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Deadline for Holding AGMs for SGX-ST Listed Issuers Extended to 30 June 2020 Due to Covid-19 Outbreak

Introduction

Issuers listed on the SGX-ST Mainboard and Catalist are given two more months to hold their annual general meetings ("**AGMs**") to approve their 31 December 2019 ("**FY Dec 2019**") financial results. Under the Listing Rules of the SGX-ST Mainboard and Catalist (collectively, "**Listing Rules**"), issuers are required to hold their AGMs within four months from the end of their financial years. However, in response to feedback by shareholders who want to participate in and vote at AGMs but may be concerned about attending large-group meetings amid the COVID-19 outbreak, on 27 February 2020, Singapore Exchange Regulation ("**SGX RegCo**") announced that a waiver from the foregoing requirement will be granted to issuers which satisfy the prescribed criteria ("**Waiver**"). Issuers which are granted the Waiver have up to **30 June 2020** to hold their AGMs.

This Update provides a brief overview of the relevant requirements and the steps issuers can take to obtain the Waiver.

Criteria for Seeking the Waiver

The Waiver will be granted to issuers listed on the SGX-ST Mainboard or Catalist which satisfy the following criteria ("**Criteria**"):

- (a) Their financial year end ("**FYE**") is 31 December 2019; and
- (b) They have obtained approval from the Accounting and Corporate Regulatory Authority ("**ACRA**") (if they are incorporated in Singapore) or other relevant regulatory authorities (where applicable) to extend the time for holding their AGMs and/or filing the annual returns under the laws of their incorporation. An issuer that is incorporated in Singapore is required under the Singapore Companies Act to hold an AGM within four months after its FYE and file the annual return within five months after its FYE.

How to Seek the Waiver from SGX

With reference to the conditions set out by SGX RegCo for seeking the Waiver, we set out below the main steps that an issuer should undertake for this purpose:

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- 1. Apply for extension of time to hold AGM / file annual return under law of incorporation:** An issuer that is incorporated in Singapore should apply to ACRA for an extension of time ("EOT") of up to 60 days to hold its AGM and file the annual return. The EOT applications may be made by the issuer's company officer, or a professional firm on behalf of the issuer, via BizFile. ACRA will waive the fees for these EOT applications for issuers listed on the SGX-ST Mainboard or Catalist whose FYE is 31 December 2019. The EOT applications must be made before the deadline for holding an issuer's AGMs or filing the annual return. As ACRA may require up to 14 working days to process the EOT applications, issuers should apply for the EOT to hold AGMs by 15 April 2020 and file the annual returns by 15 May 2020. Issuers that are not incorporated in Singapore should consider the requirements under their laws of incorporation for holding AGMs and/or filing of annual returns/financial statements and apply for the necessary waiver and/or extension of time.
- 2. Decide on indicative timeline for holding AGMs:** An issuer should decide on an indicative timeline to hold its AGM, taking into consideration the logistical issues for holding an AGM that minimises close contact of its attendees while not compromising the opportunity for shareholders to engage with the issuer's management and Board of Directors ("**Board**"). In this regard, SGX RegCo highlighted that the Waiver provides flexibility for issuers in considering the best way to conduct their AGMs including arranging for various AGM venues to reduce congregation of large number of shareholders at any one particular venue, virtual information sessions and/or a simultaneous live webcast of the AGM proceedings.

The Second Minister of Finance, Ms Indranee Rajah has indicated in the MOF Committee of Supply Debate 2019 that the Government will review the Singapore Companies Act to expressly provide for the use of digital means for companies to conduct meetings and interact with stakeholders. In anticipation of this progressive development, it would be opportune now for listed issuers to explore using technology to facilitate the participation of shareholders at meetings without having to attend the meetings physically. There is a growing list of companies from US (e.g. Ford, Fitbit, PayPal) and China (e.g. Alibaba) adopting virtual shareholders meetings with a view to increasing shareholders accessibility and reducing cost. Some potential issues that issuers should consider include:

- **Ensure laws of incorporation and/or constitutions permit virtual meetings:** An issuer should review its law of incorporation, constitution and/or articles of association to ensure that references to meetings and AGM and the process for conducting meetings and AGM in the relevant legislation and/or document expressly permit virtual meetings.
- **Facilitate shareholders voting via proxies:** An issuer may encourage their shareholders to submit their proxy forms stating their voting instructions within the requisite timeline under the relevant law of incorporation and/or constitution so that they do not have to be physically present at the AGM and yet may exercise their voting rights via their proxies.
- **Set up a secured virtual meeting platform with unique user ID and password for each shareholder:** To allow shareholders to submit questions online before and/or during the meetings, an issuer may set up a secured virtual meeting platform that may be accessed by shareholders via a unique user ID and password issued to them. Information relating to

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the agenda of the AGM may also be made available on the virtual meeting platform for the shareholders.

- **Arrange for a simultaneous live webcast of AGM:** To ensure that shareholders may participate in discussions at the AGM, an issuer may arrange for a simultaneous live webcast of the AGM proceedings accessible via the virtual meeting platform.
3. **Release annual report by 15 April 2020 and unaudited financial statement by 29 February 2020:** Issuers which intend to seek the Waiver are still required to issue their annual reports to their shareholders and SGX-ST by 15 April 2020 (at least 14 days before the deadline for holding their AGMs as prescribed in the Listing Rules) and announce their unaudited financial statements for FY Dec 2019 by 29 February 2020 (not later than 60 days after 31 December 2019). Issuers that have their principal place of business in the People's Republic of China ("PRC") or have business with significant operations in the PRC and have difficulties in meeting the requirement to announce their unaudited financial statements for FY Dec 2019 before 29 February 2020, due to the travel restrictions and/or other measures imposed by the authorities in response to the COVID-19 outbreak, should apply to SGX-ST for a waiver of this requirement.
 4. **Seek Board's confirmation on prescribed matters:** The Board is required to confirm the following matters ("**Board's Confirmation**"):
 - The issuer has fulfilled the Criteria; and
 - The Waiver will not be in contravention of any laws and regulations governing the issuer and its constitution (or the equivalent in the issuer's country of incorporation).

This is to facilitate making the requisite announcement on SGXNet after the issuer has obtained the Waiver (see point 6 below).
 5. **Seek Waiver from SGX:** To seek the Waiver, the issuer must notify SGX RegCo via the RegCo Submissions Portal:
 - That it wishes to be granted the Waiver;
 - How it has satisfied the Criteria; and
 - The indicative timeline to convene its AGM.
 6. **Announce Waiver and other matters:** When an issuer has received a confirmation from SGX RegCo that it has been granted the Waiver, the issuer must release an announcement via SGXNet stating:
 - The Waiver;
 - The indicative timeline to convene its AGM; and
 - Confirmation by the issuer in respect of compliance with the Waiver conditions: (a) The Board's Confirmation (see point 4 above); and (b) That its annual report for FY Dec 2019 would be issued to its shareholders and SGX-ST by 15 April 2020.

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Timely Disclosure

SGX RegCo has reminded issuers to continue observing their continuous disclosure obligations under the Listing Rules to announce all material information, whether price-sensitive or trade-sensitive information, on a timely basis. Where the issuers' operations are materially affected by the COVID-19 situation, timely disclosure on the financial impact or any other material aspects should be made immediately via SGXNet. Issuers should consider issuing profits warning (where applicable) if their earnings have been materially and adversely affected by the COVID-19 outbreak.

Reference Materials

For more information on the above development, please click [here](#) for the SGX press release titled "SGX RegCo gives additional two months to issuers to hold AGMs due to concerns about large-group meetings amid COVID-19" dated 27 February 2020 that is made available on the SGX website (www2.sgx.com).

The announcement about the Waiver is in addition to the SGX earlier announcement titled "SGX RegCo gives issuers up to 30 June 2020 to hold AGMs to approve FY Dec 2019 results amid 2019-nCoV situation" dated 7 February 2020 which allows companies with their principal place of business in the PRC or have business with significant operations in the PRC, to hold their AGMs by 30 June 2020. Please click [here](#) for the SGX press release.

For further queries, please feel free to contact our team below.

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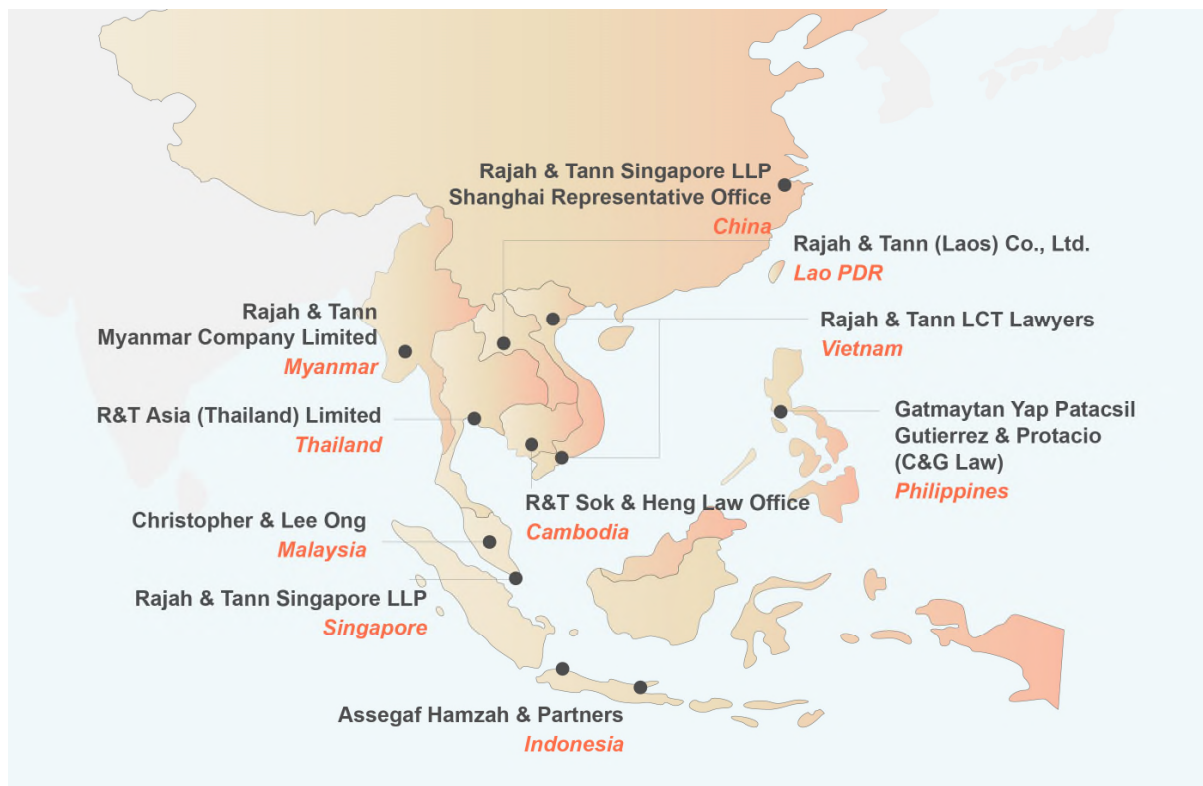
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