CHAPTER 13
TRADING HALT, SUSPENSION AND DELISTING

PART I  SCOPE OF CHAPTER

1301  This Chapter sets out:-

(1) the requirements relating to trading halt, voluntary suspension and withdrawal by
the issuer from the Exchange’s Official List; and

(2) the powers of the Exchange with regard to trading halt, suspension and delisting
of an issuer by the Exchange.

PART II  TRADING HALT AND VOLUNTARY SUSPENSION

1302  (1) The Exchange may at any time grant a trading halt to enable the issuer to disclose
material information or suspend trading of the listed securities of an issuer at the
request of the issuer. The Exchange is not required to act on the request.

(2) The trading halt cannot exceed 3 market days or such short extension as the
Exchange agrees.

(3) A trading halt may be changed to a suspension by the Exchange at any time.

PART III  SUSPENSION OF TRADING

1303  The Exchange may at any time suspend trading of the listed securities of an
issuer in any of the following circumstances:-

(1) If the percentage of an issuer’s total number of issued shares excluding treasury
shares held in public hands falls below 10%, as provided in Rule 723. In a take-
over situation, where the Offeror succeeds in garnering acceptances exceeding
90% of the issuer’s total number of issued shares excluding treasury shares, thus
causing the percentage of an issuer’s total number of issued shares excluding
treasury shares held in public hands to fall below 10%, the Exchange will
suspend trading of the listed securities of the issuer only at the close of the take-
over offer;

(2) Where there is a change in the issuer’s assets that produces a situation where its
assets consist wholly or substantially of cash or short-dated securities, as
provided in Rule 1018;

(3) Where the issuer is unable to continue as a going concern or unable to
demonstrate to the Exchange and its shareholders that it is able to do so,
including the following circumstances:

(a) when an application is filed with a court to place the issuer (or significant
subsidiary) under judicial management; or
(b) when an application is filed with a court for the liquidation of the issuer (or significant subsidiary) and the amount of the debt alleged is significant; or

(c) when the issuer is unable to reasonably assess its financial position and inform the market accordingly.

(4) Where the issuer is unable or unwilling to comply with, or contravenes, a listing rule;

(5) Where, in the opinion of the Exchange, it is necessary or expedient in the interest of maintaining a fair, orderly and transparent market;

(6) Where, in the opinion of the Exchange, it is appropriate to do so; or

(7) Where the Exchange releases an announcement in relation to the issuer which, in the opinion of the Exchange, is market sensitive.

If an issuer is suspended under Rule 1303(3), it must:

(1) submit a proposal (or proposals) to the Exchange with a view to resuming trading in its securities (“resumption proposals”) within 12 months of the date of suspension. If no resumption proposals are received to enable trading to resume within 12 months of the date of suspension, the Exchange may remove the issuer from the Official List; and

(2) implement the resumption proposals within 6 months from the date the Exchange indicates that it has no objection to the resumption proposals. If the resumption proposals have not been implemented within the 6 months, the Exchange may remove the issuer from the Official List. The issuer is expected to provide monthly valuation of its assets and utilisation of cash and updates of milestones in completing the relevant transactions to the market via SGXNET.

**PART IV  DELISTING**

The Exchange may remove an issuer from its Official List (without the agreement of the issuer) if:-

(1) the issuer is unable or unwilling to comply with, or contravenes, a listing rule;

(2) in the opinion of the Exchange, it is necessary or expedient in the interest of maintaining a fair, orderly and transparent market;

(3) in the opinion of the Exchange, it is appropriate to do so; or

(4) the issuer has no listed securities.

If the Exchange exercises its power to remove an issuer from the Official List, the issuer or its controlling shareholder(s) must comply with the requirements of Rule 1309. For purposes of Rule 1309, a reasonable exit offer may include a
The Exchange may agree to an application by an issuer to delist from the Exchange if:

(1) the issuer convenes a general meeting to obtain shareholder approval for the delisting;

(2) the resolution to delist the issuer has been approved by a majority of at least 75% of the total number of issued shares excluding treasury shares held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting (the issuer's directors and controlling shareholder need not abstain from voting on the resolution); and

(3) the resolution has not been voted against by 10% or more of the total number of issued shares excluding treasury shares held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting.

Rules 1307(1), (2) and (3) do not apply to a delisting pursuant to a voluntary liquidation or a scheme of arrangement.

If an issuer is seeking to delist from the Exchange:

(1) a reasonable exit alternative, which should normally be in cash, should be offered to (a) the issuer's shareholders and (b) holders of any other classes of listed securities to be delisted.

(2) the issuer should normally appoint an independent financial adviser to advise on the exit offer.

PART V WATCH-LIST

This Part applies to issuers listed on the SGX Mainboard, except for investment funds (whether constituted as collective investment schemes or otherwise), global depository receipts, debt securities, exchange traded funds, structured warrants, companies with secondary listings on the Exchange, and issuers listed or have completed a reverse take-over for less than 6 months.

The Exchange will place an issuer on the watch-list, under either of the following:

(1) Financial Entry Criteria

Records pre-tax losses for the three (3) most recently completed consecutive financial years (based on audited full year consolidated accounts); and an average daily market capitalisation of less than $40 million over the last 6 months.
(2) Minimum Trading Price (“MTP”) Entry Criteria

Records a volume-weighted average price of less than S$0.20 and an average daily market capitalisation of less than S$40 million over the last 6 months. Reference is made to Paragraph 2.4 of Practice Note 13.2 for the calculation methodology.

For the purpose of this rule, real estate investment trusts and business trusts are subject to the MTP Entry Criteria but not the Financial Entry Criteria.

1312 Upon recording a pre-tax loss for the third consecutive financial year (based on audited full year consolidated accounts), 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 efforts and the progress made in meeting the exit criteria of the watch-list, including where applicable its financial situation, 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 be removed from the watch-list if it satisfies the following requirements, where applicable:-

(1) Financial Exit Criteria

The issuer records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts) and has an average daily market capitalisation of S$40 million or more over the last 6 months.

(2) MTP Exit Criteria

The issuer will be assessed by the Exchange for removal from the watch-list if it has remained on the watch-list for at least 6 months (this will exclude the time spent on the watch-list due to the Financial Entry Criteria) and records a volume-weighted average price of at least S$0.20 and an average daily market capitalisation of S$40 million or more over the last 6 months prior to the date of the Exchange’s review.

1315 An issuer must take active steps to meet the requirements of Rule 1314. If the issuer fails to comply with Rule 1314 within 36 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.
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.