

**SGX-ST LISTING MANUAL AMENDMENTS –  
NEW RULES EFFECTIVE 1 MARCH 2008**

**CHAPTER 13**

**PART V WATCH-LIST**

- 1310 This Part applies to issuers listed on the SGX Mainboard, except for investment funds (whether constituted as collective investment schemes or otherwise), real estate investment trusts, business trusts, global depository receipts and companies with secondary listings on the Exchange.
- 1311 The Exchange will place an issuer on the watch-list, if it records:
- (1) pre-tax losses for the three (3) most recently completed consecutive financial years (based on the latest announced full year consolidated accounts, excluding exceptional or non-recurrent income and extraordinary items); and
  - (2) an average daily market capitalisation of less than \$40 million over the last 120 market days on which trading was not suspended or halted. For the purpose of this rule, trading is deemed to be suspended or halted if trading is ceased for a full market day.
- 1312 Upon recording a pre-tax loss for the third consecutive financial year (based on the latest announced full year consolidated accounts excluding exceptional or non-recurrent income and extraordinary items), an issuer must immediately announce the fact through the SGXNet. The announcement must provide the information as set out in Appendix 13.1.
- 1313 If an issuer is placed on the watch-list, it must:
- (1) immediately announce the fact through the SGXNet; and
  - (2) for the period in which it remains on the watch-list, provide the market with a quarterly update on its financial situation, including its future direction, or other material development that may have a significant impact on its financial position. If any material development occurs between the quarterly updates, it must be announced immediately.
- 1314 An issuer on the watch-list may apply to the Exchange for its removal from the watch-list if it satisfies any one of the following requirements:
- (1) the issuer records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts, excluding exceptional or non-recurrent income and extraordinary items) and has an average daily market capitalisation of \$40 million or more over the last 120 market days on which trading was not suspended or halted. For the purpose of

this rule, trading is deemed to be suspended or halted if trading is ceased for the full market day; or

- (2) the issuer satisfies the SGX Mainboard admission criteria, either under Rule 210(2)(a) or Rule 210(2)(b).

The Exchange may approve the application, or reject the application if the Exchange is of the opinion that there are other factors that justify the continued inclusion of the issuer in the watch-list.

- 1315 An issuer must take active steps to meet the requirements of Rule 1314. If the issuer fails to submit an application pursuant to Rule 1314 within 24 months of the date on which it was placed on the watch-list, the Exchange may either remove the issuer from the Official List, or suspend trading of the listed securities of the issuer (without the agreement of the issuer) with a view to removing the issuer from the Official List.
- 1316 While the issuer remains on the watch-list, trading in its securities will continue, unless a trading halt or a suspension is, or has been previously effected.

## APPENDIX 13.1

### NOTICE OF 3 CONSECUTIVE YEARS' LOSSES

*(Cross-referenced from Rule 1312 and Practice Note 13.2)*

Name of Issuer: \_\_\_\_\_ hereby gives notice that:

- (i) it has recorded pre-tax losses for the three (3) most recently completed consecutive financial years (based on the latest announced full year consolidated accounts, excluding exceptional or non-recurrent income and extraordinary items); and
- (ii) its market capitalisation as at \_\_\_\_\_, the last market day on which trading was not suspended or halted is \_\_\_\_\_. (Trading is deemed to be suspended or halted if trading is ceased for a full market day.)

The Company wishes to draw investors' attention to Rule 1311 of the Listing Manual which states that the Exchange will place an issuer on a watch-list if it records:

- (i) pre-tax losses for the three (3) most recently completed consecutive financial years (based on the latest announced full year consolidated accounts, excluding exceptional or non-recurrent income and extraordinary items); and
- (ii) an average daily market capitalisation of less than \$40 million over the last 120 market days on which trading was not suspended or halted. For the purpose of this rule, trading is deemed to be suspended or halted if trading is ceased for the full market day.

Investors should also note that pursuant to Practice Note 13.2 Paragraph 2.1, the Exchange conducts quarterly reviews to identify issuers to be included on the watch-list. The quarterly review will take place on the first market day of March, June, September and December of each year. The Company will make an immediate announcement should it be notified by the Exchange that it will be placed on the watch-list.

# SGX-ST Listing Rules

## Practice Note 13.2

### Watch-List

Details	Cross References	Enquiries
Issue date: 6 December 2007 Effective date: 1 March 2008	Chapter 13 Part 5 Appendix 13.1.	Please contact Issuer Regulation Department:- 6236-8872 Richard Teng 6236-8887 June Sim 6236-8895 Siew Wun Mui 6236-8264 Lorraine Chay 6236-8880 Tang Yeng Yuen 6236-8892 Ashley Seow

#### 1. Introduction

1.1 This Practice Note sets out the guidelines for inclusion of issuers on the watch-list.

#### 2. Quarterly Reviews

2.1 The Exchange will conduct quarterly reviews to identify issuers to be included on the watch-list. The quarterly review will take place on the first market day of March, June, September and December of each year. Upon identifying an issuer for inclusion on the watch-list, the Exchange will promptly notify the issuer of its status.

#### 3. Extension to the 24-month period

3.1 Pursuant to Rule 1315, if the issuer fails to submit an application for removal from the watch-list within 24 months of the date on which it was placed on the watch-list, the Exchange may either remove the issuer from the Official List, or suspend trading of the listed securities of the issuer (without the agreement of the issuer) with a view to removing the issuer from the Official List.

3.2 An issuer may apply to the Exchange for an extension to the 24-month period and the Exchange may, if the circumstances warrant it, grant an extension:

- (1) of up to 12 months if the issuer satisfies at least one of the requirements under Rule 1314(1) and has achieved healthy cash flow from its operating activities (based on its latest consolidated audited financial statements);
- (2) of up to 3 months if the issuer has entered into a legally binding agreement to acquire asset(s) that enable the enlarged group to comply with the requirements in Rule 210(2)(a) or (b) and the transaction is expected to be completed within 3 months; or
- (3) if trading of its securities was suspended pursuant to Rule 1303(3) during a period preceding the end of the 24-month period. The period of extension granted by the Exchange, if any, shall not exceed that which is required to compute the issuer's average daily market capitalisation over a period of 120 market days on which trading is not suspended or halted. (Trading is deemed to be suspended or halted if trading is ceased for a full market day.)

#### **4. Cash Companies and Companies Suspended Pursuant to Rule 1303(3)**

- 4.1 For avoidance of doubt, an issuer that has been suspended pursuant to Rule 1303(2) or 1303(3) or has been allowed to trade pursuant to the requirements of Rule 1018(1) will not be included on the watch-list and will not be required to provide the notification pursuant to Rule 1312. Rules 1311 will be applicable from the date the issuer satisfies the requirements of Rules 1304 or 1018(2).
- 4.2 Where an issuer has been placed on a watch-list pursuant to Rule 1311 and is subsequently suspended under Rules 1303(2) or 1303(3) or is allowed to trade subject to the requirements of Rule 1018(1), it will remain on the watch-list.
  - (1) For the purposes of Rule 1314(1), the average daily market capitalisation will be computed based on the period commencing from the date the issuer satisfies the requirements of Rule 1304.
  - (2) The Exchange will remove the issuer from the Official List:
    - (a) at the end of the 24-month period which commences from the time it was placed on the watch-list (subject to any extension granted); or
    - (b) before the expiry of the 24-month period if it does not meet the requirements in Rule 1304 or 1018(2).