

مكتب الرئيس التنفيذي
Chief Executive Officer Office



LP/18/2020

2nd September 2020

The CEO/General Managers
All Listed Companies
Manama – Kingdom of Bahrain

Dear Sir/Madam,

Procedures related to Listed Companies with Accumulated Losses

As part of Bahrain Bourse's ongoing objectives to enhance its regulatory framework, Bahrain Bourse would like to announce that it has adopted new procedures related to listed companies with accumulated losses.

Accordingly, all issuers shall bear full responsibility to comply with these procedures which will come into effective implementation as of the third quarter financial results of 2020. Failure to comply with the newly adopted procedures after the aforementioned date shall be considered a non-compliance, for which necessary action will be taken.

The procedures related to listed companies with accumulated losses is available on BHB website (www.bahrainbourse.com) under the Rules and Regulations section.

For further details and inquiries about the new procedures, please do not hesitate to contact us on "ld@bahrainbourse.com".

Yours sincerely,

DocuSigned by:

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Khalifa Bin Ebrahim Al-Khalifa

Chief Executive Officer



Procedures Related to Listed Companies with Accumulated Losses of 20% or more of their Share Capital

August 2020

Procedures Related to Listed Companies with Accumulated Losses

Version Control

Update No.	Approved by	Meeting Number - Date	Resolution Number	Amended Pages
Initial Version 1.0	Chief Executive Officer	—	—	—

Procedures Related to Listed Companies with Accumulated Losses

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Procedures Related to Listed Companies with Accumulated Losses

Section 1 – Definitions

For the purpose of applying these procedures, the following terms and expression shall have meanings assigned to the terms below, unless the context requires otherwise:-

“Accumulated Losses”	a loss that a company keeps in its accounts from one accounting period to the next and adds to a new loss or takes away from a profit, this will appear as a separate item under shareholder’s equity on the balance sheet
“BHB”	Bahrain Bourse
“Listed Companies”	local and foreign companies whose shares are admitted to listing and traded on BHB
“Listing Rules”	the provisions of BHB’s listing rules as from time to time amended, modified or supplemented
“Share Capital”	all the funds raised by the company in exchange for the shares, and appear as a separate item under shareholder’s equity on the balance sheet

Section 2 – Scope of Application

1. All Listed Companies shall be subject to the provisions of these procedures.
2. These procedures aims to set up a mechanism for dealing with the listed companies when the Accumulated Losses reach 20% or more of the companies’ Share Capital.
3. The company must immediately announce when its Accumulated Losses reach 20% or more of its Share Capital by submitting Appendix (1) – Announcement of Accumulated Losses.
4. The assessment will be conducted on quarterly basis

Procedures Related to Listed Companies with Accumulated Losses

Section 3 – Procedures**1. When the Accumulated Losses of a company reach 20% or more and less than 50% of its Share Capital**

- a. The company shall make an immediate public disclosure when its Accumulated Losses reach 20% or more and less than 50% of its Share Capital. The announcement should reflect the total Accumulated Losses, its percentage of the Share Capital and the reasons that caused the losses.
- b. BHB shall highlight the company's name on BHB website indicating that the company's Accumulated Losses reached 20% or more and less than 50% of its Share Capital.
- c. The company shall make an immediate public disclosure upon the reduction of its Accumulated Losses from 20% of its Share Capital.
- d. BHB shall remove the highlight referred to in paragraph (b) following the company's announcement of its financial position remedy as indicated in paragraph (c).
- e. In accordance with BHB Listing Rules, BHB shall have the power or right to request the company as it deems necessary to provide any information, document or explanation that Bahrain Bourse requests for.

2. When the Accumulated Losses of a company reach 50% or more and less than 75% of its Share Capital

- a. The company shall make an immediate public disclosure when its Accumulated Losses reach 50% or more and less than 75% of its Share Capital. The announcement should reflect the total Accumulated Losses, its percentage of the Share Capital and the reasons that caused the losses.
- b. BHB shall highlight the company's name on BHB website indicating that the company's Accumulated Losses reached 50% or more and less than 75% of its Share Capital.
- c. BHB shall suspend the trading on the company shares in the event of failure to submit the announcement of Accumulated Losses.
- d. The company shall make an immediate public disclosure upon the reduction of its Accumulated Losses from 50% of its Share Capital. The announcement should clearly show the measures taken by the company to restore its financial position.

Procedures Related to Listed Companies with Accumulated Losses

- e. BHB shall resume the trading on the company shares upon the submission of the announcement of the Accumulated Losses.
- f. BHB shall remove the highlight referred to in paragraph (b) following the company's announcement of its financial position remedy as indicated in paragraph (d).
- g. In accordance with BHB Listing Rules, BHB shall have the power or right to request the company as it deems necessary to provide any information, document or explanation that BHB request for.

3. When the Accumulated Losses of a company reach 75% or more of its Share Capital

- a. The company shall make an immediate public disclosure when its Accumulated Losses reach 75% or more of its Share Capital. The announcement should reflect the total Accumulated Losses, its percentage of the Share Capital and the reasons that caused the losses.
- b. BHB shall highlight the company's name on BHB website indicating that the company's Accumulated Losses reached 75% or more of its Share Capital.
- c. BHB will immediately suspend the trading on the company when its Accumulated Losses reach 75% or more of its Share Capital.
- d. The company shall make an immediate public disclosure upon the reduction of its Accumulated Losses from 75% of its Share Capital. The announcement should clearly show the measures taken by the company to restore its financial position.
- e. BHB shall remove the highlight referred to in paragraph (b) following the company's announcement of its financial position remedy as indicated in paragraph (d).
- f. BHB shall resume the trading on the company shares upon the reduction of the Accumulated losses to less than 75% of its Share Capital.
- g. In accordance with BHB Listing Rules, BHB shall have the power or right to request the company as it deems necessary to provide any information, document or explanation that BHB request for.

Procedures Related to Listed Companies with Accumulated Losses

Appendix (1)

Details on the Accumulated Losses for the period Ended .././....

To: Bahrain Bourse

In line with Bahrain Bourse requirements which mandates all listed companies to notify the markets on a quarterly basis in case of any accumulated losses incurred during the period.

Please refer to the below details on the accumulated losses of B.S.C. for the period ended .././....

Company Name		
Trading Code		
Accumulated Losses	For the period Ended	
	(Current Period)	(Previous Period)
Accumulated losses % to the share Capital		
Main reasons behind the accumulated losses		
Measures taken by the company to restore its financial position (where required)		

تفاصيل الخسائر المتراكمة للفترة المنتهية في .././....

السادة / بورصة البحرين

تماشياً مع متطلبات بورصة البحرين والتي تتطلب من جميع الشركات المدرجة بالبورصة الإفصاح بصورة ربعية في حال وجود أية خسائر متراكمة قد تحققت خلال الفترة.

تجدون أدناء تفاصيل الخسائر المتراكمة لشركة ش.م.ب. للفترة المنتهية في .././....

		إسم الشركة
		رمز التداول
الفترة المالية المنتهية في		الخسائر المتراكمة
(الفترة السابقة)	(الفترة الحالية)	
		نسبة الخسائر المتراكمة من رأس المال
		الأسباب الرئيسية التي أدت إلى بلوغ هذه الخسائر المتراكمة
		الإجراءات التي سيتم اتخاذها لمعالجة الخسائر المتراكمة (إذا لزم الأمر)

Procedures Related to Listed Companies with Accumulated Losses

Name		الإسم
Title		المسمى الوظيفي
Company Seal ختم الشركة		Signature التوقيع

Chief Executive Officer

DocuSigned by:

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02-Sep-20

Date