.0% of the voting rights of the company in any six-month period, must, except with the consent of the Securities Industry Council (the "SIC"), extend a takeover offer for the remaining voting shares of the company in accordance with the provisions of the Singapore Take-over Code.

"Parties acting in concert" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:

- (a) a company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company and its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related

- meeting of a business, and regardless of whether or not such agreement is made in writing;
- (b) having an agreement to restrict the right to sell securities in the case of a tender offer for securities of a business or having an agreement to maintain or to change the securities holding ratio in a business (standstill agreement) regardless of whether or not such agreement is made in writing;
  - (c) soliciting other persons by himself or through his assignee for the purpose of acquiring or disposing of securities of a business at the same time or almost at the same time;
  - (d) having the same source of funds or acting by any means to facilitate the obtaining of the source of funds to conduct the purchase of, or to perform any other acts for the acquisition of, the securities of a business either for his own account or for another person;
  - (e) acquiring or disposing of securities of a business by acting jointly with a person who used to show concerted behaviour in the acquisition or disposal of the securities of another business and the manner in which this acquisition or disposal of securities of the business takes place resembles the acquisition or disposal of securities previously made which showed such concerted behaviour;
  - (f) authorising another person habitually and continuously to exercise his voting rights in the shareholders' meetings of a business regardless of whether or not that person is a shareholder of the business, but excluding a proxy granted to an independent director, a custodian or a provider of a proxy voting service to attend the meeting and vote on his behalf;
  - (g) being a partner in a partnership or being a director or an employee of a company or any other legal entity and showing himself or behaving in a way which shows that he holds securities of a business on behalf of or jointly owns securities with that partnership, company or such legal entity;
  - (h) giving of securities of a business to other persons other than by way of gratuitous trusts);
  - (c) a company with any of its pension funds and employee share schemes;
  - (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
  - (e) a financial or other professional adviser, including a stockbroker, and its clients in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser and any of those funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
  - (f) directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
  - (g) partners; and
  - (h) an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.
- A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the six months preceding the acquisition of shares that triggered the mandatory offer obligation.
- Under the Singapore Take-over Code, where



transfer in respect of an ordinary relationship between parent and sui juris children;

- (i) having an agreement among any persons relating to a sale and purchase of securities of a business at a low price without any reasonable grounds for doing so, but excluding a sale and purchase of securities between parent and sui juris children; and
- (j) persons within the same group in accordance with the Notifications issued by virtue of Sections 246 or 247 of the SEC Act.

effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

### Offering Conditions

If any person purchases the shares of the company or, by any other action, acquires the shares of the company or becomes a shareholder of the company, giving rise to his voting rights, as at the end of any day, reaching or exceeding any of the above trigger points and is required to make a mandatory tender offer, the mandatory tender offer must not contain any condition on the revocation of the tender offer, unless the conditions are pursuant to any of the following events (the "**Certain Events**"):

- (1) an occurrence of any event or action after the offer document has been submitted to the SEC but during the offer period which causes or may cause serious damage to the status or assets of the offeree business, and such events or actions do not result from the acts of the offeror, or any act for which the offeror is responsible; or
- (2) the taking of any action by the offeree business after the offer document has been submitted to the SEC but during the offer period which results in a significant decrease in the share value.

If a person is obliged to make a mandatory offer, such offer can only be made subject to one condition — that he and persons acting in concert with him own or control more than 50.0% of the issued shares of the company carrying voting rights of the company, whether pursuant to acceptances of the offer, market purchases or otherwise (the "**50% + 1 Condition**"). No other conditions are permitted. If the 50% + 1 Condition is satisfied, the offer is unconditional in all respects. If the 50% + 1 Condition not satisfied by the close of the offer, the offer lapses and all acceptances tendered in the offer must be returned.

A revocation of the tender offer above may only be made if the offeror has clearly stated such events in the offer document and, upon an occurrence thereof, the offeror has notified the SEC such fact accordingly and the SEC does not make any objection thereto within three business days from the date on which the SEC has been notified.

## **Squeeze Out**

The SEC Act does not contain any squeeze out provisions, i.e. provisions which provide for the right of a tender offeror to acquire shares from shareholders who do not accept the tender offer, notwithstanding the level of shareholding of the tender offer or after the tender offer period.

Similarly, there are no provisions which provide for the right of shareholders who do not accept the tender offer to subsequently require an offeror to acquire shares from them.

Under the Singapore Companies Act, if an offer is accepted by 90.0% or more of the shares which are the subject of the offer, then the offeror is entitled to compulsorily acquire the remaining shares at the same price. In determining whether the 90.0% squeeze out threshold has been met, the shares held or acquired by the offeror and parties acting in concert with it are disregarded.

Additionally, if the offeror has acquired 90.0% or more of the shares of the company, the remaining shareholders have the right to require the offeror to acquire their shares.

There are no such squeeze out provisions set out in the Singapore Take-over Code.

## **Partial Tender Offer**

A partial tender offer is permitted if the approval of the SEC is obtained, provided that the following requirements are met:

- (1) the partial tender offer is approved by a meeting of shareholders of the company with a vote of not less than 50% of the total votes of the shareholders attending the meeting and having the right to vote; and
- (2) the partial tender offer must not result in the offeror becoming a shareholder with voting rights of 50% or more of the total voting rights of the company.

On the basis that CDP merely acts as the clearing house for the shares traded on the SGX-ST and the Depository Agent as a holder of securities accounts maintained with CDP, when CDP or the Depository Agent acquires or holds the shares of the company in aggregate of 25%, 50%, 75% or more of the total voting shares of the Company, it will not be required to make a tender offer for all of the shares and equity-linked securities of the Company pursuant to Section 247 of the SEC Act.

However, if an investor acquires or holds the shares of the company and/or any beneficial interest in the shares of the company through CDP or a Depository Agent, and if, as a result of such acquisition or holding, the investor would hold both the shares of the company and the beneficial interest in the shares of the company through CDP or the Depository Agent in an aggregate of 25%, 50%, 75% or more of the total voting shares of the

The consent of the SIC is required for a partial offer.

The SIC will normally consent to partial offers which result in the offeror and its concert parties holding voting rights of less than 30.0% of the voting rights of the company. The SIC will not provide its consent in situations where the partial offer which could result in the offeror and its concert parties holding 30.0% or more but less than 50.0% of the voting rights of the company.

Where the partial offer could result in the offeror and its concert parties holding more than 50.0% of the voting rights of the company, the SIC will not normally consent unless certain conditions are met. Such conditions include that (i) the partial offer is not a mandatory offer; (ii) the offeror provides several confirmations and undertakings; (iii) the partial offer is conditional not only on the specified number or percentage of acceptances being received, but also on approval by company's shareholders, where the offeror and its concert parties hold 50.0% or less in the company prior to the announcement of the partial offer; (iv) the partial offer is made to all shareholders of the class and arrangements are made to those shareholders who wish to accept in full for the relevant percentage of their holdings; (v) the precise number of shares, percentage or proportion offered is stated; and (vi) the offer may not be declared unconditional as to acceptances unless acceptances are received for not less than the number, percentage or proportion.

company, the investor will be required to make a tender offer for all of the shares and equity-linked securities of the Company in accordance with the requirement of Section 247 of the SEC Act.

In determining when the tender offer requirement is triggered, the investor will be required to aggregate the shares of the company held by the investor and any beneficial interest in the shares of the company. Any beneficial interest means (i) the "related persons" (as defined by Section 258 of the SEC Act) of the investor; (ii) the "acting in concert person" of the investor (as defined in the CMSB) and (iii) the related persons (as defined by Section 258 of the SEC Act) of the person in (ii).

### **Voluntary Tender Offer**

A revocation of the tender offer due to the Certain Events may only be made if the offeror has clearly stated such events in the offer document and, upon an occurrence thereof, the offeror has notified the SEC such fact accordingly and the SEC does not make any objection thereto within three business days from the date on which the SEC has been notified.

In addition to the revocation of tender offer due to the Certain Events, the voluntary tender offeror may also cancel his tender offer, if upon closing of the offer period specified in the offer document, the number of shares tendered is less than the number of shares specified as a condition for the offer, which can be any number. In this regard, the offeror shall clearly specify the conditions and the revocation of the voluntary tender offer in such events in the offer document.

While a voluntary offer must also be subject to a minimum shareholding condition, the minimum percentage can be set at higher than 50% + 1 (50% + 1 being the lowest permissible minimum percentage). A voluntary offer may be subject to other conditions. Normal conditions, such as approval of shareholders for the issue of new shares, may be attached without reference to the SIC. The SIC should be consulted where other conditions would be attached.