
ANNEXURE GN20-A**Original GN2 Framework**
(paragraph 1.2(a))**[Reproduction of Rule 8.14]****“8.14 Cash Companies**

- (1) A listed company that is considered a “Cash Company” by the Exchange must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may de-list such listed company.
- (2) A listed company whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both, must immediately notify the Exchange of the same in writing (referred to as “the Cash Criterion” in this Part E). The Exchange will make a determination as to whether such listed company should be considered a Cash Company pursuant to sub-Rule (1) above. A listed company considered as a Cash Company by the Exchange will be notified by the Exchange (referred to as “the Notice” in this Part E).
- (3) For the purposes of sub-Rule (2) above, the following shall apply:-
 - (a) a listed company must, as a minimum requirement, make a determination as to whether it triggers the Cash Criterion when it disposes its assets or business on a group basis or prepares its financial statements or accounts; and
 - (b) “short term investments” means investments which are by their nature readily realisable and intended to be held for 12 months or less including interests (equity or otherwise) in companies.
- (4) A Cash Company must comply with the following additional requirements:-
 - (a) regularise its condition in the following manner:-
 - (i) submit a proposal to regularise its condition to the Commission and the other relevant authorities for approval (collectively referred to as the “Approving Authority” in this Part E) within such timeframe as may be stipulated by the Exchange; and
 - (ii) implement its proposal to regularise its condition within the timeframe stipulated by the relevant Approving Authority;
 - (b) provide such information as may be prescribed by the Exchange from time to time for public release; and
 - (c) do such other acts or things as may be required by the Exchange.
- (5) For the purpose of sub-Rule (4)(a) above, a “proposal to regularise its condition” refers to a proposal that is substantive and falls within the ambit of section 212 of the CMSA (referred to as “the Proposal” in this Part E).
- (6) A Cash Company which fails to comply with sub-Rule (4)(a) above or whose Proposal is rejected by the Approving Authority, may have its listed securities suspended and subsequently de-listing procedures commenced against the Cash Company.

- (7) Where a Cash Company has completed the implementation of its Proposal, it must submit an application to the Exchange together with all the necessary documentary evidence to show that it is no longer a Cash Company.”

[Reproduction of Guidance Note No 2/2006]

“GUIDANCE NOTE NO. 2/2006

CASH COMPANIES

Issued in relation to Rules 8.14, 16.02 and 16.09 of the Listing Requirements;

And

Pursuant to Rules 2.09 and 2.20 of the Listing Requirements.

1.0 Introduction

- 1.1 Rule 8.14(1) of the Listing Requirements states that a listed company that is considered a Cash Company must comply with such requirements as may be prescribed by the Exchange.
- 1.2 In this connection, this Guidance Note sets out the requirements that must be complied with by a Cash Company.
- 1.3 Nothing in this Guidance Note shall be read to restrict the generality of Rule 8.14 of the Listing Requirements.
- 1.4 The provisions of this Guidance Note are in amplification and not in derogation of the obligations of a listed company as contained in the Listing Requirements.

2.0 Disclosure obligations of a Cash Company

- 2.1 A Cash Company must comply with the following disclosure requirements. A Cash Company must:-
 - (a) immediately upon receipt of the Notice (as defined in Rule 8.14(2) of the Listing Requirements) announce the following to the Exchange (hereinafter referred to as the "Initial Announcement"):-
 - (i) that the listed company is a Cash Company;
 - (ii) the obligations of a Cash Company pursuant to this Guidance Note;
 - (iii) the consequences of non-compliance with the aforesaid obligations; and
 - (iv) the status of the Cash Company's proposal to comply with the obligations set out in Rule 8.14(4)(a) of the Listing Requirements, or the status of its endeavours/steps to formulate such a proposal, whichever is applicable, or where neither a proposal nor any endeavour to formulate such a proposal has been undertaken, an appropriate negative statement to such effect;
 - (b) announce the status of its proposal referred to in subparagraph (a)(iv) above and the number of months to the end of the relevant timeframes referred to in paragraph 3.1 or 3.2 below, as may be applicable, simultaneously with the announcement of its quarterly report pursuant to Rule 9.22 of the Listing Requirements and in any event

not later than 2 months after the end of each quarter of a financial year until further notice from the Exchange;

- (c) announce its compliance or non-compliance with a particular obligation imposed pursuant to this Guidance Note on an immediate basis; and
- (d) announce details of the Proposal as referred to in Rule 8.14(5) of the Listing Requirements which announcement must fulfill the requirements set out in paragraph 2.2 below (hereinafter referred to as “the Requisite Announcement”).

2.2 The Requisite Announcement must satisfy the following conditions:-

- (a) the announcement must contain details of the Proposal and a timeline for the complete implementation of the Proposal; and
- (b) it must be announced by an Adviser.

2.3 A Cash Company must ensure that prior to the making of the Requisite Announcement, all agreements to be entered into with third parties as part of the Proposal, have been duly executed by all parties to such agreements.

3.0 Obligation to Regularise

3.1 A Cash Company must submit a Proposal, as referred to in Rule 8.14(5) of the Listing Requirements, to the relevant Approving Authority as referred to in Rule 8.14(4)(a)(i) of the Listing Requirements for approval within 12 months from the date of the Initial Announcement.

3.2 A Cash Company must implement the Proposal within the timeframe stipulated by the relevant Approving Authority.

4.0 Effective Date

4.1 This Guidance Note takes effect 8 May 2006.”