

# Putting the cap on MTP

Understanding the Singapore Exchange's proposed changes to the minimum trading price (MTP) framework, and who will be affected

## MTP watch list mechanics

Companies placed on the MTP watch list have 36 months to cure their status or face possible delisting.

	Entry Criteria	Exit Criteria
<b>Current</b>	<b>6-month VWAP</b> Less than S\$0.20	<b>6-month VWAP</b> At least S\$0.20
<b>Proposed</b>	<b>and</b> <b>Market cap</b> Less than S\$40 million	<b>and</b> <b>Market cap</b> At least S\$40 million

## Moratorium details

SGX is suspending the MTP rules while it seeks feedback on the new proposals.

### Pending decision on proposals

- No new additions to MTP watch list
- Quarterly review for exit eligibility of existing MTP watch list members
- Clock for existing MTP watch list members to cure status will be frozen

### If proposals accepted

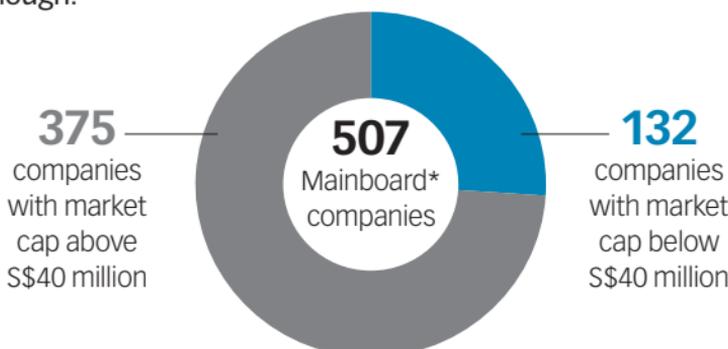
- Half-yearly review for entry and exit eligibility
- Companies on existing MTP watch list that do not fail both share price and market cap criteria will be removed from the list
- Clock for existing MTP watch list members to cure status will be reset to 36 months

### If proposals rejected

- Reviews for entry and exit eligibility resume; frequency dependent on outcome of proposals
- Clock for existing MTP watch list members to cure status will resume; a company with 2.5 years left on its clock when the moratorium was imposed will have until end-2019 to exit the watch list if the moratorium is lifted in July 2017

## Impact of proposals and moratorium

Under the proposals, three-quarters of current Mainboard companies will not have to worry about their share price because their market caps are high enough.



\* Excludes secondary listings, suspended stocks and cash companies

The market cap test could reduce the number of companies on the MTP watch list by about 40 per cent, while the moratorium will spare more than 70 companies from being added to the watch list in September.

No of Mainboard companies	Current	On MTP watch list if review happens now		Benefiting from market cap test
		If no moratorium	Market cap test in place	
On current watch list	55	53	39	16**
Enjoying extension for compliance	67	64	27	37
Not on watch list and no extension	385	8	5	3
<b>Total</b>	<b>507</b>	<b>125</b>	<b>71</b>	<b>56</b>

\*\* Includes two companies that have raised their share price enough to be removed from the list

## Key beneficiaries

Companies with 6-month VWAP below S\$0.20 and market cap above S\$40 million.

Already on MTP watch list	Previously received extension to comply	
China Auto Electronics	Addvalue Tech	MDR
China Kangda Food	Asia Enterprises	Mermaid Maritime
China New Town Devt	Ausgroup	Nam Cheong
Chiwayland International	BBR	OKH Global
CSC Holdings	Broadway Industrial	Ossia International
Enviro-Hub Holdings	C&G Environmental	Parkson Retail Asia
First Ship Lease Trust	Protection	Ramba Energy
FJ Benjamin	CDW	RH Petrogas
Fu Yu	Dyna-Mac	Rickmers Maritime
Rowsley	Ezra	Soup Restaurant
Samko Timber	Falcon Energy	Sunvic Chemical
Serial System	Fragrance Group	Swissco
Sinostar PEC	Geo Energy	TEE Land
	Hafary	TT International
	ISR Capital	UPP Holdings
	King Wan	Vard Holdings
	KrisEnergy	Ying Li International
	KS Energy	Yuuzoo
	Manhattan Resources	
	Marco Polo Marine	

Not on watch list and no compliance extension
Cheung Woh
MFG Integration
Samudera Shipping
Vicplas International