Public Listing in Singapore
Why, what and how?
You can leverage on our IPO experience, expertise and track records to assist you on your IPO journey from a private company to a successful public company in Singapore.
Turning an enterprise into a publicly traded company through an Initial Public Offering (IPO) is a significant milestone for your company. Private companies in Singapore choose to go public for many reasons such as raising of additional capital, enhancing the status and financial standing of the company, increasing public awareness and public interest in the company and its products.

For all the glamour associated with going public, the fact remains that the decision to do so should be based on hard business realities. Some factors to consider are the timing and costs associated with listing, both of which will depend on the complexity of corporate structure, nature of business activities, size of the new issue and the time costs spent by the professional parties on the listing exercise.

You can leverage on our IPO experience, expertise and track records to assist you on your IPO journey from a private company to a successful public company in Singapore.
Why go public?

<table>
<thead>
<tr>
<th>Advantages of being a listed company</th>
</tr>
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<tbody>
<tr>
<td><strong>Increased capital</strong></td>
</tr>
<tr>
<td>• Funds raised from an IPO can be used to fund growth, capital expenditure, strategic acquisition and reduce existing debts</td>
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<tr>
<td>• Continued access to funds since company can return to public markets to raise additional capital</td>
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<td><strong>Image &amp; Prestige</strong></td>
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<tr>
<td>• Public company status enhances prestige, brand image, public profile and credibility</td>
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<td>• Improves perception of your business and brand with customers, suppliers and employees</td>
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<td><strong>Improved financial position</strong></td>
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<td>• Achieves higher valuations than private enterprises since greater disclosure of information reduces uncertainty around performance and increases value</td>
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<td><strong>Better employee morale and productivity</strong></td>
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<td>• Attracts, retains and rewards valued employees through share-related remuneration plans</td>
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<td><strong>Benchmarking for improvement</strong></td>
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<td>• Enhances benchmarking of operations against other public companies from same industry</td>
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<td><strong>Marketability of shares</strong></td>
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<tr>
<td>• Provides a more liquid and diversified share capital base and a liquid currency for strategic acquisitions</td>
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<tr>
<td>• Provides a potential exit strategy and liquidity for investors, owners and (or) shareholders</td>
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<tr>
<td>Challenges of being a listed company</td>
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<td>---------------------------------------------</td>
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<tr>
<td><strong>Earnings expectations</strong></td>
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<td><strong>External commitments</strong></td>
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<td><strong>Dilution of controls</strong></td>
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<tr>
<td><strong>Listing costs</strong></td>
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Why Singapore?

Reasons for choosing the Singapore Exchange:

• Political stability and excellent business environment
• Asian gateway of clusters and business opportunities
• Access to institutional investors - the most international stock exchange in Asia whereby 40% of listed companies are foreign
• Quick and efficient fund raising process with certainty of timing
• International disclosure and corporate governance standards
• Major fund hub - fair valuation and stock market liquidity
• Sector strengths that are well tracked and understood by investors
• Globally renowned transparent and responsive regulatory regime that is well regarded by investors and issuers
The public market readily accepts companies that have achieved the following:

- Good growth prospects and value proposition
- Innovative product or service offering
- Capable management team with appropriate experience, expertise and of good character
- Financial position showing positive cash flow from operating activities
- Ability to meet financial audit and reporting requirements

A Mainboard Listing involves a potential listing applicant meeting certain quantitative requirements and is positioned for more established companies with generally longer track record. See synopsis enclosed.

A Catalist Listing, on the other hand, does not involve any quantitative requirements and caters to fast growing companies under a sponsor-supervised regime. See synopsis enclosed.

Companies that are ready to go public generally share a certain number of characteristics. Most of these companies have progressed beyond the start-up phase to a certain size and have become profitable, with prospects of further significant growth.
# How to make it a success

| Evaluation and planning stage | 1. Evaluate financial performance, track record of growth and long-term business plan  
2. Evaluate the market conditions and options available, debt vs debt financing, private placement, strategic business alliances  
3. Evaluate the requirements for corporate reorganisation  
4. Availability of the appropriate resources and quality  
5. Meeting and discussion with the professionals and advisers

| Preparation stage | 1. Putting together the appropriate management and finance team  
2. Building the right financial and operational infrastructure  
3. Establishing the appropriate corporate governance structure  
4. Consider investor relations and public relations strategies  
5. Appointment of professionals and advisers  
6. Putting the financial statements right and addressing accounting and tax challenges and issues  
7. Putting together the IPO timetable

| Execution stage | 1. Due diligence  
2. Drafting of prospectus  
3. Completion of corporate reorganisation  
4. Preparation of financial information  
5. Recruiting non-executive board members and audit committee  
6. Discussion on pricing and valuations with advisers  
7. Managing of the “brand” and market positioning with public relations adviser

| Realisation stage | 1. Submission and lodgement of prospectus with the authorities and regulators  
2. Addressing queries and concerns of the authorities and regulators  
3. Conducting the IPO road shows  
4. Launching the IPO

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1. Professionals and advisers include the following:

Underwriters/Lead managers: must be a member company of the SGX, a bank, a merchant bank or other similar institutions acceptable to the SGX to manage the launch and liaise with the SGX on all matters arising from the application for listing.

Sponsors: are qualified professional corporate finance firms authorised by SGX who will determine the suitability of a company to list on the Catalist and supervise the listed company’s compliance with their continuing obligations.

Reporting auditors: are certified public accountants with experience in public offerings will give you an initial evaluation of your state of readiness to go public, and assist you in upgrading management capabilities.

Lawyers: will look after the legal aspects of the launch as there are legal consequences for companies that issue offering documents that omit critical facts or contain misleading or false information.

Public relations firms: can be engaged before and during the launch to help enhance the appeal of your company to the investing public and convey your corporate messages effectively.

2. A prospectus contains full, true and plain disclosure about the company seeking a listing. Content includes a business and industry description, sales and marketing information, products and production methods, personnel information, financial information and the risks faced by the company. For more detailed requirements, please refer to the Fifth Schedule of the Securities and Futures Regulations (2005).
Deloitte's role

With over 2,000 staff and partners, Deloitte Singapore has taken a leading position in our public offering market and continue to work with international, regional and local clients developing their potential both in Singapore and elsewhere.

Deloitte also has a dedicated Global IFRS and Offerings Services (GIOS) team consisting of more than 200 member firm professionals located in key markets of Asia, Europe, and North and South America.

The GIOS professionals specialise in assisting clients in their capital-raising activities, including initial public offerings, high-yield debt offerings and secondary offerings. These professionals are knowledgeable about the regulatory requirements in Singapore and the key markets around the globe. They are also adept at assisting clients in addressing the complexities of cross-border listings, as well as assessing and fulfilling their post-offering reporting requirements.

**Act as reporting accountants**

We can advise and assist you to navigate the complex journey to becoming a public company. Our Public Offerings professionals can deliver immediate, comprehensive services to assist you along the way as we keep abreast of regulatory and accounting developments and we can anticipate potential issues faced by a company seeking a public listing.

In your evaluation and planning stage, we can play a pivotal role to assist you in your negotiations with other professional parties. We will give you an initial evaluation of your state of readiness to go public and will assist in upgrading management capabilities to help your company prepare for the IPO journey.

**Advise on group restructuring**

A company going public must have an organisational structure suitable for public investment. The business must be conducted through a single corporation or a parent corporation with subsidiaries. At the same time, there may be activities or assets and liabilities which are not the core business of the listing company and these should be taken out of the listing group.

**Tax efficiency**

- Analyse the IPO tax implications, a step vital to clarifying the tax positions of both the business and the individual shareholders and directors.
- Deloitte can help your company to review its tax arrangement to assess if there may be savings from implementing a more tax-efficient operating structure. We can also help your company develop a tax-efficient share option scheme to enhance the commitment and morale of your staff.

**Audited financial statements required for the prospectus**

- Fulfill regulators’ requirements for independent audit of historical financial statements, usually 3 years prepared in accordance with FRS, IFRS or US GAAP
- Provide guidance in preparation of final disclosure package for the company prospectus
- Lend credibility to offering

**Address and resolve issues raised by regulators**

**Singapore Exchange Limited (SGX) and Monetary Authority of Singapore (MAS)**

Facilitate the registration process to help avoid costly delays
Contacts

For more information about public listing in Singapore, please contact any of our partners below:

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**Global IFRS and Offerings Services (GIOS)**

The Global IFRS and Offerings Services (GIOS) group consists of more than 200 member firm professionals located in key markets of Asia, Europe, and North and South America.

Deloitte’s multidisciplinary capabilities are outstanding in the industry, and the GIOS professionals are adept at providing services that span the breadth of the issue at hand, involving the requisite resources of the Deloitte network whenever and wherever the need arises. These advantages enable the GIOS group to provide customised services both on a local and global scale. These services can vary from a one-time effort resulting in knowledge transfer to a company’s organisation or long-term solutions. The group can call on deep, diverse, and industry-focused resources to tailor an approach that is comprehensive and fits your specific needs.

**Cross-Border Offerings Services (CBO)**

Cross-Border Offerings Services (CBO) is a subset of GIOS, and the service offerings encompass the entire spectrum of the offering process, including:

- Local and cross-border capital markets assistance services—providing support throughout the offering process
- Post-offering support services—assisting companies identify their new ongoing reporting obligations and develop an approach to ensure compliance with these requirements
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About Deloitte Southeast Asia

Deloitte Southeast Asia Ltd—a member firm of Deloitte Touche Tohmatsu Limited comprising Deloitte practices operating in Brunei, Guam, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam—was established to deliver measurable value to the particular demands of increasingly intra-regional and fast growing companies and enterprises.

Comprising over 250 partners and 6,000 professionals in 23 office locations, the subsidiaries and affiliates of Deloitte Southeast Asia Ltd combine their technical expertise and deep industry knowledge to deliver consistent high quality services to companies in the region.

All services are provided through the individual country practices, their subsidiaries and affiliates which are separate and independent legal entities.

About Deloitte Singapore

In Singapore, services are provided by Deloitte & Touche LLP and its subsidiaries and affiliates.

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### Listing process in Singapore

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<th>Timeline</th>
<th>Mainboard</th>
<th>Catalist</th>
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</table>
| **Pre-listing work**        | 4 - 9 months | • Appoint professionals  
• Due diligence work  
• Pre-listing restructuring of group  
• Preparation of listing documents | • Appoint professionals and advisers  
• Due diligence work  
• Pre-listing restructuring of group  
• Preparation of listing documents |
| **Submission to SGX & MAS review** | Mainboard: 6 - 8 weeks  
Catalist: 4 - 5 weeks | • Review documents by SGX and MAS  
• Receipt of Eligibility-To-List from SGX | • Review of documents by Sponsors who will assess suitability to list  
• Includes statements from the directors and the Sponsor that the working capital available to the company will be sufficient for its present purposes and for at least 12 months from the date of listing |
| **Notification to SGX**     |          |                                                                          |                                                                                                                                         |
| **Lodgement & public exposure** | 2 weeks | • Lodgement of prospectus on MAS OPERA website for public comments⁴  
• Public can submit comments on lodged prospectus to MAS OPERA | • Lodgement of offer document on SGX Catalodge website for public comments⁴  
• Public can submit comments on lodged offer document to SGX |
| **Registration & Launch**   | 1 - 2 weeks | • Registration of prospectus with MAS (from 1 to 2 weeks, if extended, after public comments period)  
• Issuer can launch offer and distribute registered prospectus after registration | • Issuer can launch offer and distribute after public comments |

**Note:**  
⁴ Securities and Futures Regulations (2005) require additional interim financial information to be provided if the date of lodgement of the prospectus is more than 6 months after the end of the most recent completed financial year.

The timing required for a listing varies with companies and depends on the complexities of the operations of the companies and the restructuring process undertaken prior to listing. Deloitte will be able to provide you with the necessary guidance and advice at each stage of the listing process. In the process, we maintain the highest level of professional integrity, objectivity and independence. A great majority of the companies we have helped to list remains as our clients today.

### Key milestones for listing process

#### Mainboard timeline

<table>
<thead>
<tr>
<th>Pre-listing work</th>
<th>Submission to SGX &amp; MAS review</th>
<th>Lodgement &amp; public exposure on MAS OPERA</th>
<th>Registration &amp; launch</th>
<th>Trading commences</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-8 weeks</td>
<td>2 weeks</td>
<td>1-2 weeks</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Catalist timeline

<table>
<thead>
<tr>
<th>Pre-listing work</th>
<th>Notification to SGX</th>
<th>Lodgement &amp; public exposure on SGX Catalodge</th>
<th>Registration &amp; launch</th>
<th>Trading commences</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-5 weeks</td>
<td>2 weeks</td>
<td>1-2 weeks</td>
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</table>
# Summary of listing requirements in Singapore

<table>
<thead>
<tr>
<th></th>
<th>Mainboard</th>
<th>Alternative 1</th>
<th>Alternative 2</th>
<th>Alternative 3</th>
<th>Catalist¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-tax profits</strong></td>
<td></td>
<td>At least S$30 million for the latest financial year</td>
<td>Profitable in latest financial year</td>
<td>Positive operating revenue in the latest completed financial year</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Market capitalisation</strong></td>
<td>NA</td>
<td>At least S$150 million</td>
<td>At least S$300 million²</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td><strong>Operating track record</strong></td>
<td>3 years</td>
<td>3 years</td>
<td>At least 1 year</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td><strong>Continuity of management</strong></td>
<td>3 years</td>
<td>3 years</td>
<td>At least 1 year</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td><strong>Issue price of the equity securities</strong></td>
<td>At least S$0.50 each</td>
<td>At least S$0.20 each</td>
<td></td>
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<tr>
<td><strong>Requirements for independent directors</strong></td>
<td>At least 3 independent directors. For foreign companies, at least 2 of these independent directors must be resident in Singapore</td>
<td>At least 2 independent directors. For foreign companies, at least 1 of these independent directors must be resident in Singapore</td>
<td></td>
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<tr>
<td><strong>Sponsorship</strong></td>
<td>NA</td>
<td>All Catalist companies must retain a Sponsor for as long as they are listed</td>
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<tr>
<td><strong>Working capital statement requirement</strong></td>
<td>NA</td>
<td>Sufficient working capital for the present requirements and for at least 12 months after IPO</td>
<td></td>
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<tr>
<td><strong>Moratorium period</strong></td>
<td>Restriction on promoters¹ sale of shares and lock-up period for pre-IPO investors and promoters</td>
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<tr>
<td><strong>Accounting standard</strong></td>
<td>Singapore Financial Reporting Standards (FRS) or International Financial Reporting Standards (IFRS) or US Generally Accepted Accounting Practices (US GAAP)</td>
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<tr>
<td><strong>Financial information post listing</strong></td>
<td>• Full year unaudited announcement must be made 60 days after year end. Annual reports must be approved by shareholders in annual general meeting within four months of the year end. • Half year unaudited announcement must be made 45 days after period end if the market capitalisation is below S$75 million. • Quarterly unaudited announcement must be made 45 days after quarter end if the market capitalisation is above S$75 million</td>
<td></td>
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<tr>
<td><strong>Trading and reporting currency</strong></td>
<td>At the discretion of the issuer</td>
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<tr>
<td><strong>Business operations</strong></td>
<td>No requirement for operations in Singapore</td>
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<tr>
<td><strong>Continuing listing obligations</strong></td>
<td>Yes</td>
<td>Waived from having to comply with continuing listing obligations if listed on another foreign stock exchange</td>
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**Note:**

¹ Catalist was launched by SGX in November 2007.
² Promoters are controlling shareholders and their associates and executive directors with more than 5% of share capital at the time of listing.
³ Real Estate Investment Trusts and Business Trusts that have met the S$300 million market capitalisation test but do not have historical financial information may apply under this rule if they are able to demonstrate that they will generate operating revenue immediately upon listing.