

APPENDIX 5
DISCLOSURE OBLIGATIONS
ACE MARKET LISTING REQUIREMENTS

CHAPTER 9 – CONTINUING DISCLOSURE	
Rule 9.19	<p>Immediate announcements to the Exchange</p> <p>A listed corporation must immediately announce to the Exchange the events set out below. This requirement is in addition to the other announcement requirements which are imposed under this Chapter and other parts of these Requirements, and are not exhaustive:</p> <p><u>(14B) any appointment or change in the legal representative(s) (or person(s) of equivalent authority, however described), with sole powers to represent, exercise rights or enter into binding obligations, on behalf of the listed corporation or its foreign principal subsidiary pursuant to any relevant law applicable to the listed corporation or its foreign principal subsidiary. An announcement to the Exchange must include the information contained in Part B(B) of Appendix 9A;</u></p>
Appendix 9A	<p><u>PART B(B)</u></p> <p><u>Contents of announcement in relation to the change in legal representative(s) (or person(s) of equivalent authority, however described)</u> <u>(Rule 9.19(14B))</u></p> <p><u>(a) The identity, qualification, experience, occupation, powers and responsibilities of such person.</u></p> <p><u>(b) Risks in relation to the appointment, including concentration of authority and impediments to the removal of such person.</u></p> <p><u>(c) Description of the processes and procedures put in place to mitigate the risks in relation to the appointment and an opinion by the board of directors on the adequacy of the processes.</u></p> <p><u>(d) Reasons for the change, where applicable.</u></p>
<u>Rule 9.19A</u>	<p><u>Default in payment</u></p> <p><u>(1) A listed corporation must immediately announce to the Exchange any default in payment of either interest, principal sums, or both, in respect of any credit facility or debt securities (whether listed or unlisted on the Exchange) by the listed corporation, or any of its subsidiaries or associated companies, as the case may be, irrespective of whether a demand has been made, where -</u></p>

<p>Appendix 9A</p>	<p>(a) <u>the total amount outstanding of the defaulted credit facility or debt securities, either singly or collectively, is 5% or more of the net assets of the listed corporation based on the latest published or announced financial statements; or</u></p> <p>(b) <u>the default in payment is reasonably expected to have a material effect on the price, value or market activity of any of the listed corporation's securities or the decision of the listed corporation's securities holder or investor in determining his choice of action.</u></p> <p>(2) <u>In circumstances where a listed corporation has negative net assets, the listed corporation must immediately announce any default in payment of either interest, principal sums, or both, in respect of any credit facility or debt securities.</u></p> <p>(3) <u>The listed corporation must include the information contained in Part H(A) of Appendix 9A, in the announcement to the Exchange under sub-Rules (1) or (2) above.</u></p> <p>(4) <u>Where a listed corporation states that it is solvent ("Solvency Declaration") in the announcement to the Exchange under sub-Rules (1) or (2) above, the listed corporation must ensure that its board of directors executes and submits to the Exchange the Solvency Declaration within 3 market days from the announcement date. For this purpose, a listed corporation is regarded as "solvent" if the majority directors have formed the opinion that the listed corporation will be able to pay all its debts as and when they fall due within the period of 12 months from the date of the announcement.</u></p> <p>(5) <u>After the announcement in sub-Rules (1) or (2) above, the listed corporation must announce to the Exchange -</u></p> <p>(a) <u>the current status of the default in payment and the steps taken by the listed corporation to address the default in payment on a monthly basis until such time when the default in payment is remedied; and</u></p> <p>(b) <u>any circumstance which may render the Solvency Declaration inaccurate, immediately upon the listed corporation becoming aware of the same.</u></p> <p><u>PART H(A)</u></p> <p><u>Contents of announcement in relation to default in payment</u> <u>(Rule 9.19A)</u></p> <p>(a) The date of <u>dDefault in payment</u>.</p> <p>(b) The reasons for the <u>dDefault in payment</u>.</p> <p>(c) The measures by the listed corporation to address the <u>dDefault in payment</u>.</p>
--------------------	---

	<ul style="list-style-type: none"> (d) The legal implications of the <u>Default in payment</u> including the extent of the listed corporation's liability in respect of the obligations incurred under the agreements for the indebtedness. (e) The business, financial and operational impact of the <u>Default in payment</u> on the listed corporation. (f) In the event the <u>Default in payment</u> is in respect of secured loan stocks or bonds, the lines of action available to the guarantors or security holders against the listed corporation. (g) In the event the <u>Default in payment</u> is in respect of payments under a debenture, to specify whether the <u>Default in payment</u> will empower the debenture holder to appoint a receiver or receiver and manager. (h) Whether the <u>Default in payment</u> constitutes an event of default under a different agreement for indebtedness (cross default) and the details for such other default, where applicable. (i) Where the <u>Default in payment</u> is in respect of a subsidiary or associated company, a confirmation as to whether the subsidiary or associated company is a major subsidiary or major associated company, as the case may be. (j) Where the <u>Default in payment</u> is in respect of a listed corporation, major subsidiary or major associated company, as the case may be, <ul style="list-style-type: none"> (i) A a statement as to whether the listed corporation is solvent ("Solvency Declaration"). For this purpose, a listed corporation is regarded as being "solvent" if the majority directors have formed the opinion that the listed corporation will be able to pay all its debts as and when they fall due within a period of 12 months from the date of the announcement; and (ii) if the listed corporation is solvent, a statement that the listed corporation undertakes to provide to the Exchange, the Solvency Declaration duly executed by its board of directors within 3 market days from the announcement date. (k) Any other information that the Exchange may require from time to time.
<p>Rule 9.03</p>	<p>Disclosure of material information</p> <ul style="list-style-type: none"> (1) A listed corporation must make immediate public disclosure of any material information, except as set out in Rule 9.05 below. (2) Information is considered material, if it is reasonably expected to have a material effect on - <ul style="list-style-type: none"> (a) the price, value or market activity of any of the listed corporation's securities; or

	<p>(b) the decision of a holder of securities of the listed corporation or an investor in determining his choice of action.</p> <p>(3) Without limiting the generality of sub-Rule (2) above, material information may include information which -</p> <p>(a) concerns the listed corporation's assets and liabilities, business, financial condition or prospects;</p> <p>(b) relates to dealings with employees, suppliers, customers and others;</p> <p>(c) relates to any event affecting the present or potential dilution of the rights or interests of the listed corporation's securities; or</p> <p>(d) relates to any event materially affecting the size of the public holding of its securities.</p> <p><i>[Cross-reference: Guidance Note 5]</i></p>
<p>Rule 9.04(l)</p>	<p>Examples of events which may require immediate disclosure</p> <p>The following are some examples of events which may require immediate disclosure by the listed corporation:</p> <p>(a) the entry into a joint venture agreement or merger;</p> <p>(b) the acquisition or loss of a contract, franchise or distributorship rights;</p> <p>(c) the introduction of a new product or discovery;</p> <p>(d) a change in management;</p> <p>(e) the borrowing of funds;</p> <p>(f) the commencement of or the involvement in litigation and any material development arising from such litigation;</p> <p>(g) the commencement of arbitration proceedings or proceedings involving alternative dispute resolution methods and any material development arising from such proceedings;</p> <p>(h) the purchase or sale of an asset;</p> <p>(i) a change in capital investment plans;</p> <p>(j) the occurrence of a labour dispute or disputes with sub-contractors or suppliers;</p> <p>(k) the making of a tender offer for another corporation's securities;</p>

	<p>(l) the occurrence of an event of default on interest or principal payments or both in respect of loans;[deleted]</p> <p><i>[Cross reference: Guidance Note 5]</i></p> <p>(m) a change in the general business direction;</p> <p>(n) a change of intellectual property rights;</p> <p>(o) the entry into a memorandum of understanding;</p> <p>(p) the entry into any call or put option or financial futures contract; or</p> <p>(q) a change in the business plan of the listed corporation that has been previously disclosed.</p>
<p>Rule 9.16</p>	<p>Content of press or other public announcement</p> <p>(1) The content of a press or other public announcement is as important as its timing. A listed corporation must ensure that each announcement -</p> <p>(a) is factual, clear, unambiguous, accurate, succinct and contains sufficient information to enable investors to make informed investment decisions;</p> <p>(b) is not false, misleading or deceptive, and does not contain any language which is inflammatory, defamatory or scandalous of another person;</p> <p>(c) is balanced and fair. Thus, the announcement must avoid amongst others -</p> <p>(i) the omission of material facts;</p> <p>(ii) the omission of material unfavourable facts, or the slighting of such facts, (e.g. by “burying” them at the end of a press release);</p> <p>(iii) the presentation of favourable possibilities as certain, or as more probable than is actually the case;</p> <p>(iv) the representation with respect to any future performance, occurrence or matter (including the doing of, or the refusing to do, any act) without adequate justification (supported by proper bases and assumptions) or any reasonable grounds for making of such representation;</p> <p>(v) the presentation of revenue or profit estimate, forecast or projection without sufficient qualification, assumptions or factual basis. If any revenue or profit estimate, forecast or projection is released, it must be prepared carefully, with a reasonable factual basis and be stated realistically, with appropriate</p>

	<p>assumptions and qualifications, so as to ensure that it is properly understood. In addition, the accounting bases and calculations of the estimate, forecast or projection and the assumptions must be reviewed by the external auditors except where the revenue or profit estimate, forecast or projection is required to be released on an immediate basis;</p> <p>(vi) negative statements phrased so as to create a positive implication; e.g. "The company cannot now predict whether the development will have a materially favourable effect on its earnings" (creating the implication that the effect will be favourable even if not materially favourable), or "The company expects that the developments will not have a materially favourable effect on earnings in the immediate future" (creating the implication that the development will eventually have a materially favourable effect); or</p> <p>(vii) the use of promotional jargon calculated to induce investment or create interest in the securities of the listed corporation rather than to inform;</p> <p>(d) avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman;</p> <p>(e) explains, if the consequences or effects of the information on the listed corporation's future prospects cannot be assessed, why this is so; and</p> <p>(f) explains, in relation to an announcement on internal targets, that the information disclosed are merely internal management targets or aspirations set to be achieved by the listed corporation and not an estimate, forecast or projection.</p> <p>(2) Where an adviser is appointed by the listed corporation for preparation or submission of the announcement to the Exchange, such adviser must also comply with sub-Rule (1) above.</p> <p>(3) A listed corporation or its adviser does not commit a breach of sub-Rules (1) or (2) above, as the case may be, if such person proves that -</p> <p>(a) he had made all enquiries as were reasonable in the circumstances; and</p> <p>(b) after making such enquiries, he had reasonable grounds to believe and did believe until the submission of the announcement that the announcement did fulfil the requirements of sub-Rule (1) above.</p>
--	---

	<p>(4) Where any announcement referred to in sub-Rule (1) above has been submitted to the Exchange and the person referred to in sub-Rules (1) and (2) above subsequently becomes aware that the announcement may not fulfil the requirements of sub-Rule (1) above, the person must immediately notify the Exchange of the same.</p> <p><i>[Cross-reference: Guidance Note 5]</i></p>
<p>Guidance Note 5</p>	<p><u>DEFAULT IN PAYMENT</u>[Deleted]</p> <p><u>1.0</u> — Introduction</p> <p>1.1 — This Guidance Note enumerates some circumstances upon which a listed corporation must announce an event of default of interest or principal payments for loans under Rules 9.03 and 9.04(l) of the Listing Requirements.</p> <p>1.2 — The circumstances set out in this Guidance Note are not exhaustive.</p> <p>1.3 — Nothing in this Guidance Note restricts the generality of Rules 9.03, 9.04(l) and 9.16 of the Listing Requirements.</p> <p><u>2.0</u> — Events of default</p> <p>2.1 — The following are some events of default (“Defaults”) the occurrence of which a listed corporation is required to immediately announce to the Exchange under Rules 9.03 and 9.04 of the Listing Requirements, irrespective of whether a demand has been made to the listed corporation, its subsidiaries or associated companies, as the case may be:</p> <ul style="list-style-type: none"> (a) — default in payments of interest in respect of loan stocks or bonds, whether listed or unlisted on the Exchange; (b) — default in principal payments in respect of loan stocks or bonds, whether listed or unlisted on the Exchange; (c) — default in payments under a debenture; (d) — default in payments of either interest, principal sums or both in respect of a credit facility where the total amount outstanding of the defaulted credit facility is 5% or more of the net assets of the listed corporation based on the latest published or announced financial statements; or (e) — default in payments of either interest or principal sums or both in respect of a credit facility, which is reasonably expected to have a material effect on the price, value or market activity of any of the listed corporation’s securities or the decision of a listed corporation’s securities holder or investor in determining his choice of action. For the purpose of this subparagraph, where a listed corporation has a negative net asset, any amount in default will be considered as material.

	<p>2.2 The Defaults may be that of the listed corporation, its subsidiaries or associated companies.</p> <p>3.0 Details of the announcement</p> <p>3.1 A listed corporation must include the following information when announcing a Default to the Exchange:</p> <ul style="list-style-type: none"> (a) the date of Default; (b) the reasons for the Default; (c) the measures by the listed corporation to address the Default; (d) the legal implications of the Default including the extent of the listed corporation's liability in respect of the obligations incurred under the agreements for the indebtedness; (e) the business, financial and operational impact of the Default on the listed corporation; (f) in the event the Default is in respect of secured loan stocks or bonds, the lines of action available to the guarantors or security holders against the listed corporation; (g) in the event the Default is in respect of payments under a debenture, to specify whether the Default will empower the debenture holder to appoint a receiver or receiver and manager; (h) whether the Default constitutes an event of default under a different agreement for indebtedness (cross default) and the details for such other default, where applicable; (i) where the Default is in respect of a subsidiary or associated company, a confirmation as to whether the subsidiary or associated company is a major subsidiary or major associated company, as the case may be; (j) where the Default is in respect of a listed corporation, major subsidiary or major associated company, as the case may be— <ul style="list-style-type: none"> (i) a statement as to whether the listed corporation is solvent ("Solvency Declaration"). For this purpose, a listed corporation is regarded as being "solvent" if the majority directors have formed the opinion that the listed corporation will be able to pay all its debts as and when they fall due within a period of 12 months from the date of the announcement; and
--	---

	<p>(ii) if the listed corporation is solvent, a statement that the listed corporation undertakes to provide to the Exchange, the Solvency Declaration duly executed by its board of directors within 3 market days from the announcement date; and</p> <p>(k) any other information that the Exchange may require from time to time.</p> <p>3.2 After the announcement in paragraph 2.1, the listed corporation must announce to the Exchange –</p> <p>(a) the current status of Default and the steps taken by the listed corporation to address the Default on a monthly basis until such time when the Default is remedied; and</p> <p>(b) immediately upon the listed corporation becoming aware of the circumstance which may render the Solvency Declaration inaccurate.</p> <p>4.0 Solvency declaration</p> <p>4.1 In relation to paragraph 3.1(j)(ii), a listed corporation must ensure that its board of directors executes and submits to the Exchange, the Solvency Declaration within 3 market days from the date when the listed corporation announces a Default to the Exchange under paragraph 2.1.</p>
<p>Guidance Note 3, paragraph 2.1(h)</p>	<p>2.1 Pursuant to Rule 8.04(2) of the Listing Requirements, where a listed corporation triggers any one or more of the following Prescribed Criteria, it must comply with the provisions of Rule 8.04 and this Guidance Note:</p> <p>(a) the shareholders’ equity of the listed corporation is 25% or less of the issued and paid-up capital of the listed corporation;</p> <p>(b) where the listed corporation has incurred loss in any 1 full financial year commencing on or after its listing, which equal to or exceed the amount of its shareholders’ equity at the end of the said financial year and the shareholders’ equity is equal to or less than 50% of the issued and paid-up capital of the listed corporation at the end of the said financial year;</p> <p>(c) where the listed corporation has incurred aggregated losses in any 2 consecutive full financial years commencing on or after its listing (“said financial period”) –</p> <p>(i) which exceed the amount of its shareholders’ equity at the end of the said financial period;</p>

	<p>(ii) the loss incurred in the second full financial year of the said financial period is 50% or more of the loss incurred in the first full financial year of the said financial period; and</p> <p>(iii) the shareholders' equity is equal to or less than 50% of the issued and paid-up capital of the listed corporation at the end of the said financial period;</p> <p>(d) receivers or managers have been appointed over the asset of the listed corporation, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed corporation;</p> <p>(e) a winding up of a listed corporation's subsidiary or associated company which accounts for at least 50% of the total assets employed of the listed corporation;</p> <p>(f) the auditors have expressed an adverse or disclaimer opinion in the listed corporation's latest audited financial statements;</p> <p>(g) the auditors have expressed an emphasis of matter on the listed corporation's ability to continue as a going concern in the listed corporation's latest audited financial statements and the shareholders' equity of the listed corporation is 50% or less of the issued and paid-up capital of the listed corporation; <u>or</u></p> <p>(h) a default in payment by a listed corporation, its major subsidiary or major associated company, as the case may be, as announced by a listed corporation pursuant to Guidance Note 5 Rule 9.19A of the Listing Requirements and the listed corporation is unable to provide a solvency declaration to the Exchange;</p> <p>(i) [deleted] the listed corporation has suspended or ceased-</p> <p style="padding-left: 20px;">(i) all of its business or its major business; or</p> <p style="padding-left: 20px;">(ii) its entire or major operations,</p> <p style="padding-left: 20px;">for any reasons whatsoever including, amongst others, due to or as a result of-</p> <p style="padding-left: 20px;">(aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;</p> <p style="padding-left: 20px;">(bb) the disposal of the listed corporation's business or major business; or</p>
--	--

	<p>(cc) — a court order or judgment obtained against the listed corporation prohibiting the listed corporation from conducting its major operations on grounds of infringement of copyright of products etc; or</p> <p>(j) [deleted] the listed corporation has an insignificant business or perations. This is not applicable to a Sponsored Corporation during the Sponsorship Period.</p>
--	--

[End of Appendix 5]