

Annexure E
Main LR Proposed Amendments Relating to
Dividend Reinvestment Scheme

ANNEXURE E

**PROPOSED AMENDMENTS IN RELATION TO A DIVIDEND REINVESTMENT SCHEME
UNDER PART 5 OF THE CONSULTATION PAPER**

Main Market Listing Requirements

Proposal 5.1

Definition of a Dividend Reinvestment Scheme

PARAGRAPH 1.01

Dividend Reinvestment Scheme means a scheme which enables shareholders to elect to receive shares in lieu of the cash dividend, for all or part of their dividend entitlement.

Proposal 5.2

Shareholder approval to implement a Dividend Reinvestment Scheme

PART G(A) DIVIDEND REINVESTMENT SCHEME

6.45A Additional requirements

- (1) A listed issuer which intends to issue shares pursuant to a Dividend Reinvestment Scheme must comply with the provisions in this Part, in addition to those set out in Parts B and C of this Chapter, where applicable.
- (2) For the avoidance of doubt, this Part is not applicable to a distribution of income by a collective investment scheme, or a distribution of dividend in specie.

6.45B Shareholder approval

Where a listed issuer intends to undertake a Dividend Reinvestment Scheme, the listed issuer must –

- (a) issue a circular to its shareholders which includes the following:
 - (i) whether there will be any tax advantage if a shareholder elects to receive shares in lieu of cash, or an appropriate negative statement;
 - (ii) whether a shareholder who elects to receive shares will receive odd lots;
 - (iii) a statement that a person receiving shares under the scheme may be required to comply with the Take-Overs and Mergers Code; and
- (b) obtain shareholder approval for the scheme.

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Main LR Proposed Amendments Relating to
Dividend Reinvestment Scheme

Proposal 5.3

Eligibility and entitlement to participate in the Dividend Reinvestment Scheme

6.45C Eligibility and election of entitlement

- (1) Where a listed issuer intends to undertake a Dividend Reinvestment Scheme, it must allow all its shareholders who are entitled to dividend to participate in a Dividend Reinvestment Scheme.
- (2) The listed issuer must allow such shareholders to elect whether to participate in the Dividend Reinvestment Scheme and give them at least 14 days from the dispatch of the election notice to submit the completed election notice.
- (3) The listed issuer must include in the election notice the following statements:
 - (a) that the shareholders must elect positively in order to participate in a Dividend Reinvestment Scheme, and to receive shares instead of cash for their dividend entitlement;
 - (b) that if no election is made, the listed issuer will automatically pay the dividends in cash to the shareholders concerned; and
 - (c) that the shareholders can choose to receive the entitlement partly in cash and partly in shares, or wholly in cash or shares.
- (4) The listed issuer must include in the statement accompanying the election notice, the following information:
 - (a) a statement of the total number of shares that would be issued if all eligible shareholders were to elect to receive shares for their entire entitlement, and the percentage which that number represents of the issued and paid-up capital (excluding treasury shares) at the date of the books closing date; and
 - (b) that any fractional entitlements arising from the allotment of new shares pursuant to the scheme will be settled in cash.

Proposal 5.4

Pricing of shares allotted pursuant to a Dividend Reinvestment Scheme

6.45D Pricing

- (1) The listed issuer must ensure that the shares allotted pursuant to a Dividend Reinvestment Scheme are not priced at more than 10% discount to the weighted average market price of the shares for the 5 market days immediately before the price-fixing date.
- (2) The listed issuer must announce the issue price of the shares before or when it announces to the Exchange its intention to fix a books closing date under paragraph 9.19(1).

Annexure E
Main LR Proposed Amendments Relating to
Dividend Reinvestment Scheme

Proposal 5.5

Announcement on applicability of the Dividend Reinvestment Scheme

9.19 Immediate announcements to the Exchange

A listed issuer must immediately announce to the Exchange the ~~following~~ 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: –

- (2) any recommendation or declaration of a dividend or distribution which complies with the following:
 - (a) ~~T~~he announcement must include –
 - (i) the rate and amount per share;
 - (ii) the mode (in cash, by shares or both) and date of payment which is within 1 month from the books closing date;~~;~~
 - (iii) where a Dividend Reinvestment Scheme is applicable to that dividend, to state the same and the percentage of the dividend which will be subjected to the scheme;
 - (b) ~~W~~here a dividend or distribution is not taxable in the hands of shareholders, this must be stated in the announcement to the Exchange and on the dividend or distribution advice to shareholders;~~;~~
 - (c) ~~W~~here there is a variation in an interim or a final dividend or distribution for the corresponding period in the previous year, the directors must state the reasons for the variation at the time of the recommendation or declaration;

Annexure E
ACE LR Proposed Amendments Relating to
Dividend Reinvestment Scheme

ACE Market Listing Requirements

Proposal 5.1

Definition of a Dividend Reinvestment Scheme

PARAGRAPH 1.01

Dividend Reinvestment Scheme means a scheme which enables shareholders to elect to receive shares in lieu of the cash dividend, for all or part of their dividend entitlement.

Proposal 5.2

Shareholder approval to implement a Dividend Reinvestment Scheme

PART G(A) DIVIDEND REINVESTMENT SCHEME

6.46A Additional requirements

- (1) A listed corporation which intends to issue shares pursuant to a Dividend Reinvestment Scheme must comply with the provisions in this Part, in addition to those set out in Parts B and C of this Chapter, where applicable.
- (2) For the avoidance of doubt, this Part is not applicable to a distribution of income by a collective investment scheme, or a distribution of dividend in specie.

6.46B Shareholder approval

Where a listed corporation intends to undertake a Dividend Reinvestment Scheme, the listed corporation must –

- (a) issue a circular to its shareholders which includes the following:
 - (i) will there be any tax advantage if a shareholder elects to receive shares in lieu of cash, or an appropriate negative statement;
 - (ii) whether a shareholder who elects to receive shares will receive odd lots;
 - (iii) a statement that a person receiving shares under the scheme may be required to comply with the Take-Overs and Mergers Code; and
- (b) obtain shareholder approval for the scheme.

Proposal 5.3

Eligibility and entitlement to participate in the Dividend Reinvestment Scheme

6.46C Eligibility and election of entitlement

- (1) Where a listed corporation intends to undertake a Dividend Reinvestment Scheme, it must allow all its shareholders who are entitled to dividend to participate in a Dividend Reinvestment Scheme.
- (2) The listed corporation must allow such shareholders to elect whether to participate in the Dividend Reinvestment Scheme and give them at least 14 days from the dispatch of the election notice to submit the completed election notice.
- (3) The listed corporation must include in the election notice the following statements:
 - (a) that the shareholders must elect positively in order to participate in a Dividend Reinvestment Scheme, and to receive shares instead of cash for their dividend entitlement;
 - (b) that if no election is made, the listed corporation will automatically pay the dividends in cash to the shareholders concerned; and
 - (c) that the shareholders can choose to receive the entitlement partly in cash and partly in shares, or wholly in cash or shares.
- (4) The listed corporation must include in the statement accompanying the election notice, the following information:
 - (a) a statement of the total number of shares that would be issued if all eligible shareholders were to elect to receive shares for their entire entitlement, and the percentage which that number represents of the issued and paid-up capital (excluding treasury shares) at the date of the books closing date; and
 - (b) that any fractional entitlements arising from the allotment of new shares pursuant to the scheme will be settled in cash.

Proposal 5.4

Pricing of shares allotted pursuant to a Dividend Reinvestment Scheme

6.46D Pricing

- (1) The listed corporation must ensure that the shares allotted pursuant to a Dividend Reinvestment Scheme are not priced at more than 10% discount to the weighted average market price of the shares for the 5 market days immediately before the price-fixing date.
- (2) The listed corporation must announce the issue price of the shares before or when it announces to the Exchange its intention to fix a books closing date under Rule 9.19(1).

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Proposal 5.5

Announcement on applicability of the Dividend Reinvestment Scheme

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A listed corporation must immediately announce to the Exchange the ~~following~~ events as set out below. This requirement is in addition to the other announcements which are imposed under this Chapter and other parts of these Requirements and are not exhaustive:

(2) any recommendation or declaration of a dividend or distribution which complies with the following.

(a) ~~T~~he announcement must include the

(i) the rate and amount per share;

(ii) the mode (in cash, by shares or both) and date of payment which is within 1 month from the books closing date~~s~~;

(iii) where a Dividend Reinvestment Scheme is applicable to that dividend, to state the same and the percentage of the dividend which will be subjected to the scheme;

(b) ~~W~~here a dividend or distribution is not taxable in the hands of the shareholders, this must be stated in the announcement to the Exchange and on the dividend or distribution advice to shareholders~~s~~;

(c) ~~W~~here there is a variation in an interim or final dividend or distribution for the corresponding period in the previous year, the directors must state the reasons for the variation at the time of the recommendation or declaration;

[End of Annexure]