

Annex D – Template of Equity Securities PHS

Prepared on: [DD/MM/YY]

NAME OF OFFER

EXAMPLE: OFFER OF [TYPE OF SECURITIES] IN [NAME OF ISSUER]

Investment in [type of securities] involves a high degree of risk. Prior to making a decision to invest in our Securities, you should carefully consider all the information contained in the Prospectus. Investors would be subject to various risks and uncertainties, including the potential loss of the entire principal amount invested. If you are in doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

This Product Highlights Sheet is an important document.

- It highlights the key information and risks relating to the offer of our Securities and complements the Prospectus¹.
- It is important to read the Prospectus before deciding whether to invest in our Securities. If you do not have a copy, please contact us to ask for one.
- You should not invest in our Securities if you do not understand the nature of an investment in [type of securities], our business or are not comfortable with the accompanying risks.
- If you wish to invest in our Securities, you will need to make an application in the manner set out in the Prospectus.

Issuer	[•]	Place of Incorporation	[•]
Details of the offering	[•] Example: Total number of shares offered – [•] Institutional placement – [•] shares Public offering – [•] shares Cornerstone offering – [•] shares	Total amount raised in this offer	[•] Example: <ul style="list-style-type: none">• Gross proceeds – S\$[•] to S\$[•]• Net proceeds – S\$[•] to S\$[•]
Issue Price	[•] Example: S\$[•] for each Share	Listing Status	[•] Example: Application to list on the Mainboard of SGX-ST
Issue Manager(s)	[•]	Underwriter(s)	[•]

¹ The Prospectus is available for collection at [time and place] or accessible at [web address, if applicable].

OVERVIEW	
WHO ARE WE AND WHAT DO WE DO?	
<p><i>[Provide an overview of the Issuer and its subsidiaries (the “Group”), including the Group’s nature of operations and principal activities, main markets and principal place of operations, and operational track record.]</i></p> <p>Example:</p> <p>We are engaged in the business of <i>[principal business]</i> in <i>[country]</i>. We were incorporated in <i>[country]</i> on <i>[date]</i> under the name of <i>[name of company]</i> (and together with our subsidiaries, our “Group”). On <i>[date]</i>, we acquired all of the ordinary share capital of <i>[name of subsidiaries]</i>. <i>[subsidiary X]</i>, <i>[subsidiary Y]</i> and <i>[subsidiary Z]</i> are responsible for design and manufacturing of our products in <i>[country X]</i>, <i>[country Y]</i> and <i>[country Z]</i> respectively.</p> <p>The structure of our Group as at the date of this prospectus is as follows:</p> <div style="border: 1px solid black; width: 200px; height: 40px; margin: 10px auto; text-align: center; padding: 5px;"> <p>[structure chart]</p> </div>	<p><u>Further Information</u></p> <p>Refer to the “[<i>relevant section</i>]” on page(s) [●] of the Prospectus for more information on our background and business.</p>
WHO ARE OUR KEY MANAGEMENT PERSONNEL?	
<p><i>[Provide brief information on the Issuer’s board of directors and key executive officers (i.e. CEO, CFO, COO) and their management track record]</i></p> <p>Example:</p> <p>Our board of directors comprise the following directors:</p> <ul style="list-style-type: none"> (a) Director A (b) Director B (c) Director C (d) Director D (e) Director E <p>Director C, Director D and Director E are our independent directors.</p> <p>Our key executive officers are <i>[names of executive officers]</i>.</p> <p><i>[Name of chairman]</i> has been our Company’s chairman since <i>[date]</i>.</p> <p><i>[Description of management track record]</i>.</p>	<p>Refer to the “[<i>relevant section</i>]” on page(s) [●] of the Prospectus for more information on our directors and management.</p>
WHO ARE OUR CONTROLLING SHAREHOLDERS?	
<p><i>[Identify the controlling shareholder(s) of the Issuer.]</i></p> <p>Example:</p> <p>Prior to the IPO, <i>[controlling shareholder]</i> holds [●]% of our Company’s total issued share capital. He is expected to hold at least [●]% of our Company post-IPO and to remain a controlling shareholder.</p>	<p>Refer to the “[<i>relevant section</i>]” on page(s) [●] of the Prospectus for more information on our controlling shareholders.</p>

HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION?

[Provide key profit and loss data (including net sales/revenue, profit or loss before tax, net profit or loss, and earnings or loss per share before and after the offer) and cash flows data (operating, financing and investing cash flows) in respect of each financial year and any interim period for which financial information has been included in the Prospectus. Briefly discuss the significant factors, events or new developments which materially affected the Issuer's sales/revenue, expenses and profit or loss before tax for each financial period. Provide also key balance sheet data (including total assets, total liabilities, net assets or liabilities and issued capital and reserves) as at the end of the most recent completed financial year or any subsequent interim period for which financial information has been included. In addition, include selected profit forecast or estimate information if a profit forecast or estimate is disclosed in the Prospectus]

Refer to the "[relevant section]" on page(s) [●] of the Prospectus for more information on our financial performance and position.

Example:

Key profit and loss information

	Year ended 31 December		
	[Year]	[Year]	[Year]
	S\$('000)	S\$('000)	S\$('000)
Net revenue	[●]	[●]	[●]
Profit/ (loss) before tax	[●]	[●]	[●]
Profit/ (loss) after tax	[●]	[●]	[●]
Profit/ (loss) after tax including discontinued operations	[●]	[●]	[●]
Earnings/ (loss) per share – Basic	[●]	[●]	[●]
Earnings/ (loss) per share - Diluted	[●]	[●]	[●]

Key cash flows information

	Year ended 31 December	
	[Year]	[Year]
	S\$('000)	S\$('000)
Net cash generated from operating activities	[●]	[●]
Net cash used in investing activities	[●]	[●]
Net cash generated from financing activities	[●]	[●]
Net increase/(decrease) in cash and cash equivalents	[●]	[●]
Cash and cash equivalents at end of year/period	[●]	[●]

Key balance sheet information

	Year ended 31 December	
	[Year]	[Year]
	S\$('000)	S\$('000)
Total assets	[•]	[•]
Total liabilities	[•]	[•]
Net assets/(liabilities)	[•]	[•]

The key factors contributing to our Group's financial performance over the last two completed financial years are as follows:

- Our revenue for [year] increased by S\$[•] million ([•]%) due to an increase in sales volume contributed by our introduction of our new product in [year].
- Our net profit from operations in [year] was S\$[•] million, which is [•]% higher than our net profit from operations of S\$[•] million in [year]. This was mainly attributable to lower finance costs of S\$[•] million due to lower interest rates and lower loan principals.
- Our net cash generated from operating activities decreased by S\$[•] million from S\$[•] million in [year] to S\$[•] million in [year] due to an increase credit sales that contributed to an increase in trade receivables of S\$[•] million from S\$[•] million in [year] to S\$[•] million in [year].
- Our net assets increased by S\$[•] million from S\$[•] million in [year] to S\$[•] million in [year] mainly due to the S\$[•] million increase in inventories for our new produced introduced in [year].

INVESTMENT HIGHLIGHTS

WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

[Briefly describe the Group's key strategies and future plans for generating income or capital growth for investors.]

Example:

Key Strategies and Future Plans

We have a well established brand name in [country] and we are recognized as the leading manufacturing company of [principal business] in [country]. We have a strong management team with over 20 years of experience in the industry and they have contributed significantly to our Company's growth and expansion since our incorporation in [year]. We aim to strengthen our position in this industry and region by expanding our operations to [names of countries] in the next 3 years.

We have also recently started a joint venture with [name of company] to enter into the [secondary business] market. We believe that there is a growing market for [secondary business] in [country] given the changing lifestyles of consumers in [country].

Refer to the "[relevant section]" on page(s) [•] of the Prospectus for more information on our strategies and future plans.

WHAT ARE THE KEY TRENDS AFFECTING OUR BUSINESS AND PROSPECTS?

[Briefly discuss the Group's business and financial prospects and any significant recent trends affecting the Group and the industries in which it operates.]

Example:

Refer to the "[relevant section]" on page(s) [•] of

<p>Trends and Prospects</p> <p>The results of our Group’s operations for the most recent completed financial year have grown by [●]%, and are expected to continue to grow by a further [●]% primarily influenced by the following factors:</p> <ul style="list-style-type: none"> • Our ability to maintain and expand our market share and revenue in [country]; • The positive outlook of [country]’s economy; • Our Group’s joint venture with [name of company] to enter into the [secondary business] market; • Our acquisition of [asset] in [year]. 	<p>the Prospectus for more information on our business and financial prospects.</p>
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WHAT ARE THE KEY RISKS WHICH MAY MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?

<p><i>[Discuss the key risks which the Issuer considers to be the most important for the investor when deciding whether or not he should invest in the shares/units being offered, taking into account the possibility of the risk occurring and/or whether the event will have a material adverse impact on the Group’s business, financial performance and position and the investor’s investment in the shares/units. The Issuer should not set out the entire list of risk factors found in the “Risk Factors” section.]</i></p> <p>Example:</p> <p>KEY RISKS</p> <p>We consider the following to be the most important key risks which may materially affect our business operations, financial performance and position, and your investment in our shares.</p> <ul style="list-style-type: none"> • An economic downturn could negatively affect our profitability: Our industry is exposed to cyclical variations in the general economy and to uncertainty of future economic prospects. Economic downturns could have an adverse impact on overall demand. This would result in a decrease in our sales and earnings. • Our industry is highly competitive: We compete against numerous businesses and our competitors may be larger and have greater financial resources. We compete for customers, financing, employees and other resources. This creates both strong price and quality competition, which leads to increased costs in the form of marketing and customer services, in addition to price reductions. Our ability to compete effectively depends on several factors, including our market presence, our reputation, our competitors, and general trends in the industry and economy. There is no assurance that we can compete successfully. • A substantial proportion of our revenues derive from several major customers and loss of their business may seriously impact our financial results: Our five largest customers accounted for approximately [●]% of our revenues for the year ended [year], and our ten largest customers accounted for approximately [●]% of our revenues for the year ended [year]. Our revenues may significantly decrease if we lose any of these customers or they reduce their volume of business with us. • We face risks associated with our business being conducted in [country]: As most of our operations are conducted in [country], our business may be adversely affected if we cannot successfully manage inherent risks including: unexpected political or economic developments; fluctuations in foreign currency exchanges rates; unfavourable tax consequences; adverse legal or regulatory changes; insufficient protection for intellectual property rights; and complexities 	<p>Refer to the “[relevant section]” on page(s) [●] of the Prospectus for more information on risk factors.</p>
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<p>relating to currency and capital transfers.</p> <ul style="list-style-type: none"> • The restrictions on our operating subsidiary’s ability to make payments to us could have a material adverse effect on our ability to fund and operate our business: We are a holding company and conduct substantially all of our business through our operating subsidiaries in [country]. Accordingly, we will rely on dividends paid by our subsidiaries for our cash needs, including the necessary funds to pay our operating expenses, service any debt we may incur, and pay any dividends that may be declared. The payments of dividends by [country] entities such as our subsidiaries are subject to limitations in accordance with the rules and regulations of [country], which may negatively affect our operations and profitability. <p>The above are not the only risk factors that could have a material adverse effect on our business, financial performance and condition, and your investments. Refer to “[relevant section]” on page(s) [●] of the Prospectus for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to invest in our shares, you should consider all the information contained in the prospectus.</p>	
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WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?

<p><i>[Describe the type and class of shares being offered, including the rights attached to the shares and any restrictions on the free transferability of shares.]</i></p> <p>Example:</p> <p>Key Information on Shares Offered</p> <p>As of the date of this prospectus, our authorised share capital was S\$[●] comprising [●] ordinary shares of S\$[●] each while our issued and paid up ordinary share capital was S\$[●] consisting of [●] shares.</p> <p>We have only one class of shares, and the IPO Shares, upon allotment and issue, will rank equally in all respects with our other existing issued and paid-up shares, including voting rights. Shareholders will be entitled to share, in proportion to their shareholding, all rights attached to the shares such as cash dividends as may be declared from time to time by the board, and assets available for distribution upon liquidation, dissolution or winding up of our Company.</p>	<p>Refer to the “[relevant section]” on page(s) [●] of the Prospectus for more information on the shares offered in the IPO.</p>
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HOW WILL THE PROCEEDS OF THE OFFER BE USED?

<p><i>[Provide information on the amount of net proceeds raised from the offer, how they will be allocated to each principal intended use.]</i></p> <p>Example:</p> <p>Use of Proceeds</p> <p>The following represents our best estimate of the allocation of the proceeds to be raised from the offering, assuming the over-allotment option is not exercised. We will not receive any proceeds from the sale of shares by [vendor].</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Details of utilisation</th> <th style="text-align: center;">Estimated timeframe for utilisation upon listing</th> <th style="text-align: center;">S\$ (million)</th> <th style="text-align: center;">Allocation for each S\$1.00 raised</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Details of utilisation	Estimated timeframe for utilisation upon listing	S\$ (million)	Allocation for each S\$1.00 raised					<p>Refer to the “[relevant section]” on page(s) [●] of the Prospectus for more information on our use of proceeds.</p>
Details of utilisation	Estimated timeframe for utilisation upon listing	S\$ (million)	Allocation for each S\$1.00 raised						

Expansion of business	Within [•] months	[•]	[•]
Working capital and general corporate purposes	Within [•] months	[•]	[•]
Estimated listing expenses	Within [•] months	[•]	[•]
Total		[•]	1.00

WILL WE BE PAYING DISTRIBUTIONS AFTER THE OFFER?

<p><i>[Describe the Issuer's dividend policy.]</i></p> <p>Example:</p> <p>Over the last three financial years ended 31 December [year], [year] and [year], we have declared and distributed dividends of approximately \$[•] million, \$[•] million and \$[•] million. This amounted to dividends per share of our Company of \$[•], \$[•] and \$[•]. The payment of dividends depends on earnings, financial condition and other business and economic factors. If we do not pay any dividends, any return on investment may be limited to the value of our shares, and our shares may be less valuable because return on investment will depend entirely on capital appreciation.</p>	<p>Refer to the "[relevant section]" on page(s) [•] of the Prospectus for more information on our dividend policy.</p>
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DEFINITIONS

[Provide definitions if necessary.]

CONTACT INFORMATION

WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

HOW DO YOU CONTACT US?
[Provide contact details of Issuer, distributor(s)/underwriter(s) and/or issue manager(s) whom investors can contact if they have enquiries. Include a website address and email address, if appropriate.]