

SECURITIES AND FUTURES ACT 2001  
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)  
(SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS)  
REGULATIONS 2018

Form  
**A**

**PRODUCT HIGHLIGHTS SHEET IN RESPECT OF AN OFFER OF  
ASSET-BACKED SECURITIES OR STRUCTURED NOTES**

**Instructions:**

**A. Lodgment and Dissemination of Product Highlights Sheet**

1. The Product Highlights Sheet in respect of an offer of asset-based securities or structured notes, must accompany a prospectus in respect of that offer, and the copy of the Product Highlights Sheet should be lodged with the Monetary Authority of Singapore (the “Authority”) at the time of lodgment of the prospectus with the Authority.
2. If the issuer makes the prospectus available online, the Product Highlights Sheet should also be made available online together with the prospectus.
3. This set of instructions is not part of the Product Highlights Sheet and should be removed from the Product Highlights Sheet when the Product Highlights Sheet is published or disseminated.

**B. Guidance to Issuers on Preparing the Product Highlights Sheet**

4. Issuers must adhere to the format illustrated for the Product Highlights Sheet (“illustrated format”), including:
  - (i) the colour of the top of the first page and all warning indicators to correspond to the product’s complexity (i.e. red #EFA6AA for complex products or yellow #FDCF00 for non-complex products); and
  - (ii) the headings and sub-headings.
5. The following aspects of the form may be modified:
  - (i) the font colour of the content of the Product Highlights Sheet, excluding any heading or sub-heading;
  - (ii) the font type and font style of any word or number, including for the purpose of providing emphasis; and
  - (iii) the addition of one or more headings or sub-headings.
6. The issuer’s corporate logo or trade mark may also be inserted.
7. The information in the Product Highlights Sheet, including footnotes and references, must –
  - (i) be clearly legible; and
  - (ii) be in a font size of at least 10 point Calibri or a visually equivalent font size of any other standard font type face.
8. Notes and examples to guide issuers in preparing their Product Highlights Sheets are presented as italicised statements in the square brackets and/or are prefaced with the word

“Example” in the illustrated format. These notes and examples are not intended to be exhaustive. Issuers should decide on the information to be disclosed in the Product Highlights Sheet so as to highlight key features and risks of their respective investment product to investors.

9. Issuers should answer the questions prescribed in the format of the Product Highlights Sheet in clear and simple language that investors can easily understand. Issuers should avoid using legal, financial or technical business jargon (collectively, “technical jargons”) that may not be easily understood by lay persons. Where such terms are unavoidable, issuers should explain these technical jargons in the “Glossary” section of the Product Highlights Sheet.
10. Issuers may include references to websites or to corresponding sections of the prospectus which set out additional information for investors in the right-hand column of the Product Highlights Sheet. Issuers may include links to online copies of disclosure documents, educational resources or explanatory material. For avoidance of doubt, information on key features and risks of the product should be clearly disclosed in the Product Highlights Sheet and issuers should not merely make reference to information in other sources, such as the prospectus.
11. The use of diagrams and illustrations such as graphs, charts, flowcharts, tables or numerical explanations to present information in the Product Highlights Sheet is strongly encouraged.
12. The Product Highlights Sheet must not be more than 8 pages, or in the case where there are two or more classes of asset-based securities or structured notes being offered, not be more than 10 pages. Where a Product Highlights Sheet is printed on both sides of a sheet of paper, each sheet counts as 2 pages. Issuers must ensure that each page is not larger than 297 millimetres in length and 210 millimetres in breadth (A4 paper size). For the avoidance of doubt, this instruction sheet does not count towards the page limit.
13. Issuers should keep disclaimers in relation to information disclosed in the Product Highlights Sheet or in respect of the Product Highlights Sheet to a minimum.

**C. Product Naming**

14. Issuers should ensure there is clear product naming. The name of the product should be descriptive of the nature of the product. It should not give investors a misleading view of the true nature and risks of the product.

# PRODUCT HIGHLIGHTS SHEET

[Insert Issuer Name]

[Insert country of incorporation, date of incorporation and company reg no.]

[Insert  
issuer's name  
and logo]

Offer: [Insert title of offer of Asset-Backed Security / Structured Note]  
(• p.a.)

## This is a COMPLEX product.

!

- You should not purchase the [type of securities] if you do not understand the nature of an investment in [type of securities], our business or are not comfortable with the accompanying risks.
- This Product Highlights Sheet (PHS) summarises the key features and risks relating to this product. Read it carefully in full, together with the [Prospectus]<sup>1</sup>, before deciding whether to purchase the [type of securities].

## WHAT ARE THE CHARACTERISTICS OF THIS PRODUCT?

[State key characteristics of the asset-backed security / structured note, such as how the product is designed to function, expected payoff and factors determining the payoff, maturity date of the product, or whether there is any principal protection.]

Example<sup>2</sup>:

Asset-backed Securities  
issued by [Name of  
Issuer]



[Name of Issuer] is a [wholly owned subsidiary] of [Name of parent company]. By investing, you are lending money to [Name of Issuer] to invest in [Type of Assets] to generate returns.

Interest rate of [•%] per  
annum



[Name of Issuer] will use the returns to pay you [•%] of your principal amount per annum. Payment will be made across [•] batches every year until [Name of Issuer] redeems the securities.

Maturity date: [•]



[Name of Issuer] will redeem the securities (i.e. return the money you invested) on [•].

Not principal-protected



You can lose all the money you invested if the [Type of assets] that [Name of Issuer] invests in performs badly.

<sup>1</sup> The [Prospectus], [registered by / lodged with] the Monetary Authority of Singapore on [date], is available for collection at [time and place, if applicable] or accessible at [web address, if applicable].

<sup>2</sup> [Note to Issuers and professional advisers: Please note that the examples in this template are based on an offer of asset-backed securities (the "Bonds") only. You should consider making appropriate modifications to the disclosures in the Product Highlights Sheet based on the features of the specific type of securities (e.g. asset-backed securities / structured notes) being offered.]

## WHO IS THIS PRODUCT SUITABLE FOR?

Investors who:

- [State return objectives (for example, capital growth, income or capital preservation) which the product will be suitable for.]
- [State if the principal will be at risk.]
- [State how long investors should be prepared to hold the investment for, and highlight any lock-in periods or Issuer-callable features.]
- [State whether the product is classified as a Complex or Non-complex product and the implication it has on retail investors.]
- [State other key characteristics of the product which will help investors determine whether the product is suitable for them.]

### Example:

Investors who:

!	<p><b>Have advanced investment knowledge</b> – this is a <b>complex product</b>, which means it has certain features that the average retail investor may not understand. Retail investors who do not have the knowledge or experience of investing in complex products are encouraged to seek advice from a licensed financial adviser.</p>
	<ul style="list-style-type: none"> <li>• Are interested <b>only in achieving regular income and not capital growth</b>.</li> <li>• Can afford to <b>lose some or all of their investments</b> if the value of the [Type of assets] that [Name of Issuer] invests in falls.</li> <li>• Can accept the <b>risk of not receiving interest payments</b> if the returns from [Name of Issuer]'s investments are only enough to pay the parties who rank ahead of you in the Priority of Payments.</li> <li>• Are prepared to <b>hold on to this investment for at least 5 years</b>, or risk selling it in the secondary market at a loss in order to exit this investment.</li> </ul>

## INFORMATION ON THE ISSUER AND GUARANTOR

<p><b>ISSUER (COUNTRY OF INCORPORATION)</b></p> <p>[Name of Issuer (country of incorporation)]</p>	<p><b>ISSUER CREDIT RATING [IF RELEVANT]</b></p> <p>[●]</p> <p><b>Example:</b> N.A.</p> <p>[Name of Issuer]'s default risk has not been assessed by a credit rating agency.</p>
<p><b>GUARANTOR (COUNTRY OF INCORPORATION)</b></p> <p>[Name of Issuer (country of incorporation)]</p>	<p><b>GUARANTOR CREDIT RATING [IF RELEVANT]</b></p> <p>[●]</p> <p><b>Example:</b> N.A.</p> <p>[Name of Guarantor]'s default risk has not been assessed by a credit rating agency.</p>

## SPECIFIC INFORMATION ON THE PRODUCT

<p><b>OFFER SIZE</b></p> <p>[●]</p> <p><b>Example:</b> S\$[●]</p>	<p><b>EXPECTED RATINGS</b></p>
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	<b>[Name of Credit Rating Agency]<sup>3</sup>: [●]</b>
<b>PRODUCT TYPE</b>  <b>[●]</b> <b>Example:</b> Class Y Secured Fixed Rate Bonds (Asset-Backed Securities)	<b>INTEREST RATE PER ANNUM</b>  <b>[●]</b> <b>Example:</b> [●]% per annum Payment is made twice a year on [date] and [date]
<b>SCHEDULED CALL DATE</b>  <b>[●]</b> <b>Example:</b> [date] (Earliest date that the Issuer can redeem the Class Y Bonds)	<b>DENOMINATION</b>  <b>[●]</b> <b>Example:</b> (Investments must be made in multiples of S\$[●])
<b>LISTING STATUS</b>  <b>[●]</b> <b>Example:</b> The asset-backed securities are expected to be listed on the Main Board of the SGX-ST on and from [date]	

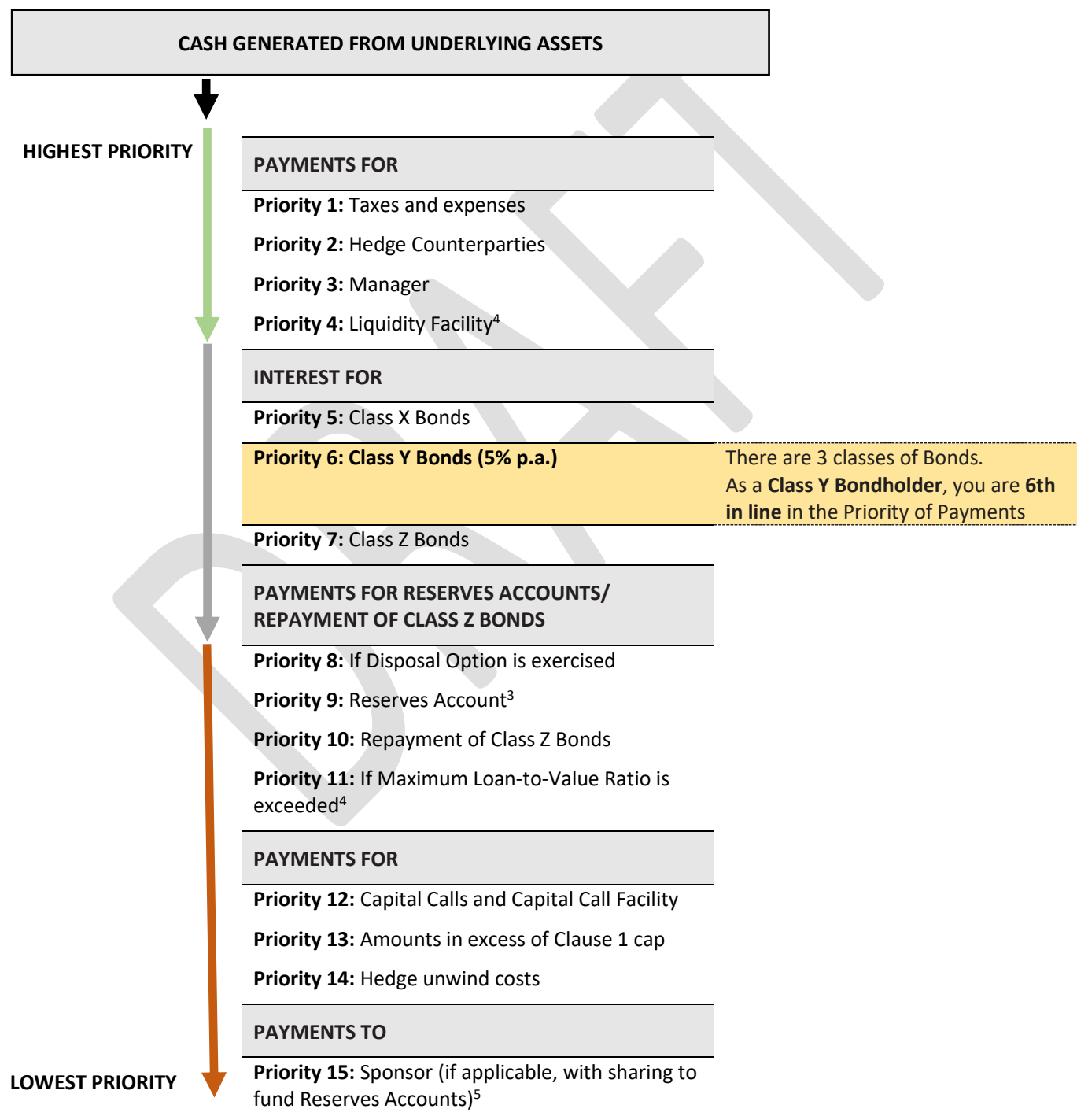
<sup>3</sup>[Name of Credit Rating Agency] have not provided their consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to them in the Prospectus, and are thereby not liable for such information under Sections 253 and 254 of the SFA (as described in the section “Credit Ratings” of the Prospectus).

## WHAT [IS THE ORDER OF THE PAYMENT / ARE THE POSSIBLE OUTCOMES]?

[For asset-backed securities: Illustrate the order in which payment is made to different parties in relation to the investor; For structured notes: Describe the payoff to investor in the (i) best case scenario, (ii) worst case scenario, and (iii) other possible scenarios, including a scenario where the issuer calls the debenture if applicable. For each scenario, describe the factors that could lead to the scenario.]

### Example:

**!** The Priority of Payments sets out the order in which payment is made. Generally, those ranked higher are paid first. You may not receive payment if the returns are only enough to pay the parties who rank ahead of you in the Priority of Payments.



Refer to the sections of the Prospectus for further information on the features:

- Page [●] – “Summary of the Offer and the Bonds – Summary of the Class Y Bonds”
- Page [●] – “Priority of Payments”
- Page [●] – “Reserves”
- Page [●] – “Terms and Conditions of the Class Y Bonds”

## HOW WILL THE ISSUER GENERATE RETURNS TO PAY ME THE INTEREST AND PRINCIPAL?

*[Describe how the issuer generates returns to pay interest and principal to bondholders.]*

### Example:

Your returns are dependent on the performance of the underlying *[Type of Assets]*.

*[Insert diagram showing how returns is generated by the Issuer.]*

## WHAT IS THE SUMMARY OF THE UNDERLYING *[ASSETS / REFERENCE ASSETS]*?

*[Provide key statistics of the underlying assets (for asset-backed securities) / reference assets (for structured notes).]*

## WHAT ARE THE KEY RISKS OF INVESTING IN THIS PRODUCT?

### PRODUCT-SPECIFIC RISKS

*[State product structure-related risks which may result in adverse consequences, including capped upside potential, unfavourable pricing if redeemed before maturity and potential legal risks. ]*

### Example:

- **Investment returns are not guaranteed.**

There is no assurance that the Issuer will generate sufficient returns or have sufficient funds to pay you after it has made payment to those ranked before you in the Priority of Payments.

You may not be paid in full and may be subject to a loss of up to 100%.

- **Limited recourse if the Issuer defaults.**

The Bonds are debt obligations of the Issuer and are not guaranteed or insured by any party.

Bondholders (i.e. you) will rely on distributions from the *[Type of assets]* as the principal source of payments on the Bonds.

- **Actions of the credit rating agencies can adversely affect the market price or liquidity of the Bonds.**

A suspension, revision or withdrawal at any time of the credit ratings assigned to the Bonds may adversely affect the market price or liquidity of such Bonds.

It is important to note that credit ratings of the Bonds are not a recommendation to purchase such Bonds.

- **Limited disclosure on the underlying *[Type of assets]*.**

Refer to *[Insert section title]* on page [●] of the Prospectus for more information.

<sup>2,3,4,5</sup> Safeguards that the Issuer has put in place to set aside funds to pay the interest and principal owed to investors. For more information, please refer to *[Insert section title]* of the Prospectus.

The Issuer may possess information that it is not permitted to disclose to Bondholders (i.e. you). Some of this information could relate to a decline in returns or cash flow.

The information that is disclosed to Bondholders may also not be up-to-date.

## MARKET AND CREDIT RISKS

*[State the market risks (including currency risks) and credit risks which may affect the payoff of the investment and their consequences.]*

### Example:

- **Rising interest rates may affect returns on the underlying** *[Type of assets]*.

With interest rates rising, the current favourable market conditions may not continue.

This can affect whether the Issuer generates enough money to repay the Bonds.

It is likely that the underlying *[Type of assets]* may incur debt to fund their investments.

This increases risk to the *[Type of assets]* and consequently to the Issuer.

Refer to *[Insert section title]* on page *[●]* of the Prospectus for more information.

## LIQUIDITY RISKS

*[State the risks that an investor would face in trying to exit his investment]*

### Example:

- **Risk of reduced liquidity and reinvestment risk**

You must be prepared to hold the Bonds until the Maturity Date.

There is no assurance that you will be able to sell your Bonds at a price that is attractive to you, or be able to sell your Bonds at all.

There is also no certainty as to when the Bonds would be fully redeemed before the Maturity Date.

This might subject you to reinvestment risk if the Bonds are redeemed when the prevailing interest rates are low as you may not be able to reinvest the redemption proceeds in a comparable security at a similar effective interest rate.

Refer to *[Insert section title]* on page *[●]* of the Prospectus for more information.

## WHAT HAPPENS IF THE ISSUER CANNOT PAY THE INTEREST OR PRINCIPAL DUE?

*[State the consequences when the Issuer is unable to pay interest or principal due to the Bondholders.]*

### Example:

- You may suffer a loss on your principal (i.e. initial amount invested).
- The Bond Trustee (refer to page *[●]* of this document on “Who are the Parties Involved in this Product”) may, upon the fulfilment of certain conditions, issue an Enforcement Notice to inform the Issuer that the Bonds have become immediately due and payable.
- Once the Enforcement Notice is issued, the use and payment of cashflows will be ordered according to the Post-Enforcement Priority of Payments.

Refer to *[Insert section title]* on page *[●]* of the Prospectus for more information.



## WHO ARE THE PARTIES INVOLVED IN THIS PRODUCT

*[Provide a diagram showing the relationships of parties involved in the structure of the product, such as issuer, arranger, derivative counterparty, derivative guarantors, issuer of underlying securities, trustee and custodian.]*

Refer to *[Insert section title]* on page [●] of the Prospectus for more information on the roles and responsibilities of these key parties.

### Example:

- *[Name of Issuer]* as Issuer is 100% owned by *[Name of sponsor]*, the Sponsor
- *[Name of sponsor]* is in turn a subsidiary of *[Name of parent company]*
- *[Name of parent company]* is a *[Describe key statistics of the parent company, such as its place of incorporation, principal business activities and net assets.]*

[structure chart]

## HOW DO I EXIT THE PRODUCT?

*[State the length of the cancellation period, if any, and describe how investors can exit from the investment if they change their mind within the cancellation period and the relevant costs. If there is no cancellation period, state so clearly. Subsequent to the cancellation period, describe how investors can exit from the investment and the relevant costs involved.]*

### Example:

- If you have made an application to subscribe for and/or purchase the Class Y Bonds, you cannot cancel such an application. If you have been issued Class Y Bonds based on your subscription, you cannot cancel such subscription.
- You can exit the Class Y Bonds on the Mainboard of the SGX-ST under the book-entry (scripless) settlement system or sell them over-the-counter on the Debt Securities Clearing and Settlement Systems.

## WHAT ARE THE FEES AND CHARGES ON THIS INVESTMENT?

*[For asset-backed securities, state all fees and charges payable by investors to apply for the investment, and by the issuer relating to the product that affects use of proceeds from the offer and distributions to investors based on the priority of payments.]*

Refer to *[Insert section title]* on page [●] of the Prospectus for more information.

*For structured notes, state all fees and charges paid or payable to distributors and product providers. If product providers do not charge a fee, describe briefly how product providers will profit from the sale of the Notes. Indicate if the fees are payable once-off or on a recurring basis. If fees may later be increased or new fees introduced, such as fees related to the unwinding of investments, state so here.]*

### Example:

- For Electronic Applications, you will have to pay a non-refundable administrative fee of S\$2 at the point of application.
- The Issuer will incur fees and expenses in connection with the issue and offering of the Class Y Bonds, and will also have to pay ongoing fees and expenses. For example, the issuer will pay fees to service providers such as the Manager and the Transaction Administrator.

## CONTACT INFORMATION

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

### Example:

If you have any questions, please contact *[Name of bank]* by emailing *[Insert email]* or calling *[Insert contact number]* on Mondays to Fridays from 0900 – 1700.

## GLOSSARY

*[Explain technical terms used in the product highlights sheet (if any).]*

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