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SGX introduces half-yearly update on long-suspended companies

Singapore Exchange (SGX) is introducing a half-yearly report to update shareholders on companies with shares suspended for 12 months or more.

The initiative is one of several SGX is planning to improve regulation of listed companies' continuing obligations as well as at the listings admission stage.

"We acknowledge there is room to improve, particularly at the point where we have most control, which is at the time of admission. We need to work with the industry to make sure we admit the right companies," said Tan Boon Gin, Chief Regulatory Officer of SGX.

"As for companies post-listing, this new half-yearly Report on Long-Suspended Companies is part of enhancements in our oversight. We welcome feedback on our initiatives as we work together with market participants to better calibrate our regulatory framework to manage the risks of our diverse listings and cater to the needs of investors," Mr Tan said.

The report covers 20 companies and sheds light on their developments, particularly if they have not made company disclosures for some time. In the report, SGX provides information on actions it has taken, and its engagement with the companies, directors, special auditors, judicial managers and/or liquidators.

SGX's engagements with the companies were aimed at achieving a share trading resumption proposal, or extracting an exit offer for minority shareholders should a delisting occur. Some of these engagements were also long-drawn due to difficulty in establishing contact with, or eliciting a response from, board directors.

Of the 20 companies in the report:

- a. 11 companies are exploring trading resumption or a reverse takeover
- b. 2 companies are pursuing court action against individuals
- c. 4 companies are in the delisting process of which 2 are exploring an exit offer
- d. 1 company was recently placed under judicial management
- e. 2 companies are pending responses to SGX queries

"As much as we may want a speedy conclusion to each case of long-suspended companies, for the benefit of shareholders we aim for the companies to achieve a trading resumption proposal. Otherwise, our next course of action would be to try to extract an exit offer. Only when we are satisfied that the company has established the lack of financial resource for an exit offer will we allow a delisting without an offer," said June Sim, Head of Listing Compliance, SGX.

SGX will review all companies, directors and management to see if there is any breach of the listing rules.

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About Singapore Exchange

Singapore Exchange is Asia's leading and trusted market infrastructure, facilitating the exchange of capital and ideas to create value for people, businesses and economies. As a multi-asset exchange operating equity, fixed income and derivatives markets to the highest regulatory standards, SGX is a vertically integrated business that provides listing, trading, clearing, settlement, depository and data services.

With about 40% of listed companies and 90% of listed bonds originating outside of Singapore as well as established linkages across the region and in Europe, SGX is Asia's most international and connected exchange. Offering a full suite of derivatives products across Asian equity indices, commodities and currencies, SGX is the world's most liquid offshore market for the benchmark equity indices of China, India, Japan and ASEAN.

The exchange was one of the first globally to adopt the Principles for Financial Market Infrastructure, the first and only central counterparty in the region to be fully approved by U.S. regulators as a Derivatives Clearing Organisation and a Foreign Board of Trade, and is recognised by European Union regulators for both securities and derivatives.

As Asia's pioneering central counterparty, SGX is globally recognised for its risk management and clearing capabilities. In 2015, SGX was awarded Derivatives Exchange of the Year by Asia Risk, Futures and Options World and Global Capital as well as Central Counterparty (CCP) of the Year by Asia Risk.

Headquartered in AAA-rated Singapore, SGX has over 700 employees including offices in Beijing, Hong Kong, London, Mumbai, Shanghai and Tokyo. For more information, please visit www.sgx.com.

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