

PROSPECTUS GUIDELINES

SUMMARY OF KEY AMENDMENTS ISSUED ON 23 DECEMBER 2020

The following table provides a summary of key amendments to the *Prospectus Guidelines*, which was revised on 23 December 2020:

General amendments
1. Editorial amendments including streamlining requirements to enhance clarity and ensure consistency with the relevant guidelines issued by the SC, and rephrasing and renumbering of certain requirements.

1. For the existing Part I: General Requirements

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Chapter 1: General		
-	Paragraph 1.13	New paragraph inserted to clarify that these Guidelines are in addition to and not in derogation of any other guidelines issued by the SC or any requirements provided under the securities laws.
Chapter 2: Definitions and Interpretation	Chapter 2: Definitions	
Paragraph 2.01	Paragraph 2.01	Definitions of “electronic application”, “issuing house”, “public company” and “stockbroking company” inserted.

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
		<ul style="list-style-type: none"> • Definitions of "adviser", "application provider", "audited financial statements", "e-host", "electronic prospectus", "related party", "related party transaction" and "principal adviser" amended. • Definitions of "electronic application form", "ESA" and "internet securities application" deleted.

2. For the existing Division 1 – Equity of Part II: Contents of Prospectus

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
-	Introductory paragraph	New introductory paragraph inserted to provide clarity to whom the requirements under Division 1 shall be applicable.
Paragraph 1.01(g)	Paragraph 1.01(g)	Existing paragraph amended to provide clarity that the requirement shall be applicable if the corporate proposal has been approved by the SC.
-	Paragraph 1.01(l)	New paragraph inserted to be complied by a corporation where its shares are not seeking listing on the stock exchange.
Paragraph 1.02(h)	Paragraph 1.02(h)	Existing paragraph amended to provide clarity that this requirement shall be applicable for all offerings of shares to the public.

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Chapter 4: Information on Promoters, Substantial Shareholders, Directors, Key Senior Management and Key Technical Personnel		
Paragraph 4.11(g)	Paragraph 4.11(g)	Existing paragraph amended to remove disclosure on any current investigation or disciplinary proceeding.
Chapter 5: Information on the Corporation		
Paragraph 5.07	Paragraph 5.02(j)	Existing paragraph deleted as requirement has been incorporated as a new paragraph 5.02(j). The requirement was further enhanced to provide for disclosure of relevant laws, regulations, rules or requirements which may materially affect the group's business or operations, and additional information required where there has been a non-compliance incident on the aforesaid.
Paragraph 5.10	Paragraph 5.10	Existing paragraph amended to provide for disclosure of the customer base, where the corporation has no major customer. New Guidance inserted to set out the SC's expectations on disclosure of additional information where the name of major customer is not disclosed and where there is fewer than 5 major customers.
Paragraph 5.11	Paragraph 5.11	Existing paragraph amended to provide for disclosure of the supplier base, where the corporation has no major supplier. New Guidance inserted to set out the SC's expectations on disclosure of additional information where the name of major supplier is not disclosed and where there is fewer than 5 major suppliers.

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Chapter 9: Financial Information		
Paragraph 9.03	Paragraph 9.03	New Guidance inserted to set out the SC's expectation that where the audited financial statements of the corporation and its subsidiaries are not prepared in accordance with the approved accounting standards and have been audited for the purpose of the accountants' report, such statement should be disclosed.
-	Paragraph 9.04(d)	New paragraph inserted for corporation where its shares are not seeking listing on the stock exchange, to provide for disclosure of the three most recent financial years or such shorter period that the corporation has been in existence.
-	Paragraph 9.10(c)	New paragraph inserted to provide for disclosure on accounting policies which are peculiar to the corporation because of the nature of the business or the industry it is involved in.
-	Paragraph 9.14A	New paragraph inserted to provide for disclosure on historical dividend payments.
-	Paragraph 9.14B	New paragraph inserted to provide for disclosure on dividends declared or paid subsequent to the most recent financial year or interim financial period.
Paragraph 9.21	Paragraph 9.21	Existing paragraph amended to provide clarity that materiality of an acquisition or disposal of any entity or business should be determined by comparing either the aggregated net assets or liabilities, and the aggregated profits or losses before tax.

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Chapter 10: Reports by the Reporting Accountant		
Paragraph 10.05	[deleted]	Existing requirement deleted as such requirement is provided for under the approved accounting standards.
Chapter 11: Expert's Report		
-	Paragraph 11.04	New paragraph inserted to provide that an expert must not make wide disclaimers of responsibility in its report.
Chapter 13: Documents Available For Inspection		
-	Paragraph 13.02	New paragraph inserted to clarify instances where audited financial statements of the corporation and its subsidiaries would not need to be made available for inspection.

3. For the existing Division 5 – Abridged Prospectus of Part II: Contents of Prospectus

Key amendments to specific paragraphs		
Prior to 23 December 2020	Prior to 23 December 2020	Comments
-	Introductory paragraph	Introductory paragraph inserted to provide clarity to whom the requirements under Division 1 shall be applicable.

Key amendments to specific paragraphs		
Prior to 23 December 2020	Prior to 23 December 2020	Comments
Chapter 1: Cover Page		
Paragraph 1.03(f)	Paragraph 1.03(f)	Existing paragraph amended to provide clarity that this requirement shall be applicable for all offerings of shares to the public.
Chapter 9: Additional Information on the Corporation, Expert's Report and Documents Available For Inspection		
-	Paragraph 9.03(d)	New paragraph inserted to provide that an expert must not make wide disclaimers of responsibility in its report.

4. For the existing Part III: Procedures for Registration

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Chapter 1: Prospectus under Divisions 1 and 1A of Part II		
Paragraph 1.01	Paragraph 1.01	Existing paragraph amended to provide clarity on the applicability of the requirements under Part III.
Paragraph 1.07	[Deleted]	Existing paragraph deleted in conjunction with the enhanced IPO framework.

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Paragraph 1.08(d)	[Deleted]	Existing paragraph deleted to remove requirement for an extract of the minutes of the board of directors' meeting that approved the submission of the prospectus to the SC.
Paragraph 1.08(g)	Paragraph 1.08(g)	Existing paragraph amended to clarify that certified true copies of all material contracts, regardless whether the contracts are in the corporation's ordinary course of business or not, must be submitted with the prospectus.
Paragraph 1.09	Paragraph 1.09	Existing paragraph amended to provide clarity that the requirement shall be applicable where a prospectus is required to be exposed.
-	Paragraph 1.10A	New paragraph inserted to clarify where financial information has been updated after submission was made under Stage 1, the revised prospectus must be submitted to the SC at least 14 market days prior to the intended date of registration.
Paragraph 1.12(b)	[Deleted]	Existing paragraph deleted to remove requirement for an extract of the minutes of the board of directors' meeting that approved the registration and issuance of the prospectus.
Paragraph 1.12(c)	Paragraph 1.12(c)	Existing paragraph amended to clarify for the submission of certified true copies of any material contract entered into or updated after submission of prospectus for registration (Stage 1) was made to the SC, regardless whether the contracts are in the corporation's ordinary course of business or not.

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Paragraph 1.12(e)	Paragraph 1.12(e)	Existing paragraph amended to remove requirement for the submission of certified true copies of the audited financial statements of the corporation's subsidiaries for the financial period.
-	Paragraphs 1.16 to 1.21	New paragraphs inserted for the submission of prospectus for registration by a public company where its shares are not seeking listing on the stock exchange. Existing Guidance in relation to letter of consent and prospectus exposure were amended in line with the insertion of the new paragraphs.
Guidance to Chapter 1 - General	Guidance to Chapter 1 - General	New Guidance inserted to set out the SC's expectations on timing of submission of prospectus for registration (Stage 1) and the information and document to be submitted with the application, where a copy of the audited interim financial report is not available.
Chapter 5: Prospectus under Division 5 of Part II		
Paragraph 5.08(d)	[Deleted]	Existing paragraph deleted to remove requirement for an extract of the minutes of the board of directors' meeting that approved the registration and issuance of the abridged prospectus.

5. For the existing Division 2 – Electronic Prospectuses and Application Guidelines of Part IV: Prospectus Related Guidelines

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Division 2 ELECTRONIC PROSPECTUSES AND ELECTRONIC APPLICATION FORMS	Division 2 ELECTRONIC PROSPECTUS AND ELECTRONIC APPLICATION	
1.0 PURPOSE	Chapter 1 INTRODUCTION	Existing paragraphs in Chapter 1, Chapter 2 and Chapter 3 merged and repositioned as the new Chapter 1.
2.0 SCOPE		
3.0 ELECTRONIC PROSPECTUSES AND ELECTRONIC APPLICATION FORMS		Existing paragraphs in Chapter 1, Chapter 2 and Chapter 3 merged and repositioned as the new Chapter 1.
Paragraph 3.01	Paragraph 1.02	The requirement was amended to provide that investors should read the electronic prospectus prior to making an investment decision and should make investment decision based on the electronic prospectus rather than on advertising or promotional materials.
Paragraph 3.02	Paragraph 1.03	The requirement was further enhanced to provide that the e-host must ensure that the electronic prospectus is text-searchable and identical

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
		in content and format as the physical copy of the corresponding prospectus that has been registered by the SC.
Paragraph 3.04	Paragraph 1.04	The requirement was further enhanced to permit 'pop-ups' that explains definitions and formatting changes in the electronic prospectus.
Paragraph 3.06	Paragraph 1.06	<ul style="list-style-type: none"> The requirement was further enhanced to permit hyperlinks within the electronic prospectus to navigate within the electronic prospectus and to direct investors to educational materials issued by the SC or the stock exchange. New Guidance inserted to set out the SC's expectations on hyperlinks within the electronic prospectus for navigation purpose and to educational materials.
Paragraph 3.07	Paragraph 1.08	The requirement was amended to permit hyperlinks to the electronic prospectus to direct the investor to a webpage or website on which the electronic prospectus in respect of the offer is posted.
-	Hyperlinks to the electronic prospectus	New sub-header inserted to provide for the requirements in relation to hyperlinks to the electronic prospectus.
-	Paragraph 1.09	New paragraph inserted to provide that the electronic prospectus must be easily accessible for viewing online and easily downloaded, printed and saved by investors.

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Paragraph 3.12	Paragraph 1.11	The requirement was further enhanced to provide that the affected e-host must report to the SC immediately in the event of tampering or alteration of the electronic prospectus.
-	Availability of physical copy of the prospectus	New sub-header inserted to provide for the requirements in relation to the availability of the physical copy of the prospectus.
-	Paragraphs 1.13 and 1.14	<ul style="list-style-type: none"> • New paragraphs inserted to provide that the issuer must make available a physical copy of the prospectus, including any supplementary or replacement prospectus, upon request by the investor, at no cost and within one business day at any specified location during the offer period. • New Guidance inserted to set out the SC's expectation that the physical copy of the prospectus may be a copy in black and white or grey scale, and the issuer must be satisfied that it provides equivalent information to investors as a coloured prospectus.
Paragraph 3.22	Paragraph 1.16	The requirement was amended to provide that where a supplementary prospectus is registered by the SC, a copy of the electronic supplementary prospectus must be made available to investors in addition to the original prospectus.
-	Paragraph 1.17	New paragraph inserted to provide that where a replacement prospectus is registered by the SC, a copy of the electronic replacement prospectus must be made available to investors in place of the original electronic prospectus which it replaces.

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Paragraph 3.28	Paragraph 1.20	The requirement was further enhanced to provide that the notice must clearly set out that the physical copy of the prospectus is also available upon request at any specified location, during the offer period.
Paragraph 3.29	[deleted]	Existing paragraph deleted on the requirement for notice of specifications for manual submission.
Paragraph 3.30	[deleted]	Existing paragraph deleted on the requirement for notices in relation to securities offerings accessible overseas.
Paragraphs 3.31 and 3.32	[deleted]	Existing paragraphs deleted on the requirement for notice of close of application.
3.0 ELECTRONIC PROSPECTUSES AND ELECTRONIC APPLICATION FORMS	Chapter 2 ELECTRONIC APPLICATION	Existing paragraphs in Chapters 3 and 4 merged and repositioned as the new Chapter 2.
4.0 INTERNET SECURITIES APPLICATION		
Paragraph 3.08	Paragraph 2.01	The requirement was amended to provide that saved for automated teller machine, the electronic application provider must ensure that the electronic application is accompanied by or includes hyperlink to the electronic prospectus.

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Paragraph 3.09	Paragraph 2.02	The requirement was amended to provide that the electronic application provider must ensure that the electronic application allows the investor to make an electronic payment after the investor has confirmed having read and understood the electronic prospectus.
Paragraph 4.01	Paragraph 2.03	The requirement was further enhanced to provide that notices must be displayed before the investor is given access to the electronic application.
Paragraph 4.05	[deleted]	Existing paragraph deleted on the requirement for notice as to the person responsible for the facility for internet securities application.
Paragraph 4.06	[deleted]	Existing paragraph deleted on the requirement for notice as to the procedures for withdrawal of securities application made when a supplementary/replacement prospectus is issued.
-	C. Notice as to the basis of securities offered in electronic prospectus	New sub-header inserted to provide for the requirement in relation to notice as to the basis of securities offered in the electronic prospectus.
-	Paragraph 2.06	New paragraph inserted to provide for the requirement to display notice informing the investor that the securities are offered solely on the basis of the information contained in the electronic prospectus.
Paragraph 4.08	Paragraph 2.08	The requirement was amended to clarify that for rights issue, the investor would not need to provide confirmation that this is the only application that the investor is submitting.

Key amendments to specific paragraphs		
Prior to 23 December 2020	Revision on 23 December 2020	Comments
Systems security and integrity Paragraphs 4.12, 4.13, 4.14 and 4.15	Chapter 3 SYSTEMS SECURITY AND INTEGRITY	<ul style="list-style-type: none"> Existing paragraphs in Chapter 4 amended and repositioned as the new Chapter 3. New Guidance inserted to set out the SC's expectations that Chapter 3 should be guided by the <i>Guidelines on Management of Cyber Risk</i>.
-	Paragraph 3.03	New paragraph inserted to provide that the electronic application provider must not accept an electronic application if it has reason to believe that the electronic prospectus or the processes for collection and handling of application have been tampered with.
Paragraph 4.14	[deleted]	Existing paragraph deleted on the requirement for the application provider to retain a copy of the format and information displayed to an applicant when submitting an Internet securities application in a durable and legible medium for seven years.
5.0 SUBMISSIONS TO THE SC	CHAPTER 4 SUBMISSION TO THE SC	Existing paragraphs in Chapter 5 amended and repositioned as the new Chapter 4.
Appendix 1 DECLARATION BY INTERNAL AUDITOR	[deleted]	Existing Appendix 1 deleted on the requirement for internal auditors of the e-host and electronic application provider to provide a declaration to the SC.
Appendix 2 DECLARATION BY DIRECTOR OR AUTHORISED PERSON	Appendix 1 DECLARATION BY DIRECTOR OR AUTHORISED PERSON	Existing Appendix 2 amended and repositioned as the new Appendix 1.

