

SGX-ST Listing Manual Amendments – Effective 10 August 2012

Listing Rules to Introduce New Mainboard Admission Criteria

Rule	Rationale / Purpose of Amendment	New/ Amended Rules
LR210(2)	To reflect the new Mainboard admission criteria	<p>An issuer must also satisfy one of the following requirements:-</p> <p>(a) Cumulative consolidated pre-tax profit of at least \$7.5 million for the last three years, and a minimum pre-tax profit of \$1 million for each of those three years. <u>Minimum consolidated pre-tax profit (based on full year consolidated audited accounts) of at least S\$30 million for the latest financial year and has an operating track record of at least three years.</u></p> <p>(b) Cumulative consolidated pre-tax profit of at least \$10 million for the last one or two years. <u>Profitable in the latest financial year (pre-tax profit based on the latest full year consolidated audited accounts), has an operating track record of at least three years and has a market capitalisation of not less than S\$150 million based on the issue price and post-invitation issued share capital.</u></p> <p>(c) Market capitalisation of at least \$80 million calculated based on the issue price and post-invitation issued share capital. <u>Operating revenue (actual or pro forma) in the latest completed financial year and a market capitalisation of not less than S\$300 million based on the issue price and post-invitation issued share capital. Real Estate Investment Trusts and Business Trusts who have met the S\$300 million market capitalisation test but do not have historical financial information may apply under this rule if they are able to demonstrate that they will generate operating revenue immediately upon listing.</u></p>
LR210(3)	To align with the new Mainboard admission criteria catering to issuers that have achieved profitability.	<p>With respect to the profit tests in Rule 210(2)(a) and (b), the following shall apply:-</p> <p>(a) An issuer must have been engaged in substantially the same business and have been under substantially the same management throughout the period for which the relevant profit test <u>three years operating track record</u> applies.</p>

LR210(8)	To clarify that the market capitalisation requirement in Rule 210(2)(c) for life science company refers to S\$300 million.	<p>A life science company that cannot meet the requirements in Rule 210(2)(a), 2(b), (3) and/or (4)(a) may list its equity securities on the SGX Mainboard if it fulfills the following conditions:</p> <p>(b) meets the <u>S\$300 million</u> market capitalisation requirement in Rule 210(2)(c);</p>
LR212	To align with the new Mainboard admission criteria for Catalist issuers seeking a transfer to SGX Mainboard.	<p>A Catalist issuer may apply to the Exchange in writing for transfer to SGX Mainboard. The Exchange may allow the transfer if an issuer meets the following requirements:-</p> <p>(1) It has been listed on SGX Catalist for at least two years;</p> <p>(2) It meets the minimum quantitative requirements <u>below</u> in Rule 210(2)(a) or (b), and any other listing requirements that the Exchange may prescribe (either generally or in any particular case); and</p> <p><u>(a) Rule 210(2)(a) and Rule 210(3); or</u></p> <p><u>(b) Rule 210(2)(b) and Rule 210(3); or</u></p> <p><u>(c) Rule 210(2)(c) and Rule 210(4)(a)</u></p> <p><u>When determining whether the issuer complies with the market capitalisation requirement in Rule 210(2)(b) or Rule 210(2)(c), the Exchange will take into account the issuer's average daily market capitalisation for one month preceding the application date.</u></p> <p>(3) It provides the Exchange with an undertaking to comply with all the Exchange's requirements and policies applicable to issuers listed on the SGX Mainboard. The undertaking must be in the form set out in Appendix 2.3.1.</p>
LR241	To reflect the new minimum issue price.	The issue price of the equity securities (other than convertible equity securities) offered for subscription or sale, for which a listing is sought, must be at least S\$0.20 <u>S\$0.50</u> each.
LR838	Editorial amendment.	An issuer must satisfy the Exchange that its daily weighted average price, adjusted for the capitalization issue or subdivision of shares ("adjusted price"), will not be less than \$0.20 <u>S\$0.50</u> . When deciding, the Exchange may take into account an issuer's adjusted price for the month preceding the application date.
LR1015	To clarify the distinction between a reverse takeover and very	(1)(a) Where an acquisition of assets (whether or not the acquisition is deemed in the issuer's ordinary course of business) is one where any of the relative figures as computed on the bases set out in Rule 1006 is 100% or

	<p>substantial acquisition and to reflect the new Mainboard admission criteria for reverse takeover.</p>	<p>more, or is one which will result in a change in control of the issuer, the transaction is classified as a very substantial acquisition or reverse takeover <u>respectively</u>. The issuer must, after terms have been agreed, immediately announce the following :-</p> <p>(a)(i) the information required in Rules 1010, 1011, 1012 and 1013, where applicable; and</p> <p>(b)(ii) the latest three years of proforma financial information of the assets to be acquired.</p> <p>(2)(b) The acquisition must be made conditional upon the approval of shareholders and the approval of the Exchange.</p> <p>(2) <u>For very substantial acquisition, the target business to be acquired must be profitable and meets the requirement in Rule 210(4)(a), and the enlarged group must comply with the requirements in Rule 210(5) and (6). The issuer must appoint a competent and independent valuer to value the target business. The Exchange may approve the very substantial acquisition unconditionally or subject to condition(s), or may reject, as it thinks appropriate.</u></p> <p>(3) <u>For reverse takeover, the incoming business and the</u> The enlarged group must comply with the following requirements:-</p> <p>(a) <u>The requirements in Rule 210(1), (2)(a) or (b) or (c), (3), (4), (5), and (6), (7), Part VIII of Chapter 2 and if applicable, Rule 210(8) or 222. The issuer must appoint a competent and independent valuer to value the incoming business.</u> For the avoidance of doubt, any profit guarantee granted by the vendors will not be taken into consideration for the purpose of compliance with Rule 210(2);</p> <p>(b) The reference to “invitation shares” in Rule 210(1)(a) means the minimum prescribed public float based on the total number of issued shares excluding treasury shares of the enlarged group, being 25% for SGX Mainboard issuers and 15% for Catalyst issuers.</p> <p>(c) The requirements specified in Rules 227, 228 and 229 are applicable to:-</p> <p>(i) persons who are existing controlling shareholders or who will become controlling shareholders of the issuer as a result of the asset acquisition; and</p>
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		<p>(ii) associates of any person in (i).</p> <p><u>This is also applicable to very substantial acquisition.</u></p> <p>(d) Where the consideration for the acquisition of assets by the issuer is to be satisfied by the issue of shares, the price per share of the issuer after adjusting for any share consolidation must not be lower than S\$0.20 <u>S\$0.50</u>.</p> <p>(4) The issuer must submit the following:-</p> <p>(a) A compliance checklist for Rule 210 or 211 or Rule 222, whichever is applicable;</p> <p>(b) A compliance checklist for the information required in Rule 1015(5); and</p> <p>(c) Declaration by each director, controlling shareholder, and executive officer of the acquired company(ies), including officers occupying a managerial position and above who is a relative of any director or controlling shareholder in the form set out in paragraph 8, Part VII of the Fifth Schedule, Securities and Futures (Offers of Investments)(Shares and Debentures) Regulations 2005, as amended from time to time. <u>For very substantial acquisition, declaration by each new director, controlling shareholder, and executive officer must be submitted.</u></p> <p>(5) In relation to the assets to be acquired, the shareholders' circular must contain the following:-</p> <p>(a) Information required by Rule 1010, 1011, 1012, 1013 and Part II of Chapter 6 of the Listing Manual, where applicable;</p> <p>(b) An accountants' report on the assets to be acquired and the enlarged group. Rule 609 applies to the accountant's report;</p> <p>(c) A statement by the directors in the form set out in paragraph 2.1 of Practice Note 12.1; and</p> <p>(d) A statement by the financial adviser(s) in the form set out in paragraph 3.1 of Practice Note 12.1.</p> <p>(6) The Exchange may suspend the securities of the issuer until:-</p>
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		<p>(a) the information required in Rule 1010 has been announced (unless the only information missing is insignificant); and</p> <p>(b) the issuer has satisfied the Exchange that it meets the admission requirements set out in Rule 1015(3)(a) <u>and</u> or (b), as the case may be, and Rule 1015(3)(c).</p> <p>(7) Rule 1015 does not apply in the case of an acquisition of profitable asset(s) if the only limit breached is Rule 1006(b).</p> <p>(8) Rule 113(2) applies to an issuer which is the subject of a very substantial acquisition or a reverse takeover, with the necessary adaptations.</p> <p>(9) Where a very substantial acquisition or reverse takeover is not completed or is rescinded by any party to the transaction due to any reason, the issuer must immediately announce via SGXNET the following:</p> <p>(a) the reasons for the non-completion or rescission of the transaction;</p> <p>(b) the financial impact of the non-completion or rescission on the issuer; and</p> <p>(c) the possible course(s) of action to protect the interests of the shareholders of the issuer. Notwithstanding this, the issuer must provide timely updates on the specific course of action including its progress and outcome.</p>
LR1016	Editorial amendment.	Where the assets being acquired are listed on the Exchange, Rule 1015(3)(a) and (b) <u>is</u> not applicable.
LR1017	To formalize that reverse takeovers are subject to the same level of due diligence and admission criteria as IPO.	The Exchange <u>normally applies the same criteria for assessment of IPO to reverse takeovers and</u> may modify any requirement in this Chapter or impose additional requirements if it considers it appropriate, taking into account the rationale for the acquisition, the nature of the issuer's business and its track record.
LR 1314	To retain the current listing rule on the requirements for removal from the watch-list.	<p>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:-</p> <p>(1) the issuer records consolidated pre-tax profit for the most recently completed financial year (based on the latest full</p>

		<p>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</p> <p>(2) the issuer satisfies <u>Rule 210(3) and either one of the following requirements:- the SGX Mainboard admission criteria, either under Rule 210(2)(a) or Rule 210(2)(b).</u></p> <p>(a) <u>cumulative consolidated pre-tax profit of at least \$7.5 million for the last three years, and a minimum pre-tax profit of \$1 million for each of those three years; or</u></p> <p>(b) <u>cumulative consolidated pre-tax profit of at least \$10 million for the last one or two years. Rule 210(3)(a) applies to the last one year or last two years as the case may be.</u></p> <p>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.</p>
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