

## LEGISLATION UPDATE

### CATALIST COMPANIES TO COMPLY WITH SPONSORED REGIME BY 5 FEBRUARY 2010

The Singapore Exchange Limited (the "SGX") has announced that companies listed on Catalist which are yet to appoint a sponsor ("Catalist-NS Companies") have up to **5 February 2010** to do so. Failure to comply with this requirement may result in removal from the Official List of Catalist.

The SGX has also published the measures to be taken by Catalist-NS Companies from now till 5 February 2010 to keep in step with the sponsor-supervised regime under the Catalist rules.

The measures are as follows.

#### *By 1 November 2008: First progress report due*

A progress report has to be submitted to SGX Catalist Regulation by **1 November 2008**. This progress report, together with all subsequent ones (each, a "Progress Report"), must include the following information:

- issuer's name;
- reporting period;
- name, designation and contact details of the director or person in charge of the search and appointment of a sponsor;
- updated timetable of milestones, including, but not limited to, estimated time periods allocated for the search for a sponsor, negotiation of terms, as well as the estimated dates for the board approval of and the appointment of the sponsor;
- where applicable, description of plans to be implemented as an alternative to appointing a sponsor, eg. a reverse takeover, a merger and acquisition, or transfer to the SGX Main Board;
- list of sponsors approached to date; and
- any other relevant information.

A copy of the first Progress Report has to be furnished to the Catalist-NS Company's board of directors.

*From 1 January 2009: Quarterly Progress Reports*

With effect from **1 January 2009**, Progress Reports must be submitted to SGX Catalist Regulation on a quarterly basis, within 45 days after the end of each of the first 3 quarters and within 60 days after the end of the financial year. Each such Progress Report must be copied to the Catalist- NS Company's board of directors.

*From 1 January 2009: Quarterly progress updates to shareholders and investors*

Starting from **1 January 2009**, Catalist-NS Companies must provide quarterly progress updates to shareholders and investors *via* SGXNET within 45 days after the end of each of the first 3 quarters and within 60 days after the end of the financial year. Each such quarterly progress update must include the following information:

- issuer's name;
- reporting period;
- name, designation and contact details of the director or person in charge of the search and appointment of a sponsor;
- updated timetable of milestones, including but not limited to estimated time periods allocated for the search for a sponsor, negotiation of terms, as well as the estimated dates for the board approval of and the appointment of the sponsor;
- if previously announced, description of plans to be implemented as an alternative to appointing a sponsor, eg. a reverse takeover, a merger and acquisition, or transfer to the SGX Main Board; and
- any other relevant information.

*From 1 January 2009: Appointment of sponsor for certain corporate actions*

With effect from **1 January 2009**, a sponsor must be appointed and the Catalist rules complied with whenever any of the following corporate actions are undertaken:

- any rights issues or placement of shares, company warrants or other convertible securities for cash, excluding shares issued pursuant to an employee or performance share/ share option plan;
- any major transaction for the purposes of Rule 1013 of the Main Board Listing Manual applicable to SESDAQ companies (the "**Former SESDAQ Rules**"), being a transaction in respect of which any of the ratios computed on the bases set out in Rule 1006 exceeds 20%;

- any interested person transaction that requires shareholders' approval pursuant to Chapter 9 of the Former SESDAQ Rules; and
- a scheme of arrangement.

## References

Please click [here](#) to view the news release from the SGX.

If you would like more information about the above or wish to discuss how the changes may potentially affect you or your business, please feel free to contact the banking and corporate lawyers in Drew & Napier LLC (please refer to the Directors' Profiles on our [website](#)), or any of the following lawyers:

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