

SGX RegCo extends Enhanced Share Issue Limit in support of Listed Issuers amid COVID-19

To help support listed issuers and their fund-raising efforts amid the challenging business and economic climate due to the COVID-19 pandemic, Singapore Exchange Regulation (“**SGX RegCo**”), in consultation with the Monetary Authority of Singapore, announced on 8 April 2020 (please refer to our previous update [here](#)) a temporary increase in the upper limit for *pro rata* issue of shares and convertible securities under a general mandate pursuant to Mainboard Rule 806(2) from 50% to 100% (based on the issuer’s total number of issued shares, excluding treasury shares and subsidiary holdings) (“**Enhanced Share Issue Limit**”), subject to certain conditions. This measure was stated to be in force until 31 December 2021.

On 16 March 2021, SGX RegCo [announced](#) the extension of the availability of the Enhanced Share Issue Limit for Mainboard issuers. With this extension, Mainboard issuers will now have up to 31 December 2021 to seek or renew a general mandate for the Enhanced Share Issue Limit. Issuers may seek shareholders’ approval either at the annual general meeting (AGM) or an extraordinary general meeting (EGM). If approved, the general mandate with the Enhanced Share Issue Limit will expire at the conclusion of the next AGM or on the date by which the next AGM is required by law or the SGX-ST Mainboard Listing Manual to be held, whichever is the earliest (“**Expiry Date**”). As before, the notice of general meeting does not have to be cleared with SGX RegCo and no circular is required. Issuances other than on a *pro rata* basis remain capped at 20%.

The Enhanced Share Issue Limit is subject to the following conditions:

- Confirmation from the issuer’s board of directors (“**Board**”) to SGX RegCo that the Enhanced Share Issue Limit is in the interest of the issuer and its shareholders.
- The issuer’s compliance with any applicable legal requirements governing the issuer and its constitution/trust deed (or the equivalent in the issuer’s country of incorporation) arising from the Enhanced Share Issue Limit.
- The issuer must not issue more than 100% of the issuer’s total number of issued shares (excluding treasury shares and subsidiary holdings) in each class by the Expiry Date.
- In its notice of general meeting seeking the Enhanced Share Issue Limit, the issuer must disclose:
 - why the Board is of the view that the Enhanced Share Issue Limit is in the interest of the issuer and its shareholders, and the Board’s basis for forming such views;
 - that the Enhanced Share Issue Limit will expire at the conclusion of the next AGM, or on the date by which the next AGM is required by law or the SGX-ST Mainboard Listing Manual to be held, whichever is the earliest¹. By the Expiry Date, the shares and/or convertible securities issued pursuant to the Enhanced Share Issue Limit must be listed, and no further shares² and/or convertible securities may be issued under this limit; and

¹ Any extension of time which may be obtained for the holding of the next AGM will be disregarded in determining the expiry date of the Enhanced Share Issue Limit. If an issuer subsequently changes its financial year end, the expiry date of the Enhanced Share Issue Limit will be the date by which the next AGM would have been required by law or the SGX-ST Mainboard Listing Manual to be held, whichever is the earlier, assuming no change to the financial year end.

² For the avoidance of doubt, shares arising from the convertible securities may be issued and listed after the Expiry Date.

- if the issuer is seeking shareholders' approval *via* an EGM and has utilised any part of its then-existing share issue mandate ("**Existing Amount Used**"), the issuer is to disclose (as at the date before the EGM for the passing of the Enhanced Share Issue Limit resolution) the remaining balance that would be available under the Enhanced Share Issue Limit after deducting the Existing Amount Used.
- The issuer must, by way of email to enhancedsharelimit@sgx.com, notify SGX RegCo of the following when the general mandate for the Enhanced Share Issue Limit has been approved or renewed by shareholders: (a) name of issuer; and (b) date on which such general mandate is approved or renewed by shareholders.
- In its announcement of any issue of shares or convertible securities in reliance of the Enhanced Share Issue Limit, the issuer must disclose that it is utilising the Enhanced Share Issue Limit.

SGX RegCo has also stated that it will work closely with issuers in effecting the measures set out above and giving expedited clearance to their fund-raising efforts.

Please refer to the SGX media release [here](#) for further details.

If you would like information or assistance on the above or any other area of law, you may wish to contact the Partner at WongPartnership whom you normally work with or any of the following Partners:



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