



SGX Twenty-Third Annual General Meeting 2022

30 September 2022

Responses to Shareholders' Questions

Singapore Exchange Limited (SGX) would like to thank shareholders for submitting their questions in advance of the Twenty-Third Annual General Meeting (AGM) to be held at Raffles City Convention Centre, Level 4, Fairmont Ballroom, 80 Bras Basah Road, Singapore 189560 on Thursday, 6 October 2022 at 10.30 a.m. (Singapore time).

We did not receive any written questions related to the AGM. Below are our responses to other non-AGM related questions received.

- 1. Investors who wish to receive dividends in USD have to pay additional charges to SGX and the bank. There were no charges in the past as investors received USD dividends via cheque. Will SGX consider allowing investors to continue to receive USD dividends via cheque? Alternatively, please provide direct crediting service for USD accounts with local banks.**

We will implement foreign-currency direct crediting service in 2023. This is part of our digital service enhancement with CDP going cheque-free from 1 September 2020. Since then, we have implemented a Currency Conversion Service and Direct Crediting Service, which automatically converts foreign currency dividends into Singapore dollars (SGD) and transfers the SGD dividends into the account holder's designated bank account. In the meantime, account holders who prefer to receive their dividends in foreign currency can request for Telegraphic Transfers (TT), which is subject to third-party TT processing and bank charges.

- 2a. Please refer to the joint statement by MAS and SGX RegCo titled "MAS and SGX RegCo to Safeguard Interests of Unitholders of Eagle Hospitality Trust" dated 20 April 2020. Have the unitholders of Eagle Hospitality Trust (EHT) been defrauded or scammed? What has SGX RegCo done to safeguard the interests of EHT's unitholders?**

MAS and CAD launched a joint investigation of current and former directors and officers responsible for managing Eagle Hospitality Trust in June 2020. Six current and former directors were arrested in October 2020 and released on bail for suspected breaches of disclosure requirements under Section 203 of the Securities and Futures Act. Per the MAS Enforcement Report for 2020/2021 released in April 2022, investigations are ongoing. As such, SGX RegCo is unable to comment further on specifics.

SGX RegCo engaged with the REIT manager on a trading resumption proposal. Several proposals to rescue the trust were received. One was selected for unitholders' vote in December 2020. The proposal did not receive enough support from unitholders to pass. The trust was subsequently put through Chapter 11 bankruptcy proceedings in the US.

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2b. 100% of Eagle Hospitality Trust (EHT) was worth US\$677 million (about S\$0.93 billion) at registration stage of its IPO Prospectus with MAS. What culpability do each of the parties involved (i.e. MAS, SGX RegCo, Sole Financial Adviser and Issue Manager, Joint Global Coordinators, Joint Bookrunners and Underwriters, Directors, Management, Auditors, Valuers, other professionals, etc) have in respect of this REIT which was suspended and failed within 10 months from its listing?

Per the Association of Banks in Singapore Due Diligence Guidelines, every listing involves due diligence investigations or checks by the various appointed IPO market professionals including the issue managers, external auditors, lawyers and valuers.

Despite this, there will always be the risk that an issuer performs poorly on the regulatory front. When this happens, we will query and investigate the issuer, its directors and the issue manager including the market professionals, to shed as much light as possible on the regulatory issues that have surfaced post-listing.

Where statutory breaches are uncovered, we refer the case to the statutory authorities for their investigation and appropriate actions against the relevant parties. In respect of EHT, the investigations by MAS and CAD stemmed from a referral by SGX RegCo. As investigations by CAD and MAS are ongoing, we are unable to comment further on culpability.

3a. How does SGX RegCo intend to stop the top companies within an industry from destroying shareholders' value through issuance of under-priced bonus/placement/rights?

In respect of your concern about under-priced bonus/placement/rights shares, the Listing Rules have safeguards to prevent excessive dilution including:

1. The placement price must not be priced at more than 10% discount to the market price, unless specific shareholders' approval is obtained.
2. Placement shares must not be placed to issuer's directors, substantial shareholders and their immediate family members, unless specific shareholders' approval is obtained.
3. On an annual basis, issuers will seek shareholders' approval to issue shares via a general mandate. Should the fund-raising exercise / issuance of shares exceed the limits of the general mandate, specific shareholders' approval need to be sought at an EGM.

Should shareholders have concerns on dilution or "under-pricing" of fundraising exercises, such concerns should be raised with the board and management of the issuers, so that they can make informed decision on their investment and whether to support the proposed fundraising exercises.

3b. Assuming a top company within the industry decides to make an exit offer in conjunction with voluntary delisting, should the Independent Financial Advisor (IFA) use comparable top companies within that industry as bases for determining the fairness and the reasonableness? How does SGX RegCo intend to address "contextual wrongdoings" of under-priced bonus/placement/rights shares since listing in any exit offer?

Chapter 13 of the listing rules requires an issuer to convene a general meeting and obtain shareholders' approval (via majority of at least 75% votes) for a delisting.

In addition, an exit offer must be made. Such exit offer must be fair and reasonable, and this is to be opined on by an independent financial advisor (IFA). The IFA must clearly explain the valuation

methodologies adopted as well as the basis of its opinion, so that shareholders can make an informed decision on the delisting proposal and whether or not to accept the offer.

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