

CONSULTATION PAPER

P026 - 2014
December 2014

Consultation Paper on Draft Legislation to Effect the Policy Proposals to Facilitate Bond Offerings to Retail Investors

MAS

Monetary Authority of Singapore

PREFACE

On 1 September 2014, MAS released a consultation paper (the “**September Consultation Paper**”) seeking feedback on proposed changes to the regulatory regime for bond offerings to retail investors. The consultation closed on 30 September 2014 and MAS published its response to the feedback on 23 December 2014 (the “**Response Paper**”).

2 MAS is now consulting on draft legislation to effect the policy proposals set out in the MAS’ Response Paper. The legislative drafts are:

- (i) the draft *Securities and Futures (Offers of Investments) (Shares and Debentures) (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII for Post-Seasoning Debentures) Regulations 2015*; and
- (ii) the draft *Securities and Futures (Offers of Investments) (Shares and Debentures) (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII for Offers of Qualified Debentures) Regulations 2015*.

3 MAS invites interested parties to provide their comments and feedback on the draft legislation to:

Primary Markets Conduct Division
Market Conduct Department
Monetary Authority of Singapore
10 Shenton Way
MAS Building
Singapore 079117

Email: PartXIISFA_SFR_amendments@mas.gov.sg
Fax: (65) 6225 1350

4 MAS requests that all comments and feedback be submitted by 23 January 2015. Please note that all submissions received may be made public unless confidentiality is specifically requested for.

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1 INTRODUCTION

1 MAS' September Consultation Paper was issued concurrently with SGX's consultation paper (the "**SGX Consultation Paper**"), which proposed a framework (the "**Seasoning Framework**") for retail investors to be able to access bonds initially offered to institutional and accredited investors and to investors in large denominations of at least S\$200,000 (without a prospectus) after a 6-month period ("**Seasoning Period**"). Issuers who satisfy SGX's eligibility criteria would be eligible to participate in the Seasoning Framework. After the Seasoning Period, the bonds can be re-denominated into smaller lot sizes ("**Seasoned Bonds**") and made available to retail investors via secondary trading on the SGX Mainboard.

PART 1: PROSPECTUS EXEMPTION FOR THE RE-TAP UNDER THE SEASONING FRAMEWORK

2 Under the Seasoning Framework, eligible issuers will have the option of making offers of new bonds to retail investors ("**re-tap**") after the Seasoning Period. Such new bonds will have the same terms (save for issue date, term to maturity, issue size and price) as the Seasoned Bonds.

3 MAS intends to exempt eligible issuers conducting the re-tap from prospectus requirement subject to conditions to safeguard retail investors' interests, including a condition that the issuer provides investors with a product highlights sheet ("**PHS**"). The form and content requirements of the PHS are set out in the Schedule to the draft *Securities and Futures (Offers of Investments) (Shares and Debentures) (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII for Post-Seasoning Debentures) Regulations 2015* set out in **Annex 1**.

PART II: PROSPECTUS EXEMPTION FOR EXEMPT BOND ISSUERS

4 MAS intends to allow an issuer who satisfies stricter eligibility criteria than that under the Seasoning Framework ("**Exempt Bond Issuers**") to offer bonds directly to retail investors at the start of an offer without a prospectus. The prospectus exemption for Exempt Bond Issuers will be subject to conditions, including a condition that the issuer provides investors with a simplified disclosure document ("**SDD**") as well as a PHS (which will be subject to the same form and content requirements as that required for a re-tap). The content requirements of the SDD are set out in the First Schedule to the draft *Securities and Futures (Offers of Investments) (Shares and*

*Debentures) (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII for Offers of Qualified Debentures) Regulations 2015 set out in **Annex 2**.*

INVITATION FOR COMMENTS

5 MAS invites comments on the following:

- (i) The proposed *Securities and Futures (Offers of Investments) (Shares and Debentures) (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII for Post-Seasoning Debentures) Regulations 2015* attached at **Annex 1**; and
- (ii) The proposed *Securities and Futures (Offers of Investments) (Shares and Debentures) (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII for Offers of Qualified Debentures) Regulations 2015* attached at **Annex 2**.

ANNEX 1 – DRAFT SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) (EXEMPTION FROM SUBDIVISIONS (2) AND (3) OF DIVISION 1 OF PART XIII FOR POST-SEASONING DEBENTURES) REGULATIONS 2015

Disclaimer: This version of the Regulations is in draft form and is subject to change. It is also subject to review by the Attorney-General's Chambers.

No. S 000

SECURITIES AND FUTURES ACT
(CHAPTER 289)
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) (EXEMPTION FROM SUBDIVISIONS (2) AND (3) OF DIVISION 1 OF PART XIII FOR POST-SEASONING DEBENTURES)
REGULATIONS 2015

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
2. Definitions
3. Definition of subsidiary of an entity
4. Definition of subsidiary entity
5. Exemption
6. Product highlights sheet

THE SCHEDULE Form and Content Requirements of the Product Highlights Sheet

In exercise of the powers conferred by section 337(1) of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Offers of Investments) (Shares and Debentures) (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII for Post-seasoning Debentures) Regulations 2015 and shall come into operation on <xx xxx 2015>.

Definitions

2. — (1) In these Regulations –

“annual consolidated financial statements”, in relation to an entity, means consolidated financial statements covering a financial year of the entity;

“asset-backed securities” has the same meaning as in section 262(3) of the Act;

“equity interest”, in relation to an entity, means any right or interest, whether legal or equitable, in the entity, by whatever name called, and includes any option to acquire any such right or interest in the entity;

“financial statements” in relation to an entity, means profit and loss statements, balance sheets and cash flow statements, and includes any attached notes and schedules which are required by the body of accounting standards adopted by the entity concerned in preparing its financial statements;

“group” means

(a) a corporation, its subsidiaries and its subsidiary entities (if any); or

(b) an entity (not being a corporation), its subsidiaries and its subsidiary entities (if any);

“guaranteed debenture issuance” means the issuance of debentures by a borrowing entity which are guaranteed or are to be guaranteed by a guarantor entity;

“holding entity” means

(a) a corporation which controls more than half of the voting power of another entity or holds more than half of the issued equity interests of that other entity; or

(b) an entity (not being a corporation) which controls more than half of the voting power of another entity or holds more than half of the issued equity interests of that other entity;

“market day” means a day on which the relevant securities exchange is open for trading in securities;

“offering circular” means the offer document provided to investors pursuant to the offer of Seasoned Debentures;

“Post-seasoning Debentures” means debentures that have not been previously issued and are, or are to be, uniform in all respects with Seasoned

Debentures previously issued by the same entity, except with respect to price, tenor, size and date of issuance;

“published” includes publication in a prospectus, in an annual report or through the electronic network operated by the relevant securities exchange;

“relevant person” has the same meaning as in section 275(2) of the Act;

“retail investor” means a person other than an institutional investor or a relevant person;

“Seasoned Debentures” means debentures offered by an entity which -

- (a) were previously issued pursuant to an offer made in reliance on an exemption under section 274 or 275 of the Act;
- (b) the size of the issuance is not less than S\$150 million (or its equivalent in a foreign currency);
- (c) are listed for quotation on a securities exchange and are made available for trading on the securities exchange after the Seasoning Period pursuant to the Seasoning Framework;
- (d) have a fixed term not exceeding 10 years;
- (e) provide for repayment of the principal sum at the end of the fixed term;
- (f) have periodic interest payments which cannot be deferred;
- (g) carry a fixed interest rate or floating rate of interest comprised of a reference rate plus a fixed rate (the sum of which may not be less than zero) which cannot be decreased;
- (h) are not convertible into or exchangeable for other securities, equity interests or property, or attached with options, warrants or similar rights to subscribe for or purchase other securities, equity interests or property;
- (i) are not redeemable before the end of the fixed term except in the case where there has been a change in a law, or in the application or interpretation of a law, with the effect that the entity, or in the case of a guaranteed debenture issuance either the entity or the guarantor entity, incurs additional taxes, duties, assessments or government charges imposed, levied, collected, withheld or assessed by any authority of any taxing jurisdiction to which the entity, or in the case of a guaranteed debenture issuance, either the entity or the guarantor entity, is subject to;
- (j) are not asset-backed securities or structured notes; and

- (k) are unsubordinated to other existing debt obligations of the entity or in the case of a guaranteed debenture issuance, are unsubordinated to other existing debt obligations of the entity and the guarantor entity;

“Seasoning Framework” means the framework administered by a securities exchange pursuant to the listing rules of the securities exchange by which issued debentures are listed for quotation and are made available for trading after the Seasoning Period to qualify as Seasoned Debentures;

“Seasoning Period” means the period of 6 months from the date the Seasoned Debentures are listed for quotation on a securities exchange;

“single purpose vehicle” means an entity that is established solely in order to, or a trust that is established solely in order for its trustee to, do either or both of the following:

- (a) act as counterparty to arrangements which involve the use of derivatives to create exposure to assets from which payments to holders of any structured notes are or will be primarily derived;

- (b) issue any structured notes;

“structured notes” means any type of debentures or units of debentures –

- (a) which is issued –

- (i) in relation to a synthetic securitization transaction; or
(ii) by any bank licensed under the Banking Act (Cap. 19); and

- (b) for which –

- (i) the principal sum or any interest is, or both are, payable;
(ii) one or more of the underlying securities, equity interests, commodities, or currencies are to be physically delivered; or
(iii) both;

in accordance with a formula based on one or more of the following:

- (A) the performance of any type of securities, equity interest, commodity or index, or a basket of two or more types of securities, equity interests, commodities or indices;
(B) the credit risk or performance of any entity or a basket of entities; or
(C) the movement of interest rates or currency exchange rates;

“subsidiary” –

- (a) in relation to a corporation, has the same meaning as section 5(1) of the Companies Act (Cap. 50); and
- (b) in relation to an entity (not being a corporation), means a corporation that is deemed to be a subsidiary entity of the first mentioned entity under regulation 3;

“synthetic securitization transaction” means an arrangement involving the use of derivatives to create or replicate exposure to assets that are not transferred to, or are not a part of an asset pool held by, a single purpose vehicle;

(2) Any word or expression used in these Regulations, which is defined in section 239 of the Act shall have the same meaning as in that section.

Definition of subsidiary of an entity

3 — (1) A corporation shall be deemed to be a subsidiary of an entity (not being a corporation) if –

- (a) the entity –
 - (i) controls the composition of the board of directions of the corporation;
 - (ii) controls more than half of the voting power of the corporation; or
 - (iii) holds more than half of the issued share capital of the corporation (excluding any part thereof which consists of preference shares); or
- (b) the corporation is a subsidiary of another entity which is a subsidiary of the entity.

(2) For the purposes of sub-paragraph (1)(a)(i), the composition of a corporation’s board of directors shall be deemed to be controlled by the entity if the entity has the power to, without the consent or concurrence of any other person, appoint or remove all or a majority of the directors, and for the purposes of this provision, the entity shall be deemed to have that power if —

- (a) a person cannot be appointed as a director without the exercise in his favour by the entity of that power; or
- (b) a person’s appointment as a director follows necessarily from his holding an appointment in relation to the entity which is equivalent to that of a director or officer of a corporation.

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- (3) In determining whether a corporation is a subsidiary of the entity –
- (a) any shares held in or power exercisable over the corporation by the entity in a fiduciary capacity shall not be treated as held or exercisable by the entity;
 - (b) subject to sub-paragraphs (c) and (d), any shares held in or power exercisable over the corporation —
 - (i) by any person as a nominee for the entity (except where the entity is concerned only in a fiduciary capacity); or
 - (ii) by, or by a nominee for, a subsidiary of the entity, not being a subsidiary which is concerned only in a fiduciary capacity,shall be treated as held or exercisable by the entity;
 - (c) any shares held in or power exercisable over the corporation by any person by virtue of the provisions of any debentures of the corporation or of a trust deed for securing any issue of such debentures shall be disregarded; and
 - (d) any shares held in or power exercisable over the corporation by, or by a nominee for, the entity or its subsidiary (not being shares held in or power exercisable over the corporation as mentioned in sub-paragraph (c)) shall not be treated as held or exercisable by the entity if the ordinary business of the entity or its subsidiary, as the case may be, includes the lending of money, and the shares are held or power is exercisable as security only for the purposes of a transaction entered into in the ordinary course of that business.

Definition of subsidiary entity

4 — (1) An entity (not being a corporation) shall, subject to sub-paragraph (3), be deemed to be a subsidiary entity of another entity, if —

- (a) the second-mentioned entity —
 - (i) controls the composition of the board of persons (referred to in this paragraph as the Board) of the first-mentioned entity which is equivalent to the board of directors of a corporation;
 - (ii) controls more than half of the voting power of the first-mentioned entity; or
 - (iii) holds more than half of the issued equity interests of the first-mentioned entity; or

(b) the first-mentioned entity is a subsidiary entity of another entity which is a subsidiary or subsidiary entity of the second-mentioned entity.

(2) For the purposes of sub-paragraph (1)(a)(i), the composition of the Board of an entity shall be deemed to be controlled by another entity if the second-mentioned entity has the power to, without the consent or concurrence of any other person, appoint or remove all or a majority of the Board of the first-mentioned entity, and for the purposes of this provision, the second-mentioned entity shall be deemed to have that power if —

(a) a person cannot be appointed as a member of the Board of the first-mentioned entity without the exercise in his favour by the second-mentioned entity of that power; or

(b) a person's appointment as a member of the Board of the first-mentioned entity follows necessarily from his holding an appointment in relation to the second-mentioned entity which is equivalent to that of a director or officer of a corporation.

(3) In determining whether an entity (not being a corporation) is a subsidiary entity of another entity —

(a) any equity interests held in or power exercisable over the first-mentioned entity by the second-mentioned entity in a fiduciary capacity shall not be treated as held or exercisable by the second-mentioned entity;

(b) subject to sub-paragraphs (c) and (d), any equity interests held in or power exercisable over the first-mentioned entity —

(i) by any person as a nominee for the second-mentioned entity (except where the second-mentioned entity is concerned only in a fiduciary capacity); or

(ii) by, or by a nominee for, a subsidiary or subsidiary entity of the second-mentioned entity, not being a subsidiary or subsidiary entity which is concerned only in a fiduciary capacity,

shall be treated as held in or exercisable over the first-mentioned entity by the second-mentioned entity;

(c) any equity interests held in or power exercisable over the first-mentioned entity by any person by virtue of the provisions of any debentures of the first-mentioned entity or of a trust deed for securing any issue of such debentures shall be disregarded; and

(d) any equity interests held in or power exercisable over the first-mentioned entity by, or by a nominee for, the second-mentioned entity

or its subsidiary or subsidiary entity (not being equity interests held in or power exercisable over the first-mentioned entity as mentioned in subparagraph (c)) shall not be treated as held or exercisable by the second-mentioned entity if the ordinary business of the second-mentioned entity or its subsidiary or subsidiary entity, as the case may be, includes the lending of money and the equity interests are held or power is exercisable as security only for the purposes of a transaction entered into in the ordinary course of that business.

Exemption

5. — (1) Subject to the conditions specified in paragraph 5, Subdivisions (2) and (3) of Division 1 of Part XIII (other than section 258) shall not apply to an offer of Post-seasoning Debentures made by an entity if at the time of the offer –

(a) the securities previously issued by that entity, or in the case of a guaranteed debenture issuance, either that entity or the guarantor entity, satisfy either of the following at the time of the offer –

- (i) shares of that entity or the guarantor entity have been listed for quotation on a securities exchange or a recognised securities exchange, and are traded on the exchange, for a minimum period of 5 years;
- (ii) debentures of that entity or the guarantor entity are listed and have been listed for quotation for a minimum period of 5 years on a securities exchange;

(b) that entity, or in the case of a guaranteed debenture issuance, either that entity or the guarantor entity satisfies either of the following at the time of the offer –

- (i) the market capitalisation of that entity or the guarantor entity is not less than S\$1 billion (or its equivalent in a foreign currency) for each of the 180 market days prior to the offer;
- (ii) the net assets of that entity or the guarantor entity as determined from the published audited annual consolidated financial statements for its most recent completed financial year and the average net assets of the same entity as determined from the published audited annual consolidated financial statements for the 3 most recent completed financial years is not less than S\$500 million (or its equivalent in a foreign currency); and

(c) that entity, or in the case of a guaranteed debenture issuance, either that entity or the guarantor entity satisfies one of the following at the time of the offer –

- (i) for the 3 most recent completed financial years, that entity or the guarantor entity has not had on average a net loss and has on average a positive net cash inflow from its operating activities as determined from the published audited annual consolidated financial statements;
- (ii) that entity or the guarantor entity has been awarded a credit rating of not less than the following –
 - (A) BBB by Fitch Ratings;
 - (B) Baa2 by Moody's Investors Service; or
 - (C) BBB by Standard & Poor's Ratings Services; or
- (iii) in the 5 years prior to the offer, the aggregate size of the debenture issuances by that entity or the guarantor entity is not less than S\$500 million (or its equivalent in a foreign currency), and such debentures are or had been listed for quotation on a securities exchange.

(2) For the purposes of sub-paragraph (b) of paragraph 1, a reference to the entity or the guarantor entity shall, if the entity or guarantor entity is the holding entity of a group, be a reference to the group.

(3) Sub-paragraph (c)(ii) of paragraph 1 shall be deemed to be satisfied if the Post-seasoning Debentures have been awarded a credit rating of not less than the following –

- (a) BBB by Fitch Ratings;
- (b) Baa2 by Moody's Investors Service; or
- (c) BBB by Standard & Poor's Ratings Services.

(4) A guarantor entity shall be deemed to have satisfied sub-paragraph (c)(iii) of paragraph 1 if —

- (a) in the 5 years prior to the offer, the aggregate size of the debenture issuances by the wholly-owned entities of the guarantor entity is not less than S\$500 million (or its equivalent in a foreign currency) and the debentures are or had been listed for quotation on a securities exchange; and
- (b) the guarantor entity has guaranteed the issuance of such debentures.

(5) The exemption under paragraph (1) shall be subject to the following conditions —

- (a) the offer of Post-seasoning Debentures is made to –
 - (i) retail investors only; or
 - (ii) retail investors and either institutional investors or relevant persons or both;
- (b) at the time the offer of Seasoned Debentures was made, the entity announced or otherwise disseminated the offering circular to the securities market operated by the securities exchange where the Seasoned Debentures are to be listed for quotation and are to be made available for trading after the Seasoning Period pursuant to the Seasoning Framework;
- (c) the Post-seasoning Debentures must be listed for quotation on the securities exchange, and are traded on the exchange;
- (d) the aggregate amount of Post-seasoning Debentures issued to retail investors does not exceed 50% of the size of the issuance of Seasoned Debentures;
- (e) where the offer of Post-seasoning Debentures is made to a retail investor, the entity gives the retail investor, a product highlights sheet relating to the offer which complies with the requirements set out in regulation 6 and which sets out information that is current at the time of offer; and
- (f) the entity announces or otherwise disseminates the product highlights sheet to the securities market operated by the securities exchange at the time the offer of Post-seasoning Debentures is made.

(6) Where an offer of Seasoned Debentures is part of a debenture issuance programme, a reference to an offer of Post-seasoning Debentures shall be construed as a reference to an offer of debentures that are, or are to be, uniform in all respects with that particular offer of Seasoned Debentures under the debenture issuance programme, except with respect to price, tenor, size and date of issuance.

(7) Where the offer is made using any automated teller machine or other electronic means, sub-paragraph (e) of paragraph (5) shall be deemed to be satisfied if before enabling a retail investor to submit any application to subscribe for or purchase the debentures, the retail investor is informed through the automated teller machine or such other electronic means —

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- (a) how he can obtain, or arrange to receive, a copy of the product highlights sheet relating to the offer which complies with the requirements set out in regulation 6 and which sets out information that is current at the time of the offer; and
 - (b) that he should read the product highlights sheet before submitting his application.

Product highlights sheet

6. — (1) The product highlights sheet shall contain the information required under the Schedule and be prepared in accordance with the format set out in the Schedule.

(2) The information required under the Schedule in a product highlights sheet, including footnotes and references –

- (a) shall be clearly legible; and
- (b) shall be in a font size of at least 10-point Times New Roman or equivalent.

(3) A product highlights sheet shall have a maximum page limit of eight pages.

(4) For the avoidance of doubt –

- (a) if a product highlights sheet is printed on both sides of a sheet, each sheet of the product highlights sheet will count as 2 (two) pages; and
- (b) a page should be no larger than 297 millimetres in length and 210 millimetres in breadth (A4 paper size).

THE SCHEDULE

FORM AND CONTENT REQUIREMENTS OF THE PRODUCT HIGHLIGHTS SHEET

Prepared on: [DD/MM/YY]

NAME OF OFFER OF DEBENTURES ("the Bonds")

EXAMPLE: OFFER OF S\$[●] BONDS] DUE [●] BY [NAME OF THE ENTITY (REFERRED TO IN THIS SCHEDULE AS THE RELEVANT ENTITY OR THE ISSUER) IN RESPECT OF WHICH THE DEBENTURES ARE BEING OFFERED] (the "Bonds")

Prior to making a decision to purchase the Bonds, you should carefully consider all the information contained in the Offering Circular. This Product Highlights Sheet should be read in conjunction with the Offering Circular. You will be subject to various risks and uncertainties, including the potential loss of the entire principal amount invested. If you are in doubt as to investing in the Bonds, you should consult your legal, financial, tax or other professional adviser.

This offer to retail investors is made in reliance on an exemption granted by the Monetary Authority of Singapore (the "Authority") pursuant to [Name of Exemption Regulations in which the offer is made in reliance of]. It is not made in or accompanied by a prospectus that is registered by the Authority.

This Product Highlights Sheet is an important document.

- It highlights the key information and risks relating to the offer of the Bonds contained in the Offering Circular. It complements the Offering Circular¹.
- You should not purchase the Bonds if you do not understand the nature of an investment in bonds, our business or are not comfortable with the accompanying risks.

Issuer and Guarantor (if applicable)	[●]	Place of Incorporation	[●]
Issue Price and Denomination of the Bonds	<p>[●]</p> <p>Example: S\$[●] per S\$[●] in principal amount of the Bonds.</p> <p>The Bonds will be issued in registered form in denominations of S\$[●] each.</p>	Total amount to be raised in this offer	<p>[●]</p> <p>Example:</p> <ul style="list-style-type: none"> • Gross proceeds – S\$[●] to S\$[●] • Net proceeds – S\$[●] to S\$[●]

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

<p>Description of the Bonds, including maturity date, tenure, coupon rate and frequency of coupon payments. (Please set out what information is required e.g. maturity date, duration, coupon rate etc.)</p>	<p>[•] Example: S\$[•] in aggregate principal amount of [•]-year senior bonds with interest of [•]% per annum, made in two payments each year, maturing on [date].</p>	<p>Listing Status of Issuer and the Bonds</p>	<p>[•] Example:</p> <ul style="list-style-type: none"> • Issuer - Primary Listing on the Mainboard of SGX-ST since [date] • Bonds – To be listed on the Mainboard of SGX-ST from [date]. Trading will be in board lots of SGD [•] in principal amount.
<p>Issue Manager(s) / Arranger(s)</p>	<p>[•]</p>	<p>Underwriter(s)</p>	<p>[•]</p>
<p>Credit rating of issuer/ guarantor / the Bonds (if any) and Credit Rating Agencies</p>	<p>Example: The Issuer has obtained, in respect of the Bonds, a credit rating of [•] rating by [Name of Credit Rating Agency].</p>		
<p>Trustee / Registrar</p>	<p>[•]</p>	<p>Paying Agent</p>	<p>[•]</p>
<p>Mode of Application</p>	<p>Example:</p> <ul style="list-style-type: none"> • Automated teller machines • Brokerage firms • Internet banking • Mobile banking 	<p>Opening / Closing Date(s) and Time(s) for application</p>	<p>[•]</p>
<p>Satisfaction of Eligibility Criteria for exemption set out in Regulation 5(1)</p>	<p>Example: The Issuer has met the following eligibility criteria –</p> <ul style="list-style-type: none"> • Size Test – The issuer has a market capitalisation of S\$[•] for the past 180 market days. • Listing Test – The issuer has been listed on the [Name of exchange] since [date of listing]. • Credit Test – The issuer has obtained a credit rating of [•] rating by [Name of Credit Rating Agency]. 		

INVESTMENT SUITABILITY

WHO IS THE INVESTMENT SUITABLE FOR?

- *This investment is suitable for you if you:*
 - *[State return objectives (e.g. capital growth/income/capital preservation) which the investment will be suitable for]*
 - *[State if the principal will be at risk]*
 - *[State how long investors should be prepared to hold the investment for]*
 - *[State other key characteristics of the product which will help investors determine whether the investment is suitable for them]*

Example:

- The Bonds are suitable for you if you:
 - want regular income at a fixed rate rather than capital growth;
 - want priority in payouts over share dividends in an insolvency situation;
 - are prepared to lose their principal investment if the issuer fails to repay the amount due under the Bonds; and
 - are prepared hold your investment for until maturity or to exit the Bonds only by sale in the secondary market which may be unprofitable or impossible.

KEY FEATURES

Background information on the Issuer

WHO ARE YOU INVESTING WITH?

[Provide an overview of the relevant entity or if the relevant entity is the holding entity of a group, an overview of the group (the Issuer Group, including the nature of the Issuer Group’s operations and principal activities). In the case of a guaranteed debenture issue, provide also an overview of the guarantor entity or if the guarantor entity is the holding company or holding entity of a group, the group (the “Guarantor Group”).]

Example:

We are engaged in the business of *[principal business]* in *[country]*. Our Company was incorporated in *[year]* in *[country]*.

WHAT ARE YOU INVESTING IN?

State key features of the debentures offered, including issue date, issue price, maturity date, tenure, principal amount, coupon rate and frequency of coupon payments. Description of these features should be presented using diagrams (e.g. tables, graphs and charts) where appropriate.]

Example:

We are offering up to S\$*[●]* million in aggregate principal amount of the Bonds to the public in Singapore. The Bonds are issued pursuant to the *[name of bond issuance programme]*. The issue price is S\$*[●]* per S\$*[●]* in principal amount of the Bonds. Holders of the Bonds will receive interest from *[issue date]* to *[maturity date]* at a rate of *[●]*% per annum, made in two payments on *[date]* and *[date]* each year.

Refer to –

- “[*relevant section*]” on page(s) *[●]* of the Offering Circular for more information on our business

- “[*relevant section*]” on page(s) *[●]* of the Offering Circular for more information on the Bonds.

The Bonds are not secured by any underlying assets and ranks above our other debt. You will have the same rights as our other debt obligations of the same class. We have previously issued S\$[•] of [•]% debt obligations of the same class as the Bonds on [date].

Key Financial Information

[Provide key profit and loss data and cash flows data of the relevant entity in respect of each of the 2 most recent completed financial years and any subsequent interim period for which financial information has been published (e.g. announced or otherwise disseminated to a securities exchange or overseas securities exchange, or included in the Offering Circular.)

Provide also key balance sheet data as at the end of the most recent completed financial year or any subsequent interim period for which financial information has been published. Key financial information should be presented using diagrams (e.g. tables, graphs and charts) where appropriate.

Except that where the relevant entity is the holding entity of a group, provide such information in respect of the Issuer Group; or in the case of a guaranteed debenture issuance, provide such information in respect of the guarantor entity or where the guarantor entity is the holding entity of a group, provide such information in respect of the Guarantor Group.]

Example:

Key profit and loss information

	Year ended 31 December	
	[Year]	[Year]
	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	[•]	[•]

Refer to the “[relevant section]” on page(s) [•] of the Offering Circular for more information on our financial performance.

Key balance sheet information		
	Year ended 31 December	
	[●]	[●]
	S\$('000)	S\$('000)
Total assets	[●]	[●]
Total liabilities	[●]	[●]
Net assets/(liabilities)	[●]	[●]

Trends, Uncertainties, Demands, Commitments or Events Reasonably Likely to Have a Material Effect	
<p><i>[Briefly discuss, for at least the current financial year, the relevant entity's business and financial prospects, as well as any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information published or disclosed in the Offering Circular to be not necessarily indicative of the future operating results or financial condition of the relevant entity. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.</i></p> <p><i>Except that where the relevant entity is the holding entity of a group, provide such information in respect of the Issuer Group; or in the case of a guaranteed debenture issuance, provide the information in respect of guarantor entity or where the guarantor entity is the holding entity of a group, provide such information in respect of the Guarantor Group.]</i></p> <p>Example:</p> <p>For the current financial year, our Directors have observed the following trends, uncertainties, demands, commitments or material events :-</p> <ul style="list-style-type: none"> (a) the demand for <i>[activity]</i> has increased with the recent growth <i>[country]</i>'s economy. We expect our revenue from our <i>[business segment]</i> to increase in line with the increase in <i>[activity]</i>; and (b) we expect the upward trend in <i>[activity]</i> to have positive impact on the demand for our <i>[service]</i>. <p>Operating costs are also expected to increase together with the increase in the level of <i>[activity]</i>.</p> <p>The above are not the only trends, uncertainties, demands, commitments or events that could affect us. Please refer to the other factors set out in pages [●] to [●] of the Offering Circular.</p>	<p>Refer to the "[relevant section]" on page(s) [●] of the Offering Circular for more information on trends and prospects.</p>

Use of Proceeds									
<p><i>[Provide information on the net proceeds raised from the offer and its intended use. Information on the use of proceeds should be presented using diagrams (e.g. tables, graphs and charts) where appropriate.]</i></p> <p>Example:</p> <p>The following represents our estimate of the intended use of the net proceeds expected to be raised from the Offer.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Details of utilisation</th> <th style="text-align: right;">S\$ (million)</th> </tr> </thead> <tbody> <tr> <td>Expansion of business</td> <td style="text-align: right;">[•]</td> </tr> <tr> <td>Working capital and general corporate purposes</td> <td style="text-align: right;">[•]</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">[•]</td> </tr> </tbody> </table>	Details of utilisation	S\$ (million)	Expansion of business	[•]	Working capital and general corporate purposes	[•]	Total	[•]	<p>Refer to the “[relevant section]” on page(s) [•] of the Offering Circular for more information on use of proceeds.</p>
Details of utilisation	S\$ (million)								
Expansion of business	[•]								
Working capital and general corporate purposes	[•]								
Total	[•]								
KEY RISKS									
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p><i>[Set out the key risks which had materially affected, or could materially affect the relevant entity’s business operations, financial performance or position, and the investor’s investment in the debentures if they occur. If a particular risk falls into multiple categories below, it is sufficient to include the risk under one category. There is no need to repeat the risk in more than one category. Where there is a risk that an investor may lose all of his initial principal investment, emphasise this with bold or italicised formatting. In the case of a guaranteed debenture issuance, provide also such information in respect of the guarantor entity.]</i></p> <p>Investing in the Bonds involves substantial risks. Set out below are some of the key risks of investing in the Bonds. This list is not exhaustive, and does not represent all the risks associated with, and considerations relevant to, the Bonds or your decision to purchase the Bonds. Please refer to the section “Risk Factors” on pages [•] to [•] of the Offering Circular for more information on risk factors. These risk factors may cause you to lose some or all of your investment.</p>	<p>Refer to the “[relevant section]” on page(s) [•] of the Offering Circular for more information on risks factors.</p>								
Business-Related Risks									
<p><i>[State the material business-related risks which may affect the investor’s investment in the debentures, e.g. risks relating to the industries within which the relevant entity operates, any significant supplier or customer relationships, the relevant entity’s properties, assets or equipment, distribution channels, material contracts, key personnel, intellectual property, corporate structure, financing, environmental concerns, or competition etc. In the case of a guaranteed debenture issuance, provide also the information in respect of the guarantor entity.]</i></p>									

<p>Example:</p> <ul style="list-style-type: none"> • We compete against numerous businesses in our industry that may be larger and have greater financial resources. 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 revenue is derived from several major customers. Our financial results may be seriously impacted if we lose any of these customers or they reduce their volume of business with us. • As we are a holding company that conducts substantially all of our business through our operating subsidiaries in [country], we rely on dividends paid by our subsidiaries for our cash needs. Any restrictions on their ability to make payments to us would adversely affect our ability to fund and operate our business. 	
Legal, Regulatory and Enforcement Risks	
<p><i>[State the material legal, regulatory and enforcement risks which may affect the investor's investment in the debentures e.g. any litigation which may have material impact on the relevant entity, or legal or regulatory issues faced by the relevant entity etc. In the case of a guaranteed debenture issuance, provide also such information in respect of the guarantor entity.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> • We are appealing to [name of authority] on a ruling against our company regarding a tax dispute between the [inland revenue authority of country] and our company from our operations in [country]. In the event that the appeal is not successful, we may be potentially liable to a fine of up to S\$[●] which could materially and adversely affect our business and results of operations. 	
Market and Credit Risks	
<p><i>[State the market risks (including currency risks) and credit risks which may affect the traded price of the debentures.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> • The Bonds are subject to interest rate risk as the Bonds bear a fixed rate of interest. Subsequent changes in market interest rates may adversely impact the value of the Bonds. Generally, bond prices are inversely related to interest rate movements. A rise in interest rates could see a fall in bond prices. • We may issue additional securities with identical terms that may adversely affect the market price of the Bonds. 	

Liquidity Risks	
<p><i>[State the risks that an investor would face in trying to exit his investment in the debentures.]</i></p> <p>Example:</p> <p>There is no prior market for the Bonds and an active trading market may not develop. In addition, bonds generally have lower liquidity as compared to equity securities. While an application has been made for admission to trade the Bonds on the SGX-ST, there can be no assurance that a liquid market will develop for the Bonds and that you will be able to sell the Bonds at a price that reflects their value, if at all.</p>	
Other Pertinent Risks	
<p><i>[State any other pertinent risks that have not been highlighted in the foregoing sections.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> • The Bond is denominated and traded in USD. Therefore, Singapore investors may lose money if the USD were to depreciate against the SGD. • We may elect to redeem the Bonds before the maturity date for tax reasons in the amount of 100% of the principal plus any accrued interest. You may not realise interest payments extending to the maturity date. Investors who do not hold the Bonds to maturity could suffer a capital loss as a result of market price fluctuations. 	
DEFINITIONS	
<p><i>[Provide definitions if necessary.]</i></p>	
CONTACT INFORMATION	
<p>HOW DO YOU CONTACT US?</p> <p><i>[Provide contact details of relevant entity, 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.]</i></p>	

Made this day of 2015.

RAVI MENON
Managing Director
Monetary Authority of Singapore

ANNEX 2 – DRAFT SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) (EXEMPTION FROM SUBDIVISIONS (2) AND (3) OF DIVISION 1 OF PART XIII FOR OFFERS OF QUALIFIED DEBENTURES) REGULATIONS 2015

Disclaimer: This version of the Regulations is in draft form and is subject to change. It is also subject to review by the Attorney-General's Chambers.

No. S 000

SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) (EXEMPTION FROM SUBDIVISIONS (2) AND (3) OF DIVISION 1 OF PART XIII FOR OFFERS OF QUALIFIED DEBENTURES) REGULATIONS 2015

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
2. Definitions
3. Definition of subsidiary of an entity
4. Definition of subsidiary entity
5. Exemption
6. Simplified disclosure document
7. Product highlights sheet

FIRST SCHEDULE Content Requirements of the Simplified Disclosure Document

SECOND SCHEDULE Form and Content Requirements of the Product Highlights Sheet

In exercise of the powers conferred by section 337(1) of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Offers of Investments) (Shares and Debentures) (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII for Offers of Qualified Debentures) Regulations 2015 and shall come into operation on <xx xxx 2015>.

Definitions

2. — (1) In these Regulations –

“annual consolidated financial statements”, in relation to an entity, means consolidated financial statements covering a financial year of the entity;

“asset-backed securities” has the same meaning as in section 262(3) of the Act;

“equity interest”, in relation to an entity, means any right or interest, whether legal or equitable, in the entity, by whatever name called, and includes any option to acquire any such right or interest in the entity;

“financial statements”, in relation to an entity, means profit and loss statements, balance sheets and cash flow statements, and includes any attached notes and schedules which are required by the body of accounting standards adopted by the entity concerned in preparing its financial statements;

“group” means

- (a) a corporation, its subsidiaries and its subsidiary entities (if any); or
- (b) an entity (not being a corporation), its subsidiaries and its subsidiary entities (if any);

“guaranteed debenture issuance” means the issuance of debentures by a borrowing entity which are guaranteed or are to be guaranteed by a guarantor entity;

“holding entity” means

- (a) a corporation which controls more than half of the voting power of another entity or holds more than half of the issued equity interests of that other entity; or
- (b) an entity (not being a corporation) which controls more than half of the voting power of another entity or holds more than half of the issued equity interests of that other entity;

“market day” means a day on which the relevant securities exchange is open for trading in securities;

“published” includes publication in a prospectus, in a simplified disclosure document or base simplified disclosure document, in an annual report or through the electronic network operated by the relevant securities exchange;

“Qualified Debentures” means debentures offered by an entity which —

- (a) have a fixed term not exceeding 10 years;
- (b) provide for repayment of the principal sum at the end of the fixed term;
- (c) have periodic interest payments which cannot be deferred;
- (d) carry a fixed interest rate or floating rate of interest comprising a reference rate plus a fixed rate (the sum of which may not be less than zero), which cannot be decreased;
- (e) are not convertible into or exchangeable for other securities, equity interests or property, or attached with options, warrants or similar rights to subscribe for or purchase other securities, equity interests or property;
- (f) are not redeemable before the end of the fixed term except in the case where there has been a change in a law, or in the application or interpretation of a law, with the effect that the entity, or in the case of a guaranteed debenture issuance either the entity or the guarantor entity, incurs additional taxes, duties, assessments or government charges imposed, levied, collected, withheld or assessed by any authority of any taxing jurisdiction to which the entity, or in the case of a guaranteed debenture issuance, either the entity or the guarantor entity, is subject to;
- (g) are not asset-backed securities or structured notes; and
- (h) are not subordinated to other existing debt obligations of the entity or in the case of a guaranteed debenture issuance, are not subordinated to other existing debt obligations of the entity and the guarantor entity;

“relevant person” has the same meaning as in section 275(2) of the Act;

“retail investor” means a person other than an institutional investor or a relevant person;

“single purpose vehicle” means an entity that is established solely in order to, or a trust that is established solely in order for its trustee to, do either or both of the following:

- (a) act as counterparty to arrangements which involve the use of derivatives to create exposure to assets from which payments to holders of any structured notes are or will be primarily derived;
- (b) issue any structured notes;

“structured notes” means any type of debentures or units of debentures –

(a) which is issued –

- (i) in relation to a synthetic securitization transaction; or
- (ii) by any bank licensed under the Banking Act (Cap. 19); and

(b) for which –

- (i) the principal sum or any interest is, or both are, payable;
- (ii) one or more of the underlying securities, equity interests, commodities, or currencies are to be physically delivered; or
- (iii) both,

in accordance with a formula based on one or more of the following:

- (A) the performance of any type of securities, equity interest, commodity or index, or a basket of two or more types of securities, equity interests, commodities or indices;
- (B) the credit risk or performance of any entity or a basket of entities; or
- (C) the movement of interest rates or currency exchange rates;

“subsidiary” -

(a) in relation to a corporation, has the same meaning as section 5(1) of the Companies Act (Cap. 50); and

(b) in relation to an entity (not being a corporation), means a corporation that is deemed to be a subsidiary entity of the first mentioned entity under regulation 3;

“synthetic securitization transaction” means an arrangement involving the use of derivatives to create or replicate exposure to assets that are not transferred to, or are not a part of an asset pool held by, a single purpose vehicle;

(2) Any word or expression used in these Regulations, which is defined in section 239 of the Act shall have the same meaning as in that section.

Definition of subsidiary of an entity

3 — (1) A corporation shall be deemed to be a subsidiary of an entity (not being a corporation) if –

(a) the entity –

- (i) controls the composition of the board of directions of the corporation;
- (ii) controls more than half of the voting power of the corporation;
or
- (iii) holds more than half of the issued share capital of the corporation (excluding any part thereof which consists of preference shares); or

(b) the corporation is a subsidiary of another entity which is a subsidiary of the entity.

(2) For the purposes of sub-paragraph (1)(a)(i), the composition of a corporation's board of directors shall be deemed to be controlled by the entity if the entity has the power to, without the consent or concurrence of any other person, appoint or remove all or a majority of the directors, and for the purposes of this provision, the entity shall be deemed to have that power if —

- (a) a person cannot be appointed as a director without the exercise in his favour by the entity of that power; or
- (b) a person's appointment as a director follows necessarily from his holding an appointment in relation to the entity which is equivalent to that of a director or officer of a corporation.

(3) In determining whether a corporation is a subsidiary of the entity –

- (a) any shares held in or power exercisable over the corporation by the entity in a fiduciary capacity shall not be treated as held or exercisable by the entity;
- (b) subject to sub-paragraphs (c) and (d), any shares held in or power exercisable over the corporation —
 - (i) by any person as a nominee for the entity (except where the entity is concerned only in a fiduciary capacity); or
 - (ii) by, or by a nominee for, a subsidiary of the entity, not being a subsidiary which is concerned only in a fiduciary capacity,

shall be treated as held or exercisable by the entity;

-
- (c) any shares held in or power exercisable over the corporation by any person by virtue of the provisions of any debentures of the corporation or of a trust deed for securing any issue of such debentures shall be disregarded; and
 - (d) any shares held in or power exercisable over the corporation by, or by a nominee for, the entity or its subsidiary (not being shares held in or power exercisable over the corporation as mentioned in sub-paragraph (c)) shall not be treated as held or exercisable by the entity if the ordinary business of the entity or its subsidiary, as the case may be, includes the lending of money, and the shares are held or power is exercisable as security only for the purposes of a transaction entered into in the ordinary course of that business.

Definition of subsidiary entity

4 — (1) An entity (not being a corporation) shall, subject to sub-paragraph (3), be deemed to be a subsidiary entity of another entity, if —

- (a) the second-mentioned entity —
 - (i) controls the composition of the board of persons (referred to in this paragraph as the Board) of the first-mentioned entity which is equivalent to the board of directors of a corporation;
 - (ii) controls more than half of the voting power of the first-mentioned entity; or
 - (iii) holds more than half of the issued equity interests of the first-mentioned entity; or
- (b) the first-mentioned entity is a subsidiary entity of another entity which is a subsidiary or subsidiary entity of the second-mentioned entity.

(2) For the purposes of sub-paragraph (1)(a)(i), the composition of the Board of an entity shall be deemed to be controlled by another entity if the second-mentioned entity has the power to, without the consent or concurrence of any other person, appoint or remove all or a majority of the Board of the first-mentioned entity, and for the purposes of this provision, the second-mentioned entity shall be deemed to have that power if —

- (a) a person cannot be appointed as a member of the Board of the first-mentioned entity without the exercise in his favour by the second-mentioned entity of that power; or
- (b) a person's appointment as a member of the Board of the first-mentioned entity follows necessarily from his holding an appointment in

relation to the second-mentioned entity which is equivalent to that of a director or officer of a corporation.

(3) In determining whether an entity (not being a corporation) is a subsidiary entity of another entity —

(a) any equity interests held in or power exercisable over the first-mentioned entity by the second-mentioned entity in a fiduciary capacity shall not be treated as held or exercisable by the second-mentioned entity;

(b) subject to sub-paragraphs (c) and (d), any equity interests held in or power exercisable over the first-mentioned entity —

(i) by any person as a nominee for the second-mentioned entity (except where the second-mentioned entity is concerned only in a fiduciary capacity); or

(ii) by, or by a nominee for, a subsidiary or subsidiary entity of the second-mentioned entity, not being a subsidiary or subsidiary entity which is concerned only in a fiduciary capacity,

shall be treated as held in or exercisable over the first-mentioned entity by the second-mentioned entity;

(c) any equity interests held in or power exercisable over the first-mentioned entity by any person by virtue of the provisions of any debentures of the first-mentioned entity or of a trust deed for securing any issue of such debentures shall be disregarded; and

(d) any equity interests held in or power exercisable over the first-mentioned entity by, or by a nominee for, the second-mentioned entity or its subsidiary or subsidiary entity (not being equity interests held in or power exercisable over the first-mentioned entity as mentioned in subparagraph (c)) shall not be treated as held or exercisable by the second-mentioned entity if the ordinary business of the second-mentioned entity or its subsidiary or subsidiary entity, as the case may be, includes the lending of money and the equity interests are held or power is exercisable as security only for the purposes of a transaction entered into in the ordinary course of that business.

Exemption

5. — (1) Subject to the conditions specified in paragraph 5, Subdivisions (2) and (3) of Division 1 of Part XIII (other than section 258) shall not apply to an offer of Qualified Debentures made by an entity, if at the time of the offer —

-
- (a) the securities previously issued by that entity, or in the case of a guaranteed debenture issuance, either that entity or the guarantor entity satisfy either of the following at the time of the offer —
- (i) shares of that entity or the guarantor entity have been listed for quotation on a securities exchange or a recognised securities exchange, and are traded on the exchange, for a minimum period of 5 years;
 - (ii) debentures of that entity or the guarantor entity are listed and have been listed for quotation for a minimum period of 5 years on a securities exchange;
- (b) that entity, or in the case of a guaranteed debenture issuance, either that entity or the guarantor entity satisfies either of the following at the time of the offer —
- (i) the market capitalisation of that entity or the guarantor entity is not less than S\$1 billion (or its equivalent in a foreign currency) for each of the 180 market days prior to the offer;
 - (ii) the net assets of that entity or the guarantor entity as determined from the published audited annual consolidated financial statements for its most recent completed financial year and the average net assets of the same entity as determined from the published audited annual consolidated financial statements for the 3 most recent completed financial years is not less than S\$500 million (or its equivalent in a foreign currency); and
- (c) that entity, or in the case of a guaranteed debenture issuance, either that entity or the guarantor entity satisfies one of the following at the time of the offer —
- (i) for each of the 3 most recent completed financial years, that entity or the guarantor entity has a net profit of not less than S\$100 million (or its equivalent in a foreign currency) and positive net cash inflows from its operating activities as determined from the published audited annual consolidated financial statements;
 - (ii) that entity or the guarantor entity has been awarded a credit rating of not less than the following —
 - (A) AA- by Fitch Ratings;
 - (B) Aa3 by Moody's Investors Service; or

(C) AA- by Standard & Poor's Ratings Services; or

(iii) in the 5 years prior to the offer, the aggregate size of the debenture issuances by that entity or the guarantor entity is not less than S\$1 billion (or its equivalent in a foreign currency) , and such debentures are or had been listed for quotation on a securities exchange.

(2) For the purposes of sub-paragraph (b) of paragraph 1, a reference to the entity or the guarantor entity shall, if the entity or guarantor entity is the holding entity of a group, be a reference to the group.

(3) Sub-paragraph (c)(ii) of paragraph 1 shall be deemed to be satisfied if the Qualified Debentures have been awarded a credit rating of not less than the following —

(a) AA- by Fitch Ratings;

(b) Aa3 by Moody's Investors Service; or

(c) AA- by Standard & Poor's Ratings Services.

(4) A guarantor entity shall be deemed to have satisfied sub-paragraph (c)(iii) of paragraph 1 if —

(a) in the 5 years prior to the offer, the aggregate size of the debenture issuances by the wholly-owned entities of the guarantor entity is not less than S\$1 billion (or its equivalent in a foreign currency) and the debentures are or had been listed for quotation on a securities exchange; and

(b) the guarantor entity has guaranteed the issuance of such debentures.

(5) The exemption under paragraph (1) shall be subject to the following conditions —

(a) the offer is made to —

(i) retail investors; and

(ii) institutional investors or relevant persons or both;

(b) the debentures shall be listed for quotation on a securities exchange and traded on the exchange;

(c) where the offer is made to a retail investor, the entity gives the retail investor—

(i) a simplified disclosure document relating to the offer which complies with the requirements set out in regulation 6 and

which sets out information that is current at the time of offer;
and

(ii) a product highlights sheet relating to the offer which complies with regulation 7 and which sets out information that is current at the time of offer;

(d) the entity announces or otherwise disseminates the simplified disclosure document and product highlights sheet referred to in sub-paragraph (c) to the securities market operated by the relevant securities exchange at the time the offer is made;

(e) where the offer is made to an institutional investor or a relevant person, the entity gives such investor the simplified disclosure document relating to the offer which complies with the requirements set out in regulation 6 and which sets out information that is current at the time of offer; and

(f) the amount of debentures issued or to be issued to institutional investors and relevant persons is not less than 20% of the size of debenture issuance.

(6) Where the offer is made using any automated teller machine or such other electronic means –

(a) sub-paragraph (c) of paragraph 5 shall be deemed to be satisfied if before enabling a retail investor to submit any application to subscribe for or purchase the debentures, the retail investor is informed through the automated teller machine or such other electronic means –

(i) how he can obtain, or arrange to receive, a copy of the following which sets out information that is current at the time of offer:

(A) the simplified disclosure document relating to the offer which complies with the requirements set out in regulation 6;
and

(B) the product highlights sheet relating to the offer which complies with regulation 7; and

(ii) that he should read the simplified disclosure document and the product highlights sheet before submitting his application;

(b) sub-paragraph (e) of paragraph 5 shall be deemed to be satisfied if before enabling a relevant person to submit any application to subscribe for or purchase the debentures, the relevant person is

informed through the automated teller machine or such other electronic means –

- (i) how he can obtain, or arrange to receive, a copy of the simplified disclosure document relating to the offer which complies with the requirements set out in regulation 6 and which sets out information that is current at the time of offer; and
- (ii) that he should read the simplified disclosure document before submitting his application.

Simplified disclosure document

6. — (1) The simplified disclosure document shall contain the information required under the First Schedule.

(2) The simplified disclosure document shall be valid for 6 months from the date the entity making the offer announces or otherwise disseminates it to the securities market operated by the relevant securities exchange in accordance with paragraph 5(d) of regulation 5.

(3) Where the offer of debentures is part of a debenture issuance programme, a reference to a simplified disclosure document in regulation 5 and paragraph (1) of this regulation shall be read as either of the following —

- (a) a simplified disclosure document applicable to that particular offer which complies with the requirements set out in this regulation;
- (b) a base simplified disclosure document applicable to every offer made under the debenture issuance programme and a pricing supplement applicable to that particular offer, where the base simplified disclosure document and the pricing supplement together comply with the requirements set out in this regulation.

(4) Unless otherwise specified in the First Schedule, where the offer of debentures is part of a debenture issuance programme, the entity making the offer must provide the information required in the First Schedule in the simplified disclosure document applicable to that particular offer, or the base simplified disclosure document applicable to that offer made under the debenture issuance programme.

(5) The base simplified disclosure document shall be valid for 24 months from the date the entity making the offer announces or otherwise disseminates it to the securities market operated by the relevant securities exchange in accordance with paragraph 5(d) of regulation 5.

(6) If, after a base simplified disclosure document is announced or otherwise disseminated to the securities market operated by the relevant securities exchange in accordance with paragraph 5(d) of regulation 5 but before the expiration of 24 months from the date of such announcement or dissemination, the entity making the offer intends to update any information or include any new information in the base simplified disclosure document, the entity may announce or otherwise disseminate a supplementary or replacement base simplified disclosure document, provided that no offer to which the base simplified disclosure document relates is subsisting at the time of announcement or dissemination of the supplementary or replacement base simplified disclosure document.

(7) For the purposes of paragraph (6), an offer shall not be treated as subsisting if –

(a) a pricing supplement in respect of the offer has not been announced or otherwise disseminated to the securities market operated by the securities exchange in accordance with paragraph 5(d) of regulation 5; or

(b) a pricing supplement in respect of the offer has been announced or otherwise disseminated to the securities market operated by the securities exchange in accordance with paragraph 5(d) of regulation 5, and –

(i) the offer has closed with no application to subscribe for or purchase the debentures having been received or accepted; or

(ii) one or more applications to subscribe for or purchase the debentures have been received or accepted, and –

(A) the debentures are listed for quotation and trading in them has commenced; or

(B) all of those debentures have been issued or sold.

(8) In the case of a supplementary base simplified disclosure document, at the beginning of a supplementary base simplified disclosure document there shall be a statement that it is to be read together with the simplified disclosure document in relation to the offer.

(9) In the case of a replacement base simplified disclosure document, at the beginning of the replacement base simplified disclosure document there shall be an identification of the simplified disclosure document it replaces.

(10) For the purposes of the application of these Regulations to events that occur after the announcement or dissemination of the supplementary base

simplified disclosure document in accordance with paragraph (6), the simplified disclosure document in relation to the offer shall be taken to be the original base simplified disclosure document and the pricing supplement in relation to the offer together with the supplementary base simplified disclosure document and any previous supplementary base disclosure document in relation to the offer.

(11) For the purposes of the application of these Regulations to events that occur after the announcement or dissemination of the replacement base simplified disclosure document in accordance with paragraph (6), the simplified disclosure document in relation to the offer shall be taken to be the pricing supplement in relation to the offer together with the replacement base simplified disclosure document.

Product highlights sheet

7. — (1) The product highlights sheet shall contain the information required under the Second Schedule and be prepared in accordance with the format set out in the Second Schedule.

(2) The information required under the Second Schedule in a product highlights sheet, including footnotes and references –

(a) shall be clearly legible; and

(b) shall be in a font size of at least 10-point Times New Roman or equivalent.

(3) A product highlights sheet shall have a maximum page limit of eight pages.

(4) For the avoidance of doubt –

(a) if a product highlights sheet is printed on both sides of a sheet, each sheet of the product highlights sheet will count as 2 (two) pages; and

(b) a page should be no larger than 297 millimetres in length and 210 millimetres in breadth (A4 paper size).

FIRST SCHEDULE

CONTENT REQUIREMENTS OF THE SIMPLIFIED DISCLOSURE DOCUMENT

PART I FRONT COVER

1. Subject to paragraphs 2 and 3 of this Part, on the front cover of the simplified disclosure document, provide —
 - (a) the date the simplified disclosure document is or is to be, announced or otherwise disseminated, to the relevant securities exchange in accordance with sub-paragraph 5(d) of regulation 5 (referred to in this Schedule as “the disclosure date of the simplified disclosure document”);
 - (b) the following statements:
 - (i) “The offer is made in reliance on an exemption granted by the Monetary Authority of Singapore (the “Authority”) pursuant to <title of Exemption Regulations>. It is not made in or accompanied by a prospectus that is registered by the Authority. This document constitutes the simplified disclosure document referred to in <title of Exemption Regulations>.”; and
 - (ii) “If you are in doubt as to investing in the debentures, you should consult your legal, financial, tax or other professional adviser.”;
 - (c) the name of the relevant entity, its place of incorporation or constitution and the date of incorporation or constitution. In the case of a guaranteed debenture issuance, provide also such information in respect of the guarantor entity; and
 - (d) a description of how the relevant entity (or in the case of a guaranteed debenture issuance, either the relevant entity or the guarantor entity) satisfies the requirements for the exemption set out in paragraph 1 of regulation 5.
2. In the case of an offer of debentures made under a debenture issuance programme, on the front cover of the base simplified disclosure document, provide –
 - (a) the date the base simplified disclosure document is or is to be, announced or otherwise disseminated, to the relevant securities exchange in accordance with sub-paragraph 5(d) of regulation 5 (referred to in this Schedule as “the disclosure date of the base simplified disclosure document”);
 - (b) the following statements:

-
- (i) “Any offer made under this programme is made in reliance on an exemption granted by the Monetary Authority of Singapore (the “Authority”) pursuant to <title of Exemption Regulations>. It is not made in or accompanied by a prospectus that is registered by the Authority. This document constitutes the base simplified disclosure document as referred to in <title of Exemption Regulations>”; and
- (ii) “If you are in doubt as to investing in the debentures, you should consult your legal, financial, tax or other professional adviser.”;
- (c) the name of the relevant entity, its place of incorporation or constitution and the date of incorporation or constitution. In the case of a guaranteed debenture issuance, provide also such information in respect of the guarantor entity; and
- (d) A description of how the relevant entity (or in the case of a guaranteed debenture issuance, either the relevant entity or the guarantor entity) satisfies the requirements for the exemption set out in paragraph 1 of regulation 5.
3. In the case of an offer of debentures made under a debenture issuance programme, on the front cover of the pricing supplement, provide —
- (a) the date the pricing supplement is, or is to be announced or otherwise disseminated, to the relevant securities exchange in accordance with sub-paragraph 5(d) of regulation 5 (referred to in this Schedule as “the disclosure date of the pricing supplement”); and
- (b) the following statement: “ “This offer made under this programme is made in reliance on an exemption granted by the Monetary Authority of Singapore (the “Authority”) pursuant to <title of Exemption Regulations>. It is not made in or accompanied by a prospectus that is registered by the Authority. This document constitutes the pricing supplement as referred to in <title of Exemption Regulations>”;
4. In this Schedule, “relevant entity” means the entity in respect of which the debentures are being offered.

PART II

IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

1. Provide the names and addresses of the directors of the relevant entity (or in the case of a guaranteed debenture issuance, the names and addresses of the directors of both the relevant entity and the guarantor entity), the advisers and agents in relation to the offer.

PART III

OFFER STATISTICS, PLAN OF DISTRIBUTION AND TIMETABLE

Offer Statistics

1. Provide the amount of debentures being offered and other relevant offer statistics. Where an offer is made under a debenture issuance programme and such information is not known on the disclosure date of the base simplified disclosure document, provide the information in the pricing supplement in respect of that particular offer.
2. Indicate the price at which the debentures are being offered and the amount of any expense specifically charged to the subscriber or purchaser. Where an offer is made under a debenture issuance programme and such information is not known on the disclosure date of the base simplified disclosure document, provide the information in the pricing supplement in respect of that particular offer. If it is not possible to state the price at which the debentures are being offered and the amount of any expense specifically charged to the subscriber or purchaser at the disclosure date of the simplified disclosure document or base simplified disclosure document, the method by which this information is to be determined must be explained in the simplified disclosure document or base simplified disclosure document.
3. Indicate whether the amount of the debentures being offered can be increased, such as by the exercise of an underwriter's over-allotment option or "greenshoe" option, and state the exercise period of and amount under such option.

Plan of Distribution

4. Indicate the amount, and outline briefly the plan of distribution, of the debentures that are to be offered otherwise than through underwriters. If the debentures are to be offered through any broker or dealer, identify each broker or dealer (if known) that will participate in the offer, state the amount to be offered through each entity, and describe the terms of any agreement or understanding with such entities.
5. Where an offer is made under a debenture issuance programme and the information required under paragraph 4 of this Part is not known on the disclosure date of the base simplified disclosure document, such information is to be provided in the pricing supplement in respect of that particular offer.

Method and Timetable

6. State the period during which the offer will be kept open, and describe the procedure by which subscription applications are to be made and the manner in which results of the allocation are to be made public. If the exact period is not known on the disclosure date of the simplified

disclosure document, describe the arrangements for announcing the definitive period.

7. Where an offer is made under a debenture issuance programme and the information required under paragraph 5 of this Part is not known on the disclosure date of the base simplified disclosure document, provide the information in the pricing supplement in respect of that particular offer.

PART IV KEY INFORMATION

Principal Terms and Conditions

1. Provide the principal terms and conditions of the debentures being offered, including the yield, interest rate, interest payment dates, final repayment date and particulars of any significant covenants or events of default. Where the debentures may be redeemed prior to maturity, provide details on the circumstances under which the early redemption may occur.
2. Where an offer is made under a debenture issuance programme and the information required under paragraph 1 of this Part is not known on the disclosure date of the base simplified disclosure document, provide the information in the pricing supplement in respect of that particular offer.
3. In the case of a guaranteed debenture issuance, describe the nature and scope of the guarantee.

Credit Rating

4. If the relevant entity, its guarantor entity (in the case of a guaranteed debenture issuance) or the debentures being offered have been given a credit rating by a credit rating agency, disclose —
 - (a) the name of the credit rating agency;
 - (b) whether or not the credit rating agency is —
 - (i) a holder of a capital markets services licence for providing credit rating services;
 - (ii) exempt from holding a capital markets services licence under section 99(1) of the Act for providing credit rating services; or
 - (iii) licensed, registered, approved, authorised or otherwise regulated by a regulatory authority in the foreign country to carry on business in providing credit rating services in accordance with the laws of that foreign country;
 - (c) the credit rating;

-
- (d) whether any fee or benefit has been paid by the relevant entity, the guarantor entity or any of their related parties, to the credit rating agency in consideration for the credit rating; and
- (e) the date on which the credit rating was given.
5. Where a credit rating is disclosed, provide the following information (in the case of an offer of debentures under a debenture issuance programme, either in the base simplified disclosure document or the pricing supplement)
-
- (a) whether the credit rating is current as of the disclosure date of the simplified disclosure document, or where the offer is made under a debenture issuance programme, as of the disclosure date of the base simplified disclosure document or pricing supplement;
- (b) that the credit rating is not a recommendation to invest in the debentures, and investors should perform their own evaluation as to whether the investment is appropriate;
- (c) that the credit rating may be subject to revision or withdrawal at any time;
- (d) that the rating is a statement of opinion, and;
- (e) where information regarding the rating methodology used by the credit rating agency and the relative ranking of the rating, can be obtained, including:
- (i) an explanation of the meaning and limitations of the rating; and
- (ii) if the rating is a “provisional” or “expected” rating, the status of that designation and its implications on the relevant entity or the debentures being offered, or in the case of a guaranteed debenture issuance, its implications on the relevant entity, the guarantor entity or the debentures being offered.

Use of Proceeds from Offer

6. Disclose the estimated amount of the proceeds from the offer and the intended use of the proceeds. Where an offer is made under a debenture issuance programme and such information is not known on the disclosure date of the base simplified disclosure document, this information is to be provided in the pricing supplement in respect of that particular offer.

Risk Factors

7. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant entity and its industry as well as the debentures being offered, which had materially affected, or could

materially affect, directly or indirectly, the relevant entity's financial position and results and business operations, and investments by holders of debentures of the relevant entity. In the case of a guaranteed debenture issue, provide also such information in respect of the guarantor entity.

Information on the Relevant Entity and Guarantor Entity (where applicable)

8. Provide the nature of the operations and principal activities of the relevant entity or where the relevant entity is the holding entity of a group, provide such information in respect of the group (referred to in this Schedule as the Issuer Group). In the case of a guaranteed debenture issuance, provide also such information required in respect of the guarantor entity, or if the guarantor entity is the holding entity of a group, provide also such information required in respect of the group (the Guarantor Group).
9. Identify the substantial shareholders of the relevant entity and the amount of equity interest held by each substantial shareholder. In the case of a guaranteed debenture issuance, identify the substantial shareholders of the relevant entity and the guarantor entity, and the amount of equity interest held by each substantial shareholder.

PART V OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Provide the information required under this Part in respect of the relevant entity, or where the relevant entity is the holding entity of a group, provide the information required under this Part in respect of the Issuer Group.

In the case of a guaranteed debenture issuance, provide also the information required under this Part in respect of the guarantor entity, or, if the guarantor entity is the holding entity of a group, the Guarantor Group.

Financial Information

1. Provide the annual audited financial statements of the relevant entity for the 2 most recent completed financial years for which the statements have been published, and interim financial statements for any subsequent period for which that statement has been published.

Liquidity and Capital Resources

2. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of the most recent completed financial year for which financial statements have been published; and if interim financial statements have been published for any subsequent period, that period.

Capitalisation and Indebtedness

3. Provide a statement of capitalisation and indebtedness of the relevant entity as of a date no earlier than the end of the period covered by the recent completed financial year for which financial statements have been published; or if interim financial statements have been published for any subsequent period, that period.

Trend Information and Profit Forecast or Profit Estimate

4. Discuss, for at least the current financial year, the business and financial prospects of the relevant entity as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the simplified disclosure document to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.
5. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

Significant Changes

6. Disclose any event that has occurred from the end of —
 - (a) the most recent completed financial year for which financial statements have been published; or
 - (b) if interim financial statements have been published for any subsequent period, that period,to the latest practicable date which may have a material effect on the financial position and results of the relevant entity. If there is no such event, provide an appropriate negative statement.

PART VI ADDITIONAL INFORMATION

Provide the information required under this Part in respect of the relevant entity or where the relevant entity is the holding entity of a group, provide the information required under paragraph 1(a) of this Part in respect of the Issuer Group and information required under paragraph 1(b) of this Part in respect of the relevant entity.

In the case of a guaranteed debenture issue, provide also such information required under paragraph 1(a) of this Part in respect of the guarantor entity, or, if the guarantor entity is the holding entity of a group, the Guarantor Group.

Other Matters

1. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —
 - (a) the relevant entity's business operations or financial position or results, or its ability to fulfill its obligations under the debentures being offered;
or
 - (b) investments by holders of debentures in the relevant entity.

SECOND SCHEDULE

FORM AND CONTENT REQUIREMENTS OF THE PRODUCT HIGHLIGHTS SHEET

Prepared on: [DD/MM/YY]

NAME OF OFFER OF DEBENTURES (“the Bonds”)

EXAMPLE: OFFER OF S\$[•] BONDS] DUE [•] BY [NAME OF THE ENTITY (REFERRED TO IN THIS SCHEDULE AS THE RELEVANT ENTITY OR THE ISSUER) IN RESPECT OF WHICH THE DEBENTURES ARE BEING OFFERED] (the “Bonds”)

Prior to making a decision to purchase the Bonds, you should carefully consider all the information contained in the Simplified Disclosure Document. This Product Highlights Sheet should be read in conjunction with the Simplified Disclosure Document. You will be subject to various risks and uncertainties, including the potential loss of the entire principal amount invested. If you are in doubt as to investing in the Bonds, you should consult your legal, financial, tax or other professional adviser.

This offer to retail investors is made in reliance on an exemption granted by the Monetary Authority of Singapore (the “Authority”) pursuant to [Name of Exemption Regulations in which the offer is made in reliance of]. It is not made in or accompanied by a prospectus that is registered by the Authority.

This Product Highlights Sheet is an important document.

- It highlights the key information and risks relating to the offer of the Bonds contained in the Simplified Disclosure Document. It complements the Simplified Disclosure Document².
- You should not purchase the Bonds if you do not understand the nature of an investment in bonds, our business or are not comfortable with the accompanying risks.

Issuer and Guarantor (if applicable)	[•]	Place of Incorporation	[•]
Issue Price and Denomination of the Bonds	<p>Example: S\$[•] per S\$[•] in principal amount of the Bonds.</p> <p>The Bonds will be issued in registered form in denominations of S\$[•] each.</p>	Total amount to be raised in this offer	<p>[•]</p> <p>Example:</p> <ul style="list-style-type: none"> • Gross proceeds – S\$[•] to S\$[•] • Net proceeds – S\$[•] to S\$[•]

² The simplified disclosure document is available for collection at [time and place, if applicable] or accessible at [web address].

<p>Description of the Bonds, including maturity date, tenure, coupon rate and frequency of coupon payments. (Please set out what information is required e.g. maturity date, duration, coupon rate etc.)</p>	<p>[•] Example: S\$[•] in aggregate principal amount of [•]-year senior bonds with interest of [•]% per annum, made in two payments each year, maturing on [date].</p>	<p>Listing Status of Issuer and the Bonds</p>	<p>[•] Example:</p> <ul style="list-style-type: none"> • Issuer - Primary Listing on the Mainboard of SGX-ST since [date] • Bonds – To be listed on the Mainboard of SGX-ST from [date]. Trading will be in board lots of SGD [•] in principal amount.
<p>Issue Manager(s) / Arranger(s)</p>	<p>[•]</p>	<p>Underwriter(s)</p>	<p>[•]</p>
<p>Credit rating of issuer/ guarantor / the Bonds (if any) and Credit Rating Agencies</p>	<p>Example: The Issuer has obtained, in respect of the Bonds, a credit rating of [•] rating by [Name of Credit Rating Agency].</p>		
<p>Trustee / Registrar</p>	<p>[•]</p>	<p>Paying Agent</p>	<p>[•]</p>
<p>Mode of Application</p>	<p>Example:</p> <ul style="list-style-type: none"> • Automated teller machines • Brokerage firms • Internet banking • Mobile banking 	<p>Opening / Closing Date(s) and Time(s) for application</p>	<p>[•]</p>
<p>Satisfaction of Eligibility Criteria for exemption set out in Regulation 5(1)</p>	<p>Example: The Issuer has met the following eligibility criteria –</p> <ul style="list-style-type: none"> • Size Test – The issuer has a market capitalisation of S\$[•] for the past 180 market days. • Listing Test – The issuer has been listed on the [Name of exchange] since [date of listing]. • Credit Test – The issuer has obtained a credit rating of [•] rating by [Name of Credit Rating Agency]. 		

INVESTMENT SUITABILITY

WHO IS THE INVESTMENT SUITABLE FOR?

- *This investment is suitable for you if you:*
 - *[State return objectives (e.g. capital growth/income/capital preservation) which the investment will be suitable for]*
 - *[State if the principal will be at risk]*
 - *[State how long investors should be prepared to hold the investment for]*
 - *[State other key characteristics of the product which will help investors determine whether the investment is suitable for them]*

Example:

- The Bonds are suitable for you if you:
 - want regular income at a fixed rate rather than capital growth;
 - want priority in payouts over share dividends in an insolvency situation;
 - are prepared to lose their principal investment if the issuer fails to repay the amount due under the Bonds; and
 - are prepared hold your investment for until maturity or to exit the Bonds only by sale in the secondary market which may be unprofitable or impossible.

KEY FEATURES

Background information on the Issuer

WHO ARE YOU INVESTING WITH?

[Provide an overview of the relevant entity or if the relevant entity is the holding entity of a group, an overview of the group (the Issuer Group, including the nature of the Issuer Group’s operations and principal activities). In the case of a guaranteed debenture issue, provide also an overview of the guarantor entity or if the guarantor entity is the holding company or holding entity of a group, the group (the “Guarantor Group”).]

Example:

We are engaged in the business of *[principal business]* in *[country]*. Our Company was incorporated in *[year]* in *[country]*.

WHAT ARE YOU INVESTING IN?

State key features of the debentures offered, including issue date, issue price, maturity date, tenure, principal amount, coupon rate and frequency of coupon payments. Description of these features should be presented using diagrams (e.g. tables, graphs and charts) where appropriate.

Example:

We are offering up to S\$*[●]* million in aggregate principal amount of the Bonds to the public in Singapore. The Bonds are issued pursuant to the *[name of bond issuance programme]*. The issue price is S\$*[●]* per S\$*[●]* in principal amount of the Bonds. Holders of the Bonds will receive interest from *[issue date]* to *[maturity date]* at a rate of *[●]*% per annum, made in two payments on *[date]* and *[date]* each year.

Refer to –

- “[*relevant section*]” on page(s) *[●]* of the Simplified Disclosure Document for more information on our business

- “[*relevant section*]” on page(s) *[●]* of the Simplified Disclosure Document for more information on the Bonds.

<p>The Bonds are not secured by any underlying assets and ranks above our other debt. You will have the same rights as our other debt obligations of the same class. We have previously issued S\$[•] of [•]% debt obligations of the same class as the Bonds on [date].</p>																																																	
Key Financial Information																																																	
<p><i>[Provide key profit and loss data and cash flows data of the relevant entity in respect of each of the 2 most recent completed financial years and any subsequent interim period for which financial information has been published (e.g. announced or otherwise disseminated to a securities exchange or overseas securities exchange, or included in the Simplified Disclosure Document.)</i></p> <p><i>Provide also key balance sheet data as at the end of the most recent completed financial year or any subsequent interim period for which financial information has been published. Key financial information should be presented using diagrams (e.g. tables, graphs and charts) where appropriate.</i></p> <p><i>Except that where the relevant entity is the holding entity of a group, provide such information in respect of the Issuer Group; or in the case of a guaranteed debenture issuance, provide such information in respect of the guarantor entity or where the guarantor entity is the holding entity of a group, provide such information in respect of the Guarantor Group.]</i></p> <p>Example:</p> <p>Key profit and loss information</p> <table border="1"> <thead> <tr> <th rowspan="3"></th> <th colspan="2">Year ended 31 December</th> </tr> <tr> <th>[Year]</th> <th>[Year]</th> </tr> <tr> <th>S\$('000)</th> <th>S\$('000)</th> </tr> </thead> <tbody> <tr> <td>Net revenue</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>Profit/ (loss) before tax</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>Profit/ (loss) after tax</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>Profit/ (loss) after tax including discontinued operations</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>Earnings/ (loss) per share – Basic</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>Earnings/ (loss) per share - Diluted</td> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table> <p>Key cash flows information</p> <table border="1"> <thead> <tr> <th rowspan="3"></th> <th colspan="2">Year ended 31 December</th> </tr> <tr> <th>[Year]</th> <th>[Year]</th> </tr> <tr> <th>S\$('000)</th> <th>S\$('000)</th> </tr> </thead> <tbody> <tr> <td>Net cash generated from operating activities</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>Net cash used in investing activities</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>Net cash generated from financing activities</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>Net increase/(decrease) in cash and cash equivalents</td> <td>[•]</td> <td>[•]</td> </tr> <tr> <td>Cash and cash equivalents at end of year/period</td> <td>[•]</td> <td>[•]</td> </tr> </tbody> </table>			Year ended 31 December		[Year]	[Year]	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	[•]	[•]		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	[•]	[•]	<p>Refer to the “[relevant section]” on page(s) [•] of the Simplified Disclosure Document for more information on our financial performance.</p>
	Year ended 31 December																																																
	[Year]		[Year]																																														
	S\$('000)	S\$('000)																																															
Net revenue	[•]	[•]																																															
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Key balance sheet information		
	Year ended 31 December	
	[Year]	[Year]
	S\$('000)	S\$('000)
Total assets	[•]	[•]
Total liabilities	[•]	[•]
Net assets/(liabilities)	[•]	[•]
Trends, Uncertainties, Demands, Commitments or Events Reasonably Likely to Have a Material Effect		
<p><i>[Briefly discuss, for at least the current financial year, the relevant entity’s business and financial prospects, as well as any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information published or disclosed in the Simplified Disclosure Document to be not necessarily indicative of the future operating results or financial condition of the relevant entity. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.</i></p> <p><i>Except that where the relevant entity is the holding entity of a group, provide such information in respect of the Issuer Group; or in the case of a guaranteed debenture issuance, provide the information in respect of guarantor entity or where the guarantor entity is the holding entity of a group, provide such information in respect of the Guarantor Group.]</i></p> <p>Example:</p> <p>For the current financial year, our Directors have observed the following trends, uncertainties, demands, commitments or material events :-</p> <ul style="list-style-type: none"> (c) the demand for <i>[activity]</i> has increased with the recent growth <i>[country]</i>’s economy. We expect our revenue from our <i>[business segment]</i> to increase in line with the increase in <i>[activity]</i>; and (d) we expect the upward trend in <i>[activity]</i> to have positive impact on the demand for our <i>[service]</i>. <p>Operating costs are also expected to increase together with the increase in the level of <i>[activity]</i>.</p> <p>The above are not the only trends, uncertainties, demands, commitments or events that could affect us. Please refer to the other factors set out in pages [•] to [•] of the Simplified Disclosure Document.</p>		<p>Refer to the “[relevant section]” on page(s) [•] of the Simplified Disclosure Document for more information on trends and prospects.</p>

Use of Proceeds									
<p><i>[Provide information on the net proceeds raised from the offer and its intended use. Information on the use of proceeds should be presented using diagrams (e.g. tables, graphs and charts) where appropriate.]</i></p> <p>Example:</p> <p>The following represents our estimate of the intended use of the net proceeds expected to be raised from the Offer.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Details of utilisation</th> <th style="text-align: right;">S\$ (million)</th> </tr> </thead> <tbody> <tr> <td>Expansion of business</td> <td style="text-align: right;">[•]</td> </tr> <tr> <td>Working capital and general corporate purposes</td> <td style="text-align: right;">[•]</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">[•]</td> </tr> </tbody> </table>	Details of utilisation	S\$ (million)	Expansion of business	[•]	Working capital and general corporate purposes	[•]	Total	[•]	<p>Refer to the “[relevant section]” on page(s) [•] of the Simplified Disclosure Document for more information on use of proceeds.</p>
Details of utilisation	S\$ (million)								
Expansion of business	[•]								
Working capital and general corporate purposes	[•]								
Total	[•]								
KEY RISKS									
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p><i>[Set out the key risks which had materially affected, or could materially affect the relevant entity’s business operations, financial performance or position, and the investor’s investment in the debentures if they occur. If a particular risk falls into multiple categories below, it is sufficient to include the risk under one category. There is no need to repeat the risk in more than one category. Where there is a risk that an investor may lose all of his initial principal investment, emphasise this with bold or italicised formatting. In the case of a guaranteed debenture issuance, provide also such information in respect of the guarantor entity.]</i></p> <p>Investing in the Bonds involves substantial risks. Set out below are some of the key risks of investing in the Bonds. This list is not exhaustive, and does not represent all the risks associated with, and considerations relevant to, the Bonds or your decision to purchase the Bonds. Please refer to the section “Risk Factors” on pages [•] to [•] of the Simplified Disclosure Document for more information on risk factors. These risk factors may cause you to lose some or all of your investment.</p>	<p>Refer to the “[relevant section]” on page(s) [•] of the Simplified Disclosure Document for more information on risks factors.</p>								
Business-Related Risks									
<p><i>[State the material business-related risks which may affect the investor’s investment in the debentures, e.g. risks relating to the industries within which the relevant entity operates, any significant supplier or customer relationships, the relevant entity’s properties, assets or equipment, distribution channels, material contracts, key personnel, intellectual property, corporate structure, financing, environmental concerns, or competition etc. In the case of a guaranteed debenture issuance, provide also the information in respect of the guarantor entity.]</i></p>									

<p>Example:</p> <ul style="list-style-type: none"> • We compete against numerous businesses in our industry that may be larger and have greater financial resources. 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 revenue is derived from several major customers. Our financial results may be seriously impacted if we lose any of these customers or they reduce their volume of business with us. • As we are a holding company that conducts substantially all of our business through our operating subsidiaries in [country], we rely on dividends paid by our subsidiaries for our cash needs. Any restrictions on their ability to make payments to us would adversely affect our ability to fund and operate our business. 	
Legal, Regulatory and Enforcement Risks	
<p><i>[State the material legal, regulatory and enforcement risks which may affect the investor's investment in the debentures e.g. any litigation which may have material impact on the relevant entity, or legal or regulatory issues faced by the relevant entity etc. In the case of a guaranteed debenture issuance, provide also such information in respect of the guarantor entity.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> • We are appealing to [name of authority] on a ruling against our company regarding a tax dispute between the [inland revenue authority of country] and our company from our operations in [country]. In the event that the appeal is not successful, we may be potentially liable to a fine of up to S\$[●] which could materially and adversely affect our business and results of operations. 	
Market and Credit Risks	
<p><i>[State the market risks (including currency risks) and credit risks which may affect the traded price of the debentures.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> • The Bonds are subject to interest rate risk as the Bonds bear a fixed rate of interest. Subsequent changes in market interest rates may adversely impact the value of the Bonds. Generally, bond prices are inversely related to interest rate movements. A rise in interest rates could see a fall in bond prices. • We may issue additional securities with identical terms that may adversely affect the market price of the Bonds. 	

Liquidity Risks	
<p><i>[State the risks that an investor would face in trying to exit his investment in the debentures.]</i></p> <p>Example:</p> <p>There is no prior market for the Bonds and an active trading market may not develop. In addition, bonds generally have lower liquidity as compared to equity securities. While an application has been made for admission to trade the Bonds on the SGX-ST, there can be no assurance that a liquid market will develop for the Bonds and that you will be able to sell the Bonds at a price that reflects their value, if at all.</p>	
Other Pertinent Risks	
<p><i>[State any other pertinent risks that have not been highlighted in the foregoing sections.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> • The Bond is denominated and traded in USD. Therefore, Singapore investors may lose money if the USD were to depreciate against the SGD. • We may elect to redeem the Bonds before the maturity date for tax reasons in the amount of 100% of the principal plus any accrued interest. You may not realise interest payments extending to the maturity date. Investors who do not hold the Bonds to maturity could suffer a capital loss as a result of market price fluctuations. 	
DEFINITIONS	
<p><i>[Provide definitions if necessary.]</i></p>	
CONTACT INFORMATION	
<p>HOW DO YOU CONTACT US?</p> <p><i>[Provide contact details of relevant entity, 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.]</i></p>	

Made this day of 2015.

RAVI MENON
Managing Director
Monetary Authority of Singapore



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