

REGISTRAR'S INTERPRETATION NO. 2 OF 2016

DIRECTORS' STATEMENT – REFERENCE TO PREVIOUS DIRECTORS' REPORT ON OPTIONS GRANTED BY COMPANY TO TAKE UP UNISSUED SHARES

Summary

1. This Registrar's Interpretation ("RI") serves to clarify that pursuant to Paragraph 3 of the Twelfth Schedule of the Companies Act, particulars relating to options granted by a company to take up unissued shares that are required to be stated in a directors' statement but have been stated before in a previous directors' report, may be stated by reference to that previous directors' report.

Explanation

2. Section 201(16) of the Companies Act requires that the financial statements laid before a company at its general meeting (including any consolidated financial statements annexed to the balance-sheet of a parent company) shall be accompanied, before the auditor reports on the financial statements under Part VI, by a statement signed on behalf of the directors by 2 directors of the company containing the information set out in the Twelfth Schedule.

3. The Twelfth Schedule sets out the required contents of directors' statements. Paragraph 3 of the Twelfth Schedule states: "Where any of the particulars required by paragraph 2 have been stated in a previous directors' statement, they may be stated by reference to that statement."

4. The Twelfth Schedule was inserted in the Companies Act by section 184 of the Companies (Amendment) Act 2014 ("CAA 2014") and came into effect on 1 July 2015. Companies are required to attach a directors' statement containing the information set out in the Twelfth Schedule in financial statements for financial years ending on or after 1 July 2015.

5. Certain particulars related to options granted by a company to take up unissued shares are specified in paragraph 2 of the Twelfth Schedule for inclusion in directors' statements that were previously, prior to 1 July 2015, specified in the directors' report required under the former section 201(11)¹. The former section

¹ Prior to 1 July 2015, section 201 (11) of the Companies Act stated: "Where any option has been granted by a company, other than a holding company for which consolidated accounts are required during the period covered by the profit and loss account to take up unissued shares of a company, the [directors'] report ... shall state ... [various particulars of the option granted]." In addition, section 201(11A) stated: "Where any of the particulars required by subsection (11) have been stated in a previous report, they may be stated by reference to that report."

201(11) was also amended by CAA 2014 and since 1 July 2015 there is no longer a requirement for a directors' report.

6. The Registrar is prepared to accept that if information required by paragraph 2 of the Twelfth Schedule to be in a directors' statement had been stated in a previous directors' report, then it may be stated by reference to that report, so long as it is clearly indicated where that information is stated and it is easily accessible.

Further clarification

7. If you have any clarifications, you may contact ACRA's Helpdesk at 62486028.

Issued on 31 May 2016

Kenneth Yap Yew Choh (Mr)

Chief Executive, Accounting and Corporate Regulatory Authority and
Registrar of Companies, Business Names, Public Accountants, Limited Liability
Partnerships and Limited Partnerships