

## DUAL LISTING POSSIBILITIES ON OSLO BØRS AND THE SINGAPORE EXCHANGE

On 8 July 2009, the Singapore Exchange (SGX) and Oslo Børs entered into a Memorandum of Understanding to promote dual listings on the two markets. With its history tied to Singapore, Wikborg Rein has taken an active interest and part in the discussions leading up to the MoU. As a consequence of the strengthened focus on Asia through the MoU and establishment of several Norwegian based investment banks in Singapore, Wikborg Rein is expanding its corporate focus in the Singapore office to accommodate a need for assistance, in multiple areas, including dual listing processes.

### Why dual list?

Through our discussions with the stock exchanges, investment banks and other market participants, the general understanding seems to be that there is great commonality in market sectors between the Oslo and the Singapore listed markets and little cross trading. One can speculate that reasons such as time difference, culture differences etc. are relevant factors.

The mutually strong sectors in the two markets are mainly the shipping, offshore oil and gas, and energy sectors. A great number of Norwegian-based companies from these sectors have a presence in Singapore.

The rationale behind the MoU is that the two markets will be complementary rather than competitive, given the different groups of investors which a company would reach through the respective markets. With the strong sectors being well known by investors in both markets, the local interest must be assumed to increase upon a second listing and thereby giving the listed companies access to an expanded base for funding its activities.

### Who can dual list?

The indications given by the exchanges are that the focus group for dual listings will be companies in the common sectors between the markets being shipping, offshore oil and gas, and energy. Since a company, in order to benefit from a dual listing, should be of a certain size, the exchanges are aiming at companies with



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a substantial market value. The SGX indicates that a company should have a market cap of SDG 200 million (approximately USD 140 million equivalent today), while the minimum requirement for a listing on the main market of Oslo Børs is NOK 300 million (approximately USD 50 million equivalent today). Although the exchanges indicate that their focus is on companies with a three year listing history in the other market, this is not an absolute requirement if the company in question is otherwise found to be suitable for secondary listing.

An important criterion for a dual listing will be the establishment of a market for the shares on the second exchange. Such market may be established by completing a share issue in the new market or through a sale of shares by large shareholders. As a guideline, the exchanges will expect the share issue at the point of secondary listing to be in the area of approximately USD 50 million.

For a secondary listing in Oslo, the company must have 500 independent shareholders worldwide and 200 independent shareholders registered for trading in Oslo. For the SGX, the requirement is that there must be 500 shareholders worldwide after the secondary listing - although they do not state the number of shareholders that must be registered for trading in the Singapore market.

### Procedure for dual listing

Both exchanges will require that the regular listing procedure is

complied with to obtain a secondary listing in the other market. The advantage of the agreement lies in the general understanding and reliance that the exchanges have with each other following their discussions and investigations into the rules and procedures of the other exchange. Certain adjustments to the process may also be expected.

Companies having a primary listing on the SGX will accordingly have to comply with a full process in Oslo to obtain a secondary listing. A full process however only takes eight weeks. The process involves submission of a written summary, a listing application, due diligence and meetings with the stock exchange as well as a resolution by the Board of the stock exchange. Oslo Børs indicates however that they will to a large extent rely on the past evaluations of the SGX and that there will be flexibility in the manner in which the company meets with the stock exchange to avoid having to travel to Oslo on various occasions during the process. Furthermore a prospectus must be prepared and approved as part of the listing process or before admittance to trade on Oslo Børs. Normally, the Company's investment bank will with the assistance of their legal and financial advisors be in charge of preparing the listing prospectus, as well as handling the approval process towards Oslo Børs. The prospectus approval takes approximately two weeks from submission.

Also the Singapore exchange will require a full listing process for completion of a secondary listing of companies with a primary listing on Oslo Børs. A listing process at the SGX involves a listing application but, as opposed to a process in Oslo, the process revolves around completion of a prospectus and the due diligence to be undertaken and the approval to be obtained by the Monetary Authority of Singapore (MAS). From the time of submission of a complete prospectus, the approval process takes from 8 to 12 weeks. The normal practice in Singapore is that the Company's legal advisors draft the prospectus in compliance with the Singapore Securities and Futures Act and Regulations.

### Consequences of a dual listing

Dual listings normally involve having to comply with two sets of rules and obligations after the listing. Companies seeking a secondary listing on Oslo Børs will accordingly have to add on certain additional obligations under the Oslo Børs Continuing Obligations; however the company will only be subject to the parts of

the obligations which are required under EU directives, while the regulation imposed by Oslo Børs will be waived. Oslo Børs will on a more general note be relying predominantly on the SGX surveillance of the Company.

The SGX will waive all additional requirements for companies with a primary listing in Oslo and as such becoming secondarily listed on the SGX does not create additional compliance issues. The company must however ensure that announcements made to the Oslo Børs are also provided simultaneously to the SGX. This must be considered to be a great advantage and should inspire a few Norwegian-listed companies to seek a secondary listing on the SGX.

### How can we help?

Wikborg Rein has, over its 12 years of experience in Singapore, expanded from a shipping oriented firm into corporate activities and our expansion continues. With the expected interest in dual listings, our ambition is to be the first firm to advise companies listed in Norway on secondary listings in Singapore and vice versa. Furthermore, we aim to continue advising dual listed companies on compliance obligations on both exchanges whether the client is established in Singapore or Norway/Europe. Having the advantage of an established office in Singapore as well as our main office in Norway we are able to transfer personnel or organize teams cross-border to provide assistance locally with regard to both Singapore and Norwegian law issues.

### FOR FURTHER INFORMATION, PLEASE CONTACT:

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