

9 February 2015

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TO : MEMBERS

ATTN : CHIEF EXECUTIVE OFFICER

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET AND ACE MARKET LISTING REQUIREMENTS IN VARIOUS AREAS

We refer to the above subject matter.

Please be informed that effective from 27 January 2015, Bursa Malaysia Securities Berhad had amended the Main Market Listing Requirements and ACE Market Requirements in the following key areas:

- (a) Related Party Transaction (“RPT”) Requirements;
- (b) Regularization Plans for Financially Distressed Listed Issuers;
- (c) Framework for Listed Issuers with Inadequate Level of Operations;
- (d) Foreign Listing Requirements;
- (e) Disclosure Obligations, particularly on material information; and
- (f) Other amendments to improve market efficiency and provide greater clarity and certainty.

We hereby enclose the following documents from Bursa Malaysia in relation to the above for your reference:

- 1) Circular dated 26 January 2015 from Bursa Malaysia to Industry Associations; and
- 2) Appendix 1 – Summary of the Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements and ACE Market Requirements in relation to items (a) – (f) above.

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A softcopy of the above documents, together with detailed amendments to the Bursa Malaysia Securities Berhad Main Market Listing Requirements and ACE Market Requirements (Appendices 2 – 7) can be downloaded from “Events & Media” and “Latest News” section of the FIMM website.

Thank you.

Yours sincerely,
Federation of Investment Managers Malaysia



Nazaruddin Othman
Chief Executive Officer

Encls.

Our Ref: RPA/ISS/SR/TAC(ro)/001/15 [Issuance-LR Review Various Areas 2015]

26 January 2015

Industry Associations

Via email

Dear Sir/Madam,

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET AND ACE MARKET LISTING REQUIREMENTS IN VARIOUS AREAS

1. INTRODUCTION

- 1.1 Pursuant to section 9 of the Capital Markets and Services Act 2007 ("**CMSA**"), Bursa Malaysia Securities Berhad ("**the Exchange**") has amended the Main Market Listing Requirements ("**Main LR**") and ACE Market Listing Requirements ("**ACE LR**") (collectively referred to as the "**Listing Requirements**") in various key areas.

2. BACKGROUND

- 2.1 The last major review of the Listing Requirements was undertaken in 2010-2011, where the review was mainly focused on providing greater guidance and clarity to the market in the key areas of disclosure and corporate governance. As part of our continuous efforts to ensure that the Listing Requirements remains balanced, efficient and relevant, we have undertaken a review in several other key areas.
- 2.2 The review this time is aimed at ensuring the continued effectiveness and efficacy of the framework under the Listing Requirements, given the effluxion of time since the last major review. In this respect, investor protection and high standards of conduct of listed issuers remain the Exchange's key focus. At the same time, the Exchange also sought to simplify the rules and ease compliance by listed issuers without compromising on investor protection. In this respect, the Exchange strives to strike a careful balance between enhancing market regulation and promoting business efficacy and growth.
- 2.3 The Exchange had, on 10 January 2014, published a consultation paper seeking public feedback on the various proposed amendments to the Listing Requirements ("**Consultation Paper**"). The public consultation closed on 10 March 2014. Generally, the market welcomes the proposed amendments.
- 2.4 In finalising the proposed amendments, we have considered the feedback or comments received on the consultation papers, and reviewed our proposals accordingly.

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3. AMENDMENTS TO THE LISTING REQUIREMENTS

3.1 The amendments to the Listing Requirements are in the following key areas ("**Amendments**");

- (a) related party transaction ("**RPT**") requirements;
- (b) regularisation plans for financially distressed listed issuers;
- (c) framework for listed issuers with inadequate level of operations;
- (d) foreign listing requirements;
- (e) disclosure obligations particularly on material information; and
- (f) other amendments to improve market efficiency and providing greater clarity and certainty.

3.2 The Exchange believes that the Amendments will have the effect of -

- (a) promoting a balanced regulatory framework governing related party transactions ("**RPT**"), by dispensing with the compliance requirements in instances where the risk of abuse by a related party is low or theoretical in nature;
- (b) enhancing the quality and investibility of listed issuers through the enhanced regularization plans for listed issuers with distressed financial condition and the introduction of a separate framework for listed issuers with inadequate level of operations;
- (c) strengthening investor protection and promoting greater transparency through various enhancements to the foreign listing requirements under the Listing Requirements;
- (d) promoting balanced regulation and transparency in the market place through enhanced disclosure obligations of listed issuers by requiring immediate announcement of material events such as a change in legal representative by a listed issuer with foreign principal subsidiary;
- (e) addressing some of the concerns raised by listed issuers and industry participants, for example, by removing Practice Note 1 of the Main LR (or Guidance Note 5 of the ACE LR, as the case may be) relating to announcement of default in payment and incorporating such obligation as a specific requirement under a new paragraph/Rule 9.19A of the Listing Requirements instead; and

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- (f) improving market efficiency and providing greater clarity such as allowing submission of a listing application for listing of structured warrants pending the listing of the underlying instrument, dispensing with the listed issuer's shareholders approval in an employee share scheme implemented by its subsidiary and allowing provision of financial assistance to joint arrangements.

3.3 The Amendments are summarised in Appendix 1 for ease of reference while the full text of the Listing Requirements (with the Amendments duly tracked) is attached as Appendices 2 to 6 as follows:

| No. | Amendments | Appendix |
|-------|--|----------|
| (i) | Related Party Transaction Requirements | 2 |
| (ii) | Regularisation Plans for Financially Distressed Listed Issuers | 3 |
| | Framework for Listed Issuers with Inadequate Level of Operations | |
| (iii) | Foreign Listing Requirements | 4 |
| (iv) | Disclosure Obligations | 5 |
| (v) | Other Amendments | 6 |

3.4 The Amendments in Appendices 2 to 6 are reflected in the following manner:

- portions underlined are text newly inserted / added onto the existing rules; and
- portions struck through are text deleted.

4. IMPLEMENTATION

4.1 Apart from the Amendments as set out in the table in paragraph 4.2 below, the Amendments shall take effect from 27 January 2015.

4.2 Listed issuers are given up to the various dates set out in the table below to comply with the specified requirements:

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET AND ACE MARKET LISTING REQUIREMENTS IN VARIOUS AREAS

| No. | Amendments | Effective Date / Period of Compliance |
|--|---|---|
| FOREIGN LISTING REQUIREMENTS (APPENDIX 4) | | |
| (a) | A Foreign Issuer whose operations are entirely or predominantly foreign-based must have at least 2 independent resident directors | 1 July 2015 |
| (b) | An audit committee of a Foreign Issuer must have at least 1 independent resident director | |
| (c) | A Foreign Issuer and its subsidiary must have in place a system of internal control | |
| (d) | A Foreign Issuer must appoint an internationally affiliated accounting firm | Listed issuers must comply with the enhanced requirements latest by their annual general meeting held in 2016. |
| (e) | A Foreign Issuer must obtain prior shareholder approval for the appointment or removal of external auditor | |

- 4.3 A PN17 Issuer/GN3 Company which triggered the criteria for inadequate level of operations in Practice Note 17¹ or Guidance Note 3², as the case may be, prior to 27 January 2015, will continue to comply with the requirements under Practice Note 17 or Guidance Note 3.
- 4.4 In addition, we have provided some "Questions and Answers" to facilitate listed issuers' better understanding of, and compliance with, the Amendments. The "Questions and Answers" is attached as Appendix 7.

¹ See paragraphs 2.1(g), 2.1(h), 2.1A(f) and 2.1A(g) of Practice Note 17, Main LR.

² See paragraphs 2.1(i) and 2.1(j) of Guidance Note 3, ACE LR.



BURSA MALAYSIA

**AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET AND ACE
MARKET LISTING REQUIREMENTS IN VARIOUS AREAS**

5. ADDITIONAL INFORMATION

5.1 This letter and all the above documents are also available at Bursa Malaysia's website at <http://www.bursamalaysia.com>.

The above is for your information only.

Thank you.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Selvarany Rasiah', written in a cursive style.

SELVARANY RASIAH
Chief Regulatory Officer

TAC/ro

Encls. (7)



“APPENDIX 1”

SUMMARY OF THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS (“MAIN LR”) AND ACE MARKET LISTING REQUIREMENTS (“ACE LR”) (COLLECTIVELY REFERRED TO AS THE “LISTING REQUIREMENTS”) IN VARIOUS AREAS

RELATED PARTY TRANSACTION (“RPT”) REQUIREMENTS (Please refer to Appendix 2 for the full text of the amendments)

- (1) Exempting additional small or immaterial transactions from the RPT requirements and non-RPT acquisition and disposal requirements by increasing the monetary limit as follows:
 - (a) in relation to the Main LR, from RM250,000 to **RM500,000** [paragraphs 10.08(1)(a), 10.08(10), 10.06(3) and 10.07(3) of the Main LR]; and
 - (b) in relation to the ACE LR, from RM100,000 to **RM200,000** [Rules 10.08(1)(a), 10.08(10), 10.06(3) and 10.07(3) of the ACE LR].
- (2) Clarifying that the main adviser or the Sponsor or Adviser, as the case may be, must **advise the listed issuer** whether the RPT is carried out on fair and reasonable terms and conditions, and not to the detriment of the minority shareholders of the listed issuer (instead of ensuring that the RPT is carried out on fair and reasonable terms and conditions) [paragraph/Rule 10.08(4) of the Listing Requirements].
- (3) Exempting more transactions which pose insignificant risks to listed issuers from complying with the RPT requirements and refining the existing exemptions as follows:
 - (a) increasing the shareholding threshold of a common director in the counterparty from less than 1% to **less than 5%** [paragraph/Rule 10.08(11)(c) of the Listing Requirements];
 - (b) increasing the shareholding threshold of a related party in the target company from less than 5% to **less than 10%** [paragraph/Rule 10.08(11)(d) of the Listing Requirements];
 - (c) increasing the shareholding threshold of a related party in the counterparty from less than 5% to **less than 10%** [paragraph/Rule 10.08(11)(l) of the Listing Requirements];
 - (d) expanding the Exempted Transactions referred to under paragraph 10.08(11)(g) relating to provision of goods or services based on non-negotiable fixed price or rate which is published or publicly quoted, to the **provision or usage of broadcasting services** [paragraph/Rule 10.08(11)(g) of the Listing Requirements];

SUMMARY OF THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS IN VARIOUS AREAS

- (e) in relation to a contract awarded by way of public tender, requiring a listed awarder or its subsidiaries to provide **an explanation of the basis for selecting the winning bid** in the immediate announcement, in addition to the existing disclosure on the terms of the awarded contract and value of at least the 3 closest bid [*paragraph/Rule 10.08(11)(j) of the Listing Requirements*];
- (f) exempting the following additional transactions from the RPT requirements [*paragraph/Rule 10.08(11)(a) of the Listing Requirements*]:
 - (i) the **grant of options and the issue of securities arising from the exercise of options, under a Share Issuance Scheme** implemented by the listed issuer or any of its subsidiaries (subject to compliance with Chapter 6 of the Listing Requirements); and
 - (ii) **subscription of securities on a pro rata basis.**
- (4) Simplifying the RPT and RRPT requirements relating to the obligation of an interested related party to abstain from voting and ensuring that persons connected with it abstain from voting, on a resolution in respect of the transaction [*paragraphs 10.08(7), 10.09(2)(d) and 10.09(2)(dA) of the Main LR; and Rules 10.08(7) and 10.09(2)(d) of the ACE LR*].

Main LR only

- (5) Removing the requirement for the appointment of a main adviser for a Recurrent Related Party Transaction (“RRPT”) where specific shareholder approval is sought [*paragraph 10.08(4) of the Main LR*].
- (6) Extending the RPT requirements to closed-end funds by clarifying that the definition of a “related party” of a closed-end fund includes the following persons [*paragraphs 1.01, 10.02(c) and (f) of the Main LR*]:
 - (a) a Manager or person connected with the Manager; or
 - (b) a director, chief executive, major shareholder of the Manager, or person connected with such director, chief executive or major shareholder.

SUMMARY OF THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS IN VARIOUS AREAS

REGULARISATION PLANS FOR FINANCIALLY DISTRESSED LISTED ISSUERS AND FRAMEWORK FOR LISTED ISSUERS WITH INADEQUATE LEVEL OF OPERATIONS

(Please refer to Appendix 3 for the full text of the amendments)

- (7) Improving the quality of regularisation plans of a PN17 Issuer/GN3 Company¹, through the following enhanced regularisation criteria [paragraphs 3.0, 5.4 and 5.5 of Practice Note 17 of the Main LR; and paragraphs 3.0, 5.1, 5.2 and 5.3 of Guidance Note 3 of the ACE LR]:
- (a) requiring the PN17 Issuer/GN3 Company and its Principal Adviser or Sponsor, as the case may be, to demonstrate to the satisfaction of the Exchange the following:
 - (i) the regularisation plan is able to **strengthen the financial position** of the PN17 Issuer/GN3 Company;
 - (ii) the **steps** taken or proposed to be taken **are comprehensive and capable of addressing the issues** which caused the PN17 Issuer/GN3 Company to trigger any of the Prescribed Criteria²;
 - (iii) for a PN17 Issuer, its **core business activities post-implementation** of the regularisation plan **must be viable, sustainable and have growth prospects** whilst for a GN3 Company, its core business activities post-implementation of the regularisation plan must be **sustainable and have prospects**; and
 - (iv) the ability of the PN17 Issuer to generate net profits in its 2 consecutive quarterly results immediately after the completion of its regularisation plan. This requirement is inapplicable to a GN3 Company;
 - (b) requiring the PN17 Issuer/GN3 Company and its Principal Adviser or Sponsor, as the case may be, to **review** the PN17 Issuer/GN3 Company's **risk management and internal control system** and **submit to the Exchange the results together with its action plans** to address the weaknesses identified [paragraph 5.6 of Practice Note 17 of the Main LR; and paragraph 5.4 of Guidance Note 3 of the ACE LR];
 - (c) prescribing the minimum contents of the circular for regularisation plan undertaken by a PN17 Issuer/GN3 Company [Annexure PN17-A of Practice Note 17 of the Main LR; and Annexure GN3-A of Guidance Note 3 of the ACE LR]; and
 - (d) stipulating the documents required for the submission of regularisation plans by the PN17 Issuer/GN3 Company [paragraph 5.7 of Practice Note 17 of the Main LR; and paragraph 5.5 of Guidance Note 3 of the ACE LR].

¹ PN17 Issuer/GN3 Company refers to a financially distressed listed issuer classified under Practice Note 17 of the Main LR or Guidance Note 3 of the ACE LR, as the case may be.

² Prescribed Criteria refers to the criteria in relation to the financial condition of the listed issuer as set out in paragraph 2.0 of Practice Note 17 of the Main LR and Guidance Note 3 of the ACE LR.

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- (8) Introducing a separate framework for listed issuers with inadequate level of operations (instead of classifying them as, or co-mingling them with, the other PN17 Issuers/GN3 Companies) as follows [*paragraph/Rule 8.03A of the Listing Requirements*]:
- (a) requiring the listed issuer to **comply with similar disclosure requirements and regularise its conditions as in the case of a PN17 Issuer/GN3 Company**; and
 - (b) allowing the listed issuer to **dispense with undertaking a regularisation plan pursuant to Practice Note 17 or Guidance Note 3**, as the case may be, if it is able to **demonstrate to the Exchange's satisfaction that its remaining business is viable, sustainable and has growth prospects** with appropriate justifications, it remains suitable for continued listing, and it makes specific immediate announcements.

FOREIGN LISTING REQUIREMENTS (Please refer to Appendix 4 for the full text of the amendments)

- (9) Requiring a foreign corporation, foreign closed-end fund or foreign business trust whose operations are entirely or predominantly foreign-based to have **at least 2 independent resident directors** [*paragraph 4A.04 of the Main LR; and Rule 5.07 of the ACE LR*].
- (10) Requiring the **audit committee** of a foreign corporation or foreign collective investment scheme ("Foreign Issuer") to have **at least 1 independent resident** director upon admission and on a continuing basis [*paragraphs 4A.04A and 4A.08 of the Main LR; and Rules 5.07A and 5.14 of the ACE LR*].
- (11) Requiring a Foreign Issuer to appoint an **internationally affiliated accounting firm** as its external auditors [*paragraph 4A.09(a) of the Main LR; and Rule 5.11 of the ACE LR*].
- (12) Defining "**auditor**" to mean a registered auditor or a recognised auditor under section 310 of the Securities Commission Act 1993 [*paragraph/Rule 1.01 of the Listing Requirements*].
- (13) Stipulating that a Foreign Issuer must obtain prior shareholder approval in a general meeting to appoint or remove its external auditor [*paragraph 4A.09A of the Main LR; and Rule 5.15A of the ACE LR*].
- (14) Requiring a Foreign Issuer to immediately announce any change in the laws of its country of incorporation or the laws in the country of incorporation of its foreign principal subsidiary which may affect the rights of its shareholders. Consequentially, moving the definition of "principal subsidiary" in paragraph 8.21(2)(a) of the Main LR and Rule 8.23(2) of the ACE LR to paragraph/Rule 1.01 of the Listing Requirements, and refining the said definition for greater clarity [*paragraphs 4A.18A, 8.21(2)(a) and 1.01 of the Main LR; and Rules 5.25, 8.23(2)(a) and 1.01 of the ACE LR*].

SUMMARY OF THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS IN VARIOUS AREAS

- (15) Clarifying that a Foreign Issuer and its subsidiaries **must have a system of internal control similar to that required of a public company** under the Malaysian Companies Act 1965 [paragraph 4A.18B of the Main LR; and Rule 5.26 of the ACE LR].
- (16) Clarifying that a listed issuer must **make available for inspection the agreements** entered into by the listed issuer or its subsidiaries in connection with any acquisition or disposal of assets, or any transaction outside the ordinary course of business, at **its registered office in Malaysia** [paragraph 8.31 of the Main LR; and Rule 8.33 of the ACE LR].

DISCLOSURE OBLIGATIONS (Please refer to Appendix 5 for the full text of the amendments)

- (17) Requiring immediate announcement of the **appointment** of, or **change in a legal representative** of the listed issuer or its foreign principal subsidiary [paragraph/Rule 9.19(14B) and Part B(B) of Appendix 9A, of the Listing Requirements].
- (18) Moving the requirements set out in Practice Note 1 of the Main LR and Guidance Note 5 of the ACE LR relating to default in payment, to a new paragraph/Rule 9.19A of the Listing Requirements containing the simplified events of default in respect of any credit facility or debt securities, which, if triggered will require the listed issuer to make an immediate announcement to the Exchange, irrespective of whether a demand has been made [paragraph 9.19A, Part H(A) of Appendix 9A, paragraphs 9.03, 9.04(l), 9.16, Practice Note 1, and paragraphs 2.1(f) and 2.1A(e) of Practice Note 17, of the Main LR; and Rule 9.19A, Part H(A) of Appendix 9A, Rules 9.03, 9.04(l), 9.16, Guidance Note 5, and paragraph 2.1(h) of Guidance Note 3, of the ACE LR].

OTHER AMENDMENTS (Please refer to Appendix 6 for the full text of the amendments)

- (19) **Removing the requirement for approval of the listed issuer's shareholders** for a Share Issuance Scheme undertaken by a subsidiary, and requiring **immediate announcement of the principal terms and financial effect (including the dilutive effect)** of any employee share scheme implemented by the subsidiary as an additional safeguard [paragraphs 6.44 and 9.19(52) of the Main LR; and Rules 6.45 and 9.19(52) of the ACE LR].
- (20) Reinstating the requirement that a listed issuer seeking a listing of its **convertible securities must have at least 100 holders holding not less than 1 board lot of the convertible securities each** [paragraph 6.51 of the Main LR; and Rule 6.52 of the ACE LR].
- (21) Clarifying the documents that must be filed with the listing application for bonus issues [paragraph 1(dA) in Part B of Annexure PN28-B of the Main LR; paragraph 1(dA) in Part B of Annexure GN17-B of the ACE LR].

SUMMARY OF THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS IN VARIOUS AREAS

- (22) Allowing a listed issuer to provide the relevant confirmations for an application of quotation of new issue of securities arising from an exercise or conversion of convertible securities, or an exercise of options under a Share Issuance Scheme [paragraph 2 in Part C of Annexure PN28-B of the Main LR; and paragraph 2 in Part C of Annexure GN17-B of the ACE LR].
- (23) Allowing a Cash Company which does not intend to maintain its listing status to distribute the monies placed in the custodian account to its shareholders on a pro rata basis, early [paragraph/Rule 8.03(9) of the Listing Requirements].
- (24) Liberalising the requirements in relation to a provision of financial assistance as follows [paragraph 8.23 of the Main LR; and Rule 8.25 of the ACE LR]:
- (a) clarifying that a subsidiary listed on a stock exchange outside Malaysia is not subjected to the requirements under paragraph 8.23 of the Main LR and Rule 8.25 of the ACE LR, on provision of financial assistance, but instead will be subjected to its home exchange rules on the subject matter;
 - (b) allowing provision of financial assistance to joint arrangements; and
 - (c) clarifying that shareholder approval is not required for financial assistance given to associated companies or joint arrangements if the financial assistance –
 - (i) is necessary to facilitate the ordinary course of business of the listed issuer or its subsidiaries; or
 - (ii) pursuant to the ordinary course of business of the listed issuer or its subsidiaries.
- (25) Clarifying that in addition to a DBT, “**on the market**” also **excludes** a share buy-back executed via an **On-Market Married Transaction** [paragraph/Rule 12.02 of the Listing Requirements].
- (26) Requiring a **valuation** to be conducted on all material real estate of a listed issuer which intends to undertake a Major Disposal, if its total assets comprise substantial real estate [paragraphs/Rules 10.11A(1)(bA) and 10.11A(5) of the Listing Requirements].
- (27) Stipulating that, in the case of a take-over offer where the listed issuer has made an announcement that the offeror does not intend to maintain the listed issuer's listing status, the Exchange shall only suspend trading of the listed issuer's securities **upon expiry of 5 market days from the close of the offer period** (instead of from the date of the announcement by the listed issuer) [paragraph/Rule 16.02(3) and Part J of Appendix 9A of the Listing Requirements].

SUMMARY OF THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS IN VARIOUS AREAS

- (28) **Removing** the requirement to suspend the securities of a listed issuer upon the expiry of 5 market days from the date of immediate announcement by the listed issuer that the offeror does not intend to maintain the listed issuer's listing status pursuant to a corporate proposal in paragraph/Rule 16.02(3) of the Listing Requirements, as a similar requirement is already provided under paragraph/Rule 16.02(1)(a) of the Listing Requirements where the Exchange may suspend the trading of listed securities in the event of any substantial corporate exercise or capital restructuring of a listed issuer [*paragraphs/Rules 16.02(1)(a) and 16.02(3) of the Listing Requirements*].

Main LR only

- (29) Allowing listing of structured warrants where the underlying corporation or exchange-traded fund is seeking listing (either on the Exchange, or on a securities exchange which is a member of the World Federation of Exchanges, or is approved by the Exchange) subject to certain conditions [*paragraphs 5.03(1A) and 5.04(2) of the Main LR*].
- (30) Requiring an issuer of structured warrants to announce the number and percentage of structured warrants outstanding not held by the issuer or its Market Maker, on a **monthly** (instead of quarterly) basis [*paragraph 5.35(5) of the Main LR*].

Other ancillary amendments

- (31) Other ancillary enhancements as follows:

| No. | Paragraph/Rule | Amendments |
|-----------------------------|--|---|
| Listing Requirements | | |
| (a) | Paragraph/Rule 1.01 of the Listing Requirements | Clarifying that a partnership in the definition of "partner" also includes a <u>limited liability partnership as defined in the Limited Liability Partnerships Act 2012</u> (in addition to a partnership as defined in the Partnership Act 1961). |
| (b) | Paragraph/Rule 2.28A of the Listing Requirements | Clarifying that any amendment to the Listing Requirements will not affect any action proposed to be taken, or is in the process of being taken, or has been taken by the Exchange, in relation to the provision which is effective prior to the amendments. |
| (c) | Paragraph 6.56 of the Main LR; and Rule 6.57 of the ACE LR | Clarifying that a listed issuer must submit an additional listing application for any issue of convertible securities arising from adjustments due to an issue of securities or a subdivision or consolidation of shares. |

SUMMARY OF THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS IN VARIOUS AREAS

| No. | Paragraph/Rule | Amendments |
|-----|---|---|
| (d) | Paragraph 8.26(1) of the Main LR; and Rule 8.28(1) of the ACE LR | <ul style="list-style-type: none"> • Clarifying that once dividend has been declared <u>or proposed to the securities holders</u>, the listed issuer must not make any subsequent alteration to the dividend entitlement. • Extending the requirement in the Main LR only on declaration of dividend to a real estate investment trust and business trust by including references to dividend or <u>distribution</u>. |
| (e) | Paragraph 2 in Appendix 8A of the Listing Requirements. | Cross referring the existing requirement for a listed issuer to include the specific information in relation to a mandate obtained under paragraph 6.03(3) of the Main LR and Rule 6.04(3) of the ACE LR for a new issue of securities, in its statement accompanying notice of annual general meeting. |
| (f) | Paragraphs 8.23(4)(b), 9.20(2)(b), 10.08(11)(e), 10.08(11)(m)(dd)(C), 10.08(11)(p), and paragraph 2.2 of Practice Note 11, of the Main LR; and Rules 8.25(4)(b), 9.20(2)(a), 10.08(11)(e), 10.08(11)(m)(dd)(C), 10.08(11)(p), and paragraph 2.2 of Guidance Note 4, of the ACE LR | Clarifying in the Listing Requirements, where appropriate, that the reference to Bank Negara Malaysia, refers to the <u>equivalent foreign regulatory authority as the Exchange deems appropriate</u> . |
| (g) | Paragraph 9.20(2)(d) of the Main LR; and Rule 9.20(2)(b) of the ACE LR | Clarifying that the purchases or sales in an existing subsidiary or associated company refer to purchases or sales of <u>quoted securities</u> . |
| (h) | Paragraph 9.33(1)(b) of the Main LR; and Rule 9.32(b) of the ACE LR | Clarifying that where a corporate proposal is also subject to the approval from other relevant authorities, a listed issuer must issue the circular or document within 14 market days after receipt <u>of the Exchange's approval or the relevant authorities' approval, whichever is the later</u> . |

SUMMARY OF THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS IN VARIOUS AREAS

| No. | Paragraph/Rule | Amendments |
|-----|--|---|
| (i) | Paragraphs/Rules 10.02(g)(ii) and 10.03(2) of the Listing Requirements | Clarifying that in determining the net profits of the assets which are the subject matter of the transaction in the percentage ratio for the net profits test, the net profits refer to the <u>profits after tax attributable to owners of a corporation (before other comprehensive income or loss) represented by the equity interest being acquired or disposed.</u> |
| (j) | Paragraph 10.03(1)(b)(ii) and paragraph 8(a) in Part H of Appendix 10B, of the Main LR; and Rule 10.03(1)(b)(ii) and paragraph 7(a) in Part H of Appendix 10B, of the ACE LR | Replacing "accounts" with " <u>financial statements</u> " |
| (k) | Paragraph/Rule 10.08(11)(p) of the Listing Requirements | Replacing "or on behalf of" with " <u>or guaranteed by</u> ". |
| | | Replacing "unlisted subsidiary" with " <u>subsidiary not listed on any stock exchange</u> ". |
| (l) | Paragraph 3 in Part G of Appendix 10B of the Listing Requirements | Clarifying that an accountant's report is not required for a very substantial transaction involving the acquisition of an unlisted corporation, if the percentage ratio for the very substantial transaction is triggered solely as a result of aggregating the separate transactions of the unlisted corporations and treating them as 1 transaction but where individually, each transaction is less than 100%. |
| (m) | Paragraph/Rule 15.05(2) of the Listing Requirements | In relation to a foreign listed issuer, clarifying that any person appointed as its director has not been convicted by a court of law of an offence under the <u>equivalent securities and corporation legislation of the foreign listed issuer's place of incorporation.</u> |
| (n) | Paragraph/Rule 15.17(f) of the Listing Requirements | Replacing "internal auditors" with " <u>persons carrying out the internal audit function or activity, or both</u> ". |

SUMMARY OF THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS IN VARIOUS AREAS

| No. | Paragraph/Rule | Amendments |
|-----|---|--|
| (o) | Paragraph/Rule 16.07 of the Listing Requirements | <p>Clarifying that a listed issuer may apply for delisting under the following modes of privatisation:</p> <p>(a) in relation to a take-over offer under the Malaysian Code on Take-Overs and Mergers 2010, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction, upon 90% or more of its listed shares (excluding treasury shares) or listed units being held by a shareholder or unit holder, either individually or jointly with associates of the said shareholder or unit holder; or</p> <p>(b) in relation to a corporate proposal undertaken by or in relation to the listed issuer, upon 100% of the listed shares or listed units of the listed issuer being held by a shareholder or unit holder either individually or jointly with the associates of the said shareholder or unit holder,</p> <p>and the listed issuer has announced the offeror's intention not to maintain the listed issuer's listing status.</p> |
| | Paragraph/Rule 9.19(48) of the Listing Requirements | Clarifying the immediate announcement requirement in a take-over offer by <u>deleting</u> the words "for the acquisition of the listed shares or listed units of a listed issuer". |
| (p) | Paragraphs 1.1, 2.2, 3.1 and 3.2 of Practice Note 11 and paragraphs 3.4(a) and (c) of Practice Note 12, of the Main LR; and paragraphs 1.1, 2.2, 3.1 and 3.2 of Guidance Note 4 and paragraphs 3.4(a) and (c) of Guidance Note 8, of the ACE LR | Replacing "unlisted subsidiary" with <u>"subsidiary not listed on any stock exchange"</u> |

SUMMARY OF THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS IN VARIOUS AREAS

| No. | Paragraph/Rule | Amendments |
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| (q) | Paragraph 12 in Part A of Annexure PN28-B of the Main LR; and paragraph 12 in Part A of Annexure GN17-B of the ACE LR | Clarifying that a controlling shareholder of a listed issuer which is a <u>statutory institution managing funds belonging to the general public</u> , is no longer required to list down its directorships or substantial shareholdings in all other listed issuers in Malaysia for the past 3 years, in a listing application for new issue of securities. |
| (r) | Paragraph 19 in Part A of Annexure PN28-B of the Main LR; and paragraph 19 in Part A of Annexure GN17-B of the ACE LR | Specifying that the prescribed undertakings required in the listing application for new issue of securities are only required for corporate proposals which apply the procedures set out under <u>paragraphs 4.1 and 4.2</u> (instead of stating generally paragraph 4.0) of Practice Note 28. |
| Main LR Only | | |
| (s) | Paragraph 5.02 of the Main LR | Updating the definition of "underlying financial instruments" by making reference to "the shares <u>in a corporation</u> " or " <u>units</u> " of an exchange-traded fund. |
| (t) | Paragraph 16.11(1)(e) of the Main LR | Clarifying that the Exchange's de-listing power under <i>paragraph 16.11(1)(e) of the Main LR</i> extends to the de-listing of any <u>listed securities</u> like structured warrants etc. |
| (u) | Practice Note 23 of the Main LR | Making editorial amendments to the requirements for undertakings or confirmations submitted to the Exchange in relation to a listing of a real estate investment trust and exchange traded fund. |
| (v) | Paragraph 7 in Part A of Annexure PN27-B of the Main LR | Replacing the reference to "SC's Structured Warrants Guidelines" with " <u>SC's Issuer Eligibility Guidelines - Structured Warrants</u> ". |
| ACE LR Only | | |
| (w) | Rule 10.11(4) of the ACE LR | Deleting Rule 10.11(4) which requires a listed corporation to issue a circular or any documents only after the Exchange has confirmed in writing that it has no further comments, no later than 7 market days after receipt of such confirmation. |

[End]

APPENDIX 2
RELATED PARTY TRANSACTION REQUIREMENTS
MAIN MARKET LISTING REQUIREMENTS

CHAPTER 1 – DEFINITIONS AND INTERPRETATION

Paragraph 1.01

Definitions

In these Requirements, unless the context otherwise requires –

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| related party | <ul style="list-style-type: none"> (a) in relation to a corporation, means a director, major shareholder or person connected with such director or major shareholder; or (b) in relation to a business trust, means – <ul style="list-style-type: none"> (i) the trustee-manager or person connected with the trustee-manager; (ii) a director, major shareholder of the trustee-manager or person connected with such director or major shareholder; or (iii) major unit holder or person connected with the major unit holder of the business trust; <u>or</u> <u>(c) in relation to a closed-end fund, in addition to subparagraph (a) above, means –</u> <ul style="list-style-type: none"> <u>(i) the Manager or person connected with the Manager; or</u> <u>(ii) a director, major shareholder of the Manager, or person connected with such director or major shareholder.</u> |
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For the purpose of this definition, “**director**”, “**major shareholder**” and “**major unit holder**” have the meanings given in paragraph 10.02 of these Requirements.

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| person connected | <ul style="list-style-type: none"> (a) in relation to a director or major shareholder of a corporation, (b) in relation to a member of the management team of a SPAC, or |
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APPENDIX 2
RELATED PARTY TRANSACTION REQUIREMENTS

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| | <p>(c) in relation to a trustee-manager, director <u>or major shareholder</u> of the trustee-manager, major shareholder of the trustee-manager or major unit holder of a business trust, <u>or</u></p> <p><u>(d) in relation to a Manager, director or major shareholder of the Manager,</u></p> <p>(each person mentioned under (a), (b), and (c) <u>and</u> (d) above is referred to as “said Person”),</p> <p>means such person who falls under any one of the following categories:</p> <p>(i) a family member of the said Person;</p> <p>(ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;</p> <p>(iii) a partner of the said Person, or a partner of a person connected with that said Person;</p> <p>(iv) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;</p> <p>(v) a person in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;</p> <p>(vi) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;</p> <p>(vii) a body corporate or its directors whose directions, instructions or wishes the said Person is accustomed or under an obligation, whether formal or informal, to act;</p> <p>(viii) a body corporate in which the said Person, or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or</p> <p>(ix) a body corporate which is a related corporation.</p> |
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CHAPTER 10 – TRANSACTIONS

Paragraph 10.02

Definitions

For the purpose of this Chapter, unless the context otherwise requires -

- (c) “**director**” has the meaning given in section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon -
 - (i) a director of the listed issuer, its subsidiary or holding company; ~~or~~
 - (ii) a chief executive of the listed issuer, its subsidiary or holding company;
 - (iii) in relation to a SPAC, a member of the SPAC’s management team; ~~and~~
 - (iv) in relation to a business trust, a director or chief executive of the trustee-manager, its subsidiary or holding company; and
 - (v) in relation to a closed-end fund, in addition to a director or chief executive of the closed-end fund, a director or chief executive of the Manager, its subsidiary or holding company;
- (f) “**major shareholder**” includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon –
 - (i) a major shareholder of the listed issuer as defined under paragraph 1.01 or any other corporation which is its subsidiary or holding company; ~~and~~
 - (ii) in relation to a business trust, a major shareholder of the trustee-manager, its subsidiary or holding company; and
 - (iii) in relation to a closed-end fund, in addition to a major shareholder of the closed-end fund, a major shareholder of the Manager, its subsidiary or holding company;

Paragraph 10.06

Requirements for transactions with percentage ratio of 5% or more

- (1) Where any one of the percentage ratios of a transaction is 5%, or more, the listed issuer must announce the transaction to the Exchange as soon as possible after terms of the transaction have been agreed. The listed issuer must include the information set out in Appendix 10A in the announcement.
- (2) The listed issuer must also furnish the Exchange, in a separate letter, the percentage ratios applicable to such transaction.
- (3) Subparagraphs (1) and (2) do not apply to a transaction where the value of the consideration of the transaction is less than ~~RM250,000~~RM500,000.

**APPENDIX 2
RELATED PARTY TRANSACTION REQUIREMENTS**

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| Paragraph 10.07 | <p>Requirements for transactions with percentage ratio of 25% or more</p> <p>(1) Where any one of the percentage ratios of a transaction is 25% or more, in addition to the requirements of paragraph 10.06, the listed issuer must -</p> <p style="padding-left: 20px;">(a) issue a circular which includes the information set out in Appendix 10B to its shareholders; and</p> <p style="padding-left: 20px;">(b) seek shareholder approval of the transaction in a general meeting.</p> <p>(2) The listed issuer must submit the draft circular to the Exchange together with a checklist showing compliance with Appendix 10B.</p> <p>(3) Subparagraphs (1) and (2) do not apply to a transaction where the value of the consideration of the transaction is less than RM250,000RM500,000.</p> |
| Paragraph 10.08 | <p>Related party transactions</p> <p>(1) Where any one of the percentage ratios of a related party transaction is 0.25% or more, a listed issuer must announce the related party transaction to the Exchange as soon as possible after terms of the transaction have been agreed, unless -</p> <p style="padding-left: 20px;">(a) the value of the consideration of the transaction is less than RM250,000RM500,000; or</p> <p style="padding-left: 20px;">(b) it is a Recurrent Related Party Transaction.</p> <p>The listed issuer must include the information set out in Appendices 10A and 10C in the announcement.</p> <p>(2) Subject to subparagraphs (9) and (10) below, where any one of the percentage ratios of a related party transaction is 5% or more, in addition to subparagraph (1), a listed issuer must –</p> <p style="padding-left: 20px;">(a) send a circular which includes the information set out in Appendix 10B and Appendix 10D to the shareholders. The draft circular must be submitted to the Exchange together with a checklist showing compliance with Appendices 10B and 10D;</p> <p style="padding-left: 20px;">(b) obtain its shareholder approval of the transaction in general meeting; and</p> <p style="padding-left: 20px;">(c) appoint an independent adviser who is a corporate finance adviser within the meaning of the SC’s Principal Adviser Guidelines, before the terms of the transaction are agreed upon.</p> <p>(3) The independent adviser must, in relation to the transaction -</p> <p style="padding-left: 20px;">(a) comment as to -</p> |

APPENDIX 2
RELATED PARTY TRANSACTION REQUIREMENTS

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| | <p>(i) whether the transaction is fair and reasonable so far as the shareholders are concerned; and</p> <p>(ii) whether the transaction is to the detriment of minority shareholders, and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;</p> <p>(b) advise minority shareholders on whether they should vote in favour of the transaction; and</p> <p>(c) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in subparagraphs (a) and (b) above.</p> <p>(4) Subject to subparagraph (9) below, for a related party transaction <u>other than a Recurrent Related Party Transaction</u>, where any one of the percentage ratios is 25% or more, in addition to subparagraph (2) above, the listed issuer must, before the terms of the transaction are agreed upon, appoint a main adviser, who is a Principal Adviser. The Principal Adviser must -</p> <p>(a) ensure that <u>advise the listed issuer whether</u> such transaction -(i) <u>-is</u> carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the listed issuer; and</p> <p>(i) <u>(aA)</u> <u>ensure that such transaction</u> complies with the relevant laws, regulations or guidelines, where applicable;</p> <p>(b) ensure full disclosure of all information required to be disclosed in the announcement and circular; and</p> <p>(c) confirm to the Exchange after the transaction has been completed and all the necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction.</p> <p>(5) The Exchange has the discretion not to allow an independent adviser to continue to act or be appointed as an independent adviser if, in its opinion, the adviser is deemed not to be independent.</p> <p>(6) A director with any interest, direct or indirect, ("interested director") must abstain from board deliberation and voting on the relevant resolution in respect of the related party transaction.</p> <p>(7) (a) <u>In a meeting to obtain shareholder or unit holder approval –</u></p> <p>(ia) <u>the interested director, major shareholder or person connected with a director or major shareholder a related party</u> with any interest, direct or indirect ("interested major shareholder" or "interested person connected with a director or major shareholder related party"), <u>must not vote on the resolution in respect of the related party transaction; and</u></p> |
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APPENDIX 2
RELATED PARTY TRANSACTION REQUIREMENTS

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| | <p>(b) <u>an interested related party who is –</u></p> <p>(i) <u>in the case of a corporation, a director or major shareholder;</u></p> <p>(ii) <u>in the case of a business trust, a trustee-manager, a director or major shareholder of the trustee-manager or major unit holder of the business trust; or</u></p> <p>(iii) <u>in the case of a closed-end fund, a director or major shareholder of the closed-end fund, the Manager or a director or major shareholder of the Manager.</u></p> <p><u>must ensure that persons connected with it abstain from voting on the resolution in respect of the related party transaction; and</u></p> <p>(iiC) <u>where it involves the interest of an interested</u>the interested related party is a <u>person connected with –</u></p> <p>(i) <u>in the case of a corporation, a director or major shareholder,</u>such director or major shareholder;</p> <p>(ii) <u>in the case of a business trust, a trustee-manager, a director or major shareholder of the trustee-manager or major unit holder of the business trust; or</u></p> <p>(iii) <u>in the case of a closed-end fund, a director or major shareholder of the closed-end fund, the Manager or a director or major shareholder of the Manager,</u></p> <p><u>such persons stated in subparagraphs (i), (ii) or (iii) above, as the case may be, must not vote on the resolution in respect of the related party transaction. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transaction.</u></p> <p>(b) — In relation to a business trust, in addition to the parties referred to in subparagraph (a) above, the trustee-manager, a major unit holder or person connected with the trustee-manager or major unit holder (“interested trustee-manager or major unit holder” or “interested person connected with the trustee-manager or a major unit holder”), with any interest, direct or indirect, must not vote on the resolution approving the related party transaction.</p> <p>(7A) A listed issuer must ensure that any vote of shareholders taken at the general meeting on the resolution approving the transaction is taken on a poll.</p> |
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RELATED PARTY TRANSACTION REQUIREMENTS

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| | <p>(8) An interested director in a related party transaction, must inform the board of directors of the listed issuer or its subsidiary, or in relation to a business trust, the board of directors of the trustee-manager, as the case may be, the details of the nature and extent of his interest, including all matters in relation to the proposed transaction that he is aware or should reasonably be aware of, which is not in the best interest of the listed issuer or its subsidiary, as the case may be.</p> <p>(9) Where any one of the percentage ratios of a related party transaction entered into between a subsidiary of a listed issuer and another person, is 5% or more and there are no other interested relationships except for a related party having an interest in the transaction who is -</p> <p>(a) a director or major shareholder of such subsidiary or the holding company of such subsidiary (other than the listed issuer or a holding company of the listed issuer) ("said director" or "said major shareholder"); or</p> <p>(b) a person connected with the said director or said major shareholder, the listed issuer is exempted from -</p> <p>(i) issuing a circular to shareholders;</p> <p>(ii) obtaining shareholder approval of the transaction in general meeting; and</p> <p>(iii) appointing a main adviser and independent adviser, as the case may be; provided that the board of directors of the listed issuer -</p> <p>(aa) approves the transaction before the terms of transaction are agreed upon; and</p> <p>(bb) ensures that the transaction is fair and reasonable to the listed issuer and is in the best interests of the listed issuer.</p> <p>(10) Subparagraphs (1),(2), (3), (4) and (9) do not apply to a related party transaction where the value of the consideration of the transaction is less than RM250,000<u>RM500,000</u>.</p> <p>(11) The following transactions are not normally regarded as related party transactions:</p> <p>(a) the payment of dividend, issue of securities by the listed issuer <u>or any of its subsidiaries</u> by way of a bonus issue or for cash (subject to paragraph 6.06), <u>the grant of options and the issue of securities arising from the exercise of options under a Share Issuance Scheme implemented by the listed issuer or any of its subsidiaries (subject to compliance with Chapter 6)</u>, subdivision of shares, consolidation of shares, or reduction in the par value of shares <u>or subscription of securities on a pro rata basis</u>;</p> <p>(b) [deleted]</p> |
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APPENDIX 2
RELATED PARTY TRANSACTION REQUIREMENTS

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| | <p>(c) a transaction between the listed issuer or any of its subsidiaries and another person, where there are no other interested relationships except for common directorships provided that the directors who have common directorships have –</p> <p>(i) shareholdings in the other person which is less than 4%<u>5%</u> other than via the listed issuer; and</p> <p>(ii) no other interest such as commission or other kinds of benefit received from the listed issuer or any of its subsidiaries or the other person in relation to the said transaction;</p> <p>(d) an acquisition or disposal by the listed issuer or any of its subsidiaries from or to a third party of an interest in another corporation where the related party holds less than 5%<u>10%</u> in that other corporation other than via the listed issuer;</p> <p>(e) the provision or receipt of financial assistance or services, upon normal commercial terms and in the ordinary course of business, from a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate</u>;</p> <p>(f) directors fees and remuneration, and employment remuneration;</p> <p>(g) a transaction between a listed issuer or any of its subsidiaries and another person for the provision or receipt of goods or services which are Exempted Transactions where -</p> <p>(i) the goods or services are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted; and</p> <p>(ii) all material terms including the prices or charges are applied consistently to all customers or classes of customers;</p> <p>For the purposes of this subparagraph -</p> <p>(i) "goods" excludes securities;</p> <p>(ii) "classes of customers" excludes such class by reason solely or otherwise that the customers are related parties of the listed issuer or its subsidiaries;</p> <p>(iii) "Exempted Transactions" means the following:</p> <p>(aa) provision or usage of public utility services such as water, electricity, telecommunications, <u>broadcasting services</u>, postal or courier services, insurance, unit trusts, stockbroking services, public transport, education, medical services,</p> |
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**APPENDIX 2
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| | <p>provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and</p> <p>(bb) such other types of transactions that may be prescribed by the Exchange from time to time;</p> <p>(h) the entry into or renewal of tenancy of properties of not more than 3 years, the terms of which are supported by an independent valuation;</p> <p>(i) a contract that is awarded by or on behalf of the Government of Malaysia or a State Government to the listed issuer or its subsidiary provided that the listed issuer immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C in the announcement;</p> <p>(j) a contract that is awarded by way of a public tender -</p> <p>(i) in relation to the listed awarder or its subsidiaries provided that the listed issuer immediately announces to the Exchange the terms of the awarded contract, and the value of at least the 3 closest bids or if not applicable, such lesser number of bids received, <u>and an explanation of the basis for selecting the winning bid</u>; and</p> <p>(ii) in relation to the successful listed bidder or its subsidiaries provided that -</p> <p>(aa) the awarder is listed or is a subsidiary of a listed issuer;</p> <p>(bb) majority of the directors and members of the audit committees of the listed issuers (whether as the bidder or the awarder or the holding companies of the bidder or awarder subsidiaries) are different; and</p> <p>(cc) the listed bidder immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C in the announcement;</p> <p>(k) a transaction between a listed issuer or any of its subsidiaries and another person which involves the sharing of services or facilities provided by one or more of such parties or other similar arrangements whereby the consideration merely involves reimbursement or sharing of costs in proportion to the utilisation of the services or facilities;</p> |
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| | <p>(l) a transaction between the listed issuer or any of its subsidiaries and another person where there are no other interested relationships except for the related party having shareholdings in the other person which is less than 5%<u>10%</u> other than via the listed issuer;</p> <p>(m) a transaction between the listed issuer or any of its subsidiaries and another person where there are no other interested relationships except for -</p> <p style="padding-left: 20px;">(i) common major shareholders; or</p> <p style="padding-left: 20px;">(ii) a person connected with a major shareholder being a major shareholder of the other person,</p> <p>provided that the following conditions are satisfied:</p> <p style="padding-left: 20px;">(aa) the major shareholder and/or the person connected with the major shareholder is/are not the largest shareholder of the listed issuer;</p> <p style="padding-left: 20px;">(bb) the major shareholder and/or the person connected with the major shareholder is/are not a party to the said transaction, initiator, agent or involved in any other manner in the said transaction;</p> <p style="padding-left: 20px;">(cc) the major shareholder does not have any representative in an executive capacity on the board of directors of the listed issuer or any of its subsidiaries; and</p> <p style="padding-left: 20px;">(dd) the major shareholder is -</p> <p style="padding-left: 40px;">(A) a statutory institution who is managing funds belonging to the general public;</p> <p style="padding-left: 40px;">(B) a closed end fund, unit trust or investment fund (but excluding an investment holding company); or</p> <p style="padding-left: 40px;">(C) an insurance corporation whose activities are regulated by any written law relating to insurance and are subject to supervision by Bank Negara Malaysia <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate</u>, and the said insurance corporation is managing its insurance funds (together with its own shareholders' funds or otherwise). For the purposes of this subparagraph, "insurance funds" has the meaning given in section 2 of the Insurance Act, 1996;</p> |
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| | <p>(n) a transaction between the listed issuer and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed issuer or person connected with such director or major shareholder having an interest in the transaction;</p> <p>(o) a transaction between a subsidiary of a listed issuer (“transacting subsidiary”) and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed issuer (other than the transacting subsidiary or holding companies of the transacting subsidiary) or a person connected with such director or major shareholder having an interest in the transaction;</p> <p>(p) subscription to or acquisition by a listed issuer or its <u>unlisted subsidiaries not listed on any stock exchange,</u> of debt securities and/or redeemable preference shares issued <u>or guaranteed</u> by or on behalf of the Government of Malaysia, Bank Negara Malaysia, and/or a State Government <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate;</u> or</p> <p>(q) a disposal by a listed issuer or any of its subsidiaries of an interest in an investee corporation where a related party is also a major shareholder or person connected with a major shareholder of the investee corporation (other than via the listed issuer), provided that -</p> <p>(i) the related party, person connected with the related party or both, are not a party, initiator or agent to the said disposal; and</p> <p>(ii) the disposal is effected on the Exchange where the counterparty's identity is unknown to the listed issuer or its subsidiaries (as the case may be) at the time of the disposal.</p> <p>For the purpose of this subparagraph (q), a “disposal” includes a disposal by a listed issuer or any of its subsidiaries of an interest in an investee corporation on a pro-rata basis or arising from an acceptance of a take-over offer, except that subparagraph (q)(ii) above will not be applicable in such instances.</p> |
| <p>Paragraph 10.09</p> | <p>Recurrent Related Party Transactions</p> <p>(1) Notwithstanding paragraph 10.08(1)(b) above, a listed issuer must immediately announce a Recurrent Related Party Transaction as follows:</p> <p>(a) in relation to a listed issuer with an issued and paid-up capital of RM60 million and above -</p> <p>(i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or</p> |

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| | <p>(ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more, whichever is the higher; or</p> <p>(b) in relation to a listed issuer with an issued and paid-up capital which is less than RM60 million -</p> <p>(i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or</p> <p>(ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more, whichever is the lower.</p> <p>(2) A listed issuer may seek a mandate from its shareholders for Recurrent Related Party Transactions subject to the following:</p> <p>(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;</p> <p>(b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under subparagraph (1) above;</p> <p>(c) the listed issuer's circular to shareholders for the shareholder mandate includes the information as may be prescribed by the Exchange. The draft circular must be submitted to the Exchange together with a checklist showing compliance with such information;</p> <p>(d) in a meeting to obtain shareholder or unit holder mandate, <u>the relevant related party must comply with the requirements set out in paragraph 10.08(7) above; the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions;</u></p> <p>(dA) <u>in relation to a business trust, in addition to the parties referred to in subparagraph (d) above, the interested trustee-manager or major unit holder or interested person connected with the trustee-manager or a major unit holder, must not vote on the resolution approving the transaction[deleted]; and</u></p> |
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| | <p>(e) the listed issuer immediately announces to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.</p> <p><i>[Cross reference: Practice Note 12]</i></p> <p>(3) Where a listed issuer has procured a shareholder mandate pursuant to subparagraph (2) above, the provisions of paragraph 10.08 will not apply.</p> |
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ACE MARKET LISTING REQUIREMENTS

| CHAPTER 10 - TRANSACTIONS | |
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| Rule 10.06 | <p>Requirements for transactions with percentage ratio of 5% or more</p> <p>(1) Where any one of the percentage ratios of a transaction is 5% or more, the listed corporation must announce the transaction to the Exchange as soon as possible after terms of the transaction have been agreed. The listed corporation must include the information set out in Appendix 10A in the announcement.</p> <p>(2) The listed corporation must also furnish the Exchange, in a separate letter, the percentage ratios applicable to such transaction.</p> <p>(3) Sub-Rules (1) and (2) do not apply to a transaction where the value of the consideration of the transaction is less than RM100,000RM200,000.</p> |
| Rule 10.07 | <p>Requirements for transactions with percentage ratio of 25% or more</p> <p>(1) Where any one of the percentage ratios of a transaction is 25% or more, in addition to the requirements of Rule 10.06, the listed corporation must -</p> <p>(a) appoint a Sponsor or Adviser, as the case may be, before the terms of the transaction are agreed upon;</p> <p>(b) issue a circular which includes the information set out in Appendix 10B to its shareholders; and</p> <p>(c) seek shareholder approval of the transaction in a general meeting.</p> <p>(2) The listed corporation's Sponsor or Adviser, as the case may be, must submit a copy of the circular to the Exchange together with a checklist showing compliance with Appendix 10B.</p> <p>(3) Sub-Rules (1) and (2) do not apply to a transaction where the value of the consideration of the transaction is less than RM100,000RM200,000.</p> |
| Rule 10.08 | <p>Related party transactions</p> <p>(1) Where any one of the percentage ratios of a related party transaction is 0.25% or more, listed corporation must announce the related party transaction to the Exchange as soon as possible after terms of the transaction have been agreed, unless -</p> <p>(a) the value of the consideration of the transaction is less than RM100,000RM200,000; or</p> |

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| | <p>(b) it is a Recurrent Related Party Transaction.</p> <p>The listed corporation must include the information set out in Appendices 10A and 10C in the announcement.</p> <p>(2) Subject to the provisions of sub-Rules (9) and (10) below, where any one of the percentage ratios of a related party transaction is 5% or more, in addition to sub-Rule (1), a listed corporation must -</p> <p>(a) send a circular which includes the information set out in Appendix 10B and Appendix 10D to the shareholders. The circular must also be submitted to the Exchange together with a checklist showing compliance with Appendix 10B and Appendix 10D;</p> <p>(b) obtain its shareholder approval of the transaction in a general meeting; and</p> <p>(c) (i) appoint an independent adviser; and</p> <p>(ii) engage the services of a Sponsor or Adviser, as the case may be,</p> <p>before the terms of the transaction are agreed upon.</p> <p>(3) (a) The independent adviser referred to in sub-Rule (2)(c) above must -</p> <p>(i) be a person from the Register of Sponsors; and</p> <p>(ii) if appointed during the Sponsorship Period, be a person other than the listed corporation's Sponsor.</p> <p>(b) The independent adviser must, in relation to the transaction -</p> <p>(i) comment as to -</p> <p>(aa) whether the transaction is fair and reasonable so far as the shareholders are concerned; and</p> <p>(bb) whether the transaction is to the detriment of minority shareholders; and</p> <p>such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;</p> <p>(ii) advise minority shareholders on whether they should vote in favour of the transaction; and</p> <p>(iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in sub-Rules (i) and (ii) above.</p> |
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| | <p>(4) It is the duty and responsibility of the Sponsor or Adviser referred to in sub-Rule 2(c)(ii) above to -</p> <p>(a) ensure that advise the listed corporation whether such transaction (i) is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the listed corporation ; and</p> <p>(ii)(aA) ensure that such transaction complies with the relevant laws, regulations or guidelines, where applicable; and</p> <p>(b) ensure full disclosure of all information required to be disclosed in the announcement and circular.</p> <p>(5) The Exchange has the discretion not to allow an independent adviser to continue to act or be appointed as an independent adviser if, in its opinion, the adviser is deemed not to be independent.</p> <p>(6) A director with any interest, direct or indirect ("interested director") must abstain from board deliberation and voting on the relevant resolution in respect of the related party transaction.</p> <p>(7) In a meeting to obtain shareholder approval —</p> <p>(a) the interested director, major shareholder or person connected with a director or major shareholder a related party with any interest, direct or indirect ("interested related party major shareholder" or "interested person connected with a director or major shareholder") must not vote on the resolution in respect of the related party transaction; and</p> <p>(b) an interested related party who is a director or major shareholder must ensure that persons connected with it abstain from voting on the resolution in respect of the related party transaction; and</p> <p>(bc) where it involves the interest of an interested <u>the interested related party is a</u> person connected with a director or major shareholder, such director or major shareholder <u>must not vote on the resolution in respect of the related party transaction.</u></p> <p>must not vote on the resolution approving the transaction. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transaction.</p> <p>(7A) A listed corporation must ensure that any vote of shareholders taken at the general poll meeting on the resolution approving the transaction is taken on a poll.</p> |
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| | <p>(8) An interested director in a related party transaction, must inform the board of directors of the listed corporation or its subsidiary, as the case may be, the details of the nature and extent of his interest, including all matters in relation to the proposed transaction that he is aware or should reasonably be aware of, which is not in the best interest of the listed corporation or its subsidiary, as the case may be.</p> <p>(9) Where any one of the percentage ratios of a related party transaction entered into between a subsidiary of a listed corporation and another person, is 5% or more and there are no other interested relationships except for a related party having an interest in the transaction who is -</p> <p>(a) a director or major shareholder of such subsidiary or the holding company of such subsidiary (other than the listed corporation or the holding company of the listed corporation) ("said director" or "said major shareholder"); or</p> <p>(b) a person connected with the said director or said major shareholder; the listed corporation is exempted from -</p> <p style="padding-left: 40px;">(i) issuing a circular to shareholders;</p> <p style="padding-left: 40px;">(ii) obtaining shareholder approval of the transaction in general meeting; and</p> <p style="padding-left: 40px;">(iii) appointing an independent adviser or engaging the service of a Sponsor or Adviser;</p> <p style="padding-left: 40px;">provided that the board of directors of the listed corporation -</p> <p style="padding-left: 40px;">(aa) approves the transaction before the terms of transaction are agreed upon; and</p> <p style="padding-left: 40px;">(bb) ensures that the transaction is fair and reasonable to the listed corporation, and is in the best interests of the listed corporation.</p> <p>(10) Sub-Rules (1), (2), (3), (4) and (9) do not apply to a related party transaction where the value of the consideration of the transaction is less than RM100,000 <u>RM200,000</u>.</p> <p>(11) The following transactions are not normally regarded as related party transactions:</p> <p>(a) the payment of dividend, issue of securities by the listed corporation <u>or any of its subsidiaries</u> by way of a bonus issue or for cash (subject to Rule 6.07), <u>the grant of options and the issue of securities arising from the exercise of options under a Share Issuance Scheme implemented by the listed corporation or any of its subsidiaries (subject to compliance with Chapter 6)</u>, subdivision of shares, consolidation of shares, or reduction in the par value of shares <u>or subscription of securities on a pro rata basis</u>;</p> <p>(b) [deleted]</p> |
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| | <p>(c) a transaction between the listed corporation or any of its subsidiaries and another person, where there are no other interested relationships except for common directorships provided that the directors who have common directorships have -</p> <p style="padding-left: 40px;">(i) shareholdings in the other person which is less than 4%<u>5%</u> other than via the listed corporation; and</p> <p style="padding-left: 40px;">(ii) no other interest such as commission or other kinds of benefits received from the listed corporation or any of its subsidiaries or the other person in relation to the said transaction;</p> <p>(d) an acquisition or disposal by the listed corporation or any of its subsidiaries from or to a third party of an interest in another corporation where the related party holds less than 5%<u>10%</u> in that other corporation other than via the listed corporation;</p> <p>(e) the provision or receipt of financial assistance or services, upon normal commercial terms and in the ordinary course of business, from a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate</u>;</p> <p>(f) directors' fees and remuneration, and employment remuneration;</p> <p>(g) a transaction between a listed corporation or any of its subsidiaries and another person for the provision or receipt of goods or services which are Exempted Transactions where -</p> <p style="padding-left: 40px;">(i) the goods or services are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted; and</p> <p style="padding-left: 40px;">(ii) all material terms including the prices or charges are applied consistently to all customers or classes of customers.</p> <p>For the purposes of this sub-Rule -</p> <p style="padding-left: 40px;">(i) "goods" excludes securities;</p> <p style="padding-left: 40px;">(ii) "classes of customers" excludes such class by reason solely or otherwise that the customers are related parties of the listed corporation or its subsidiaries;</p> <p style="padding-left: 40px;">(iii) "Exempted Transactions" means the following:</p> |
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| | <p>(aa) provision or usage of public utility services such as water, electricity, telecommunications, broadcasting services, postal or courier services, insurance, unit trusts, stockbroking services, public transport, education, medical services, provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and</p> <p>(bb) such other types of transactions that may be prescribed by the Exchange from time to time;</p> <p>(h) the entry into or renewal of tenancy of properties of not more than 3 years, the terms of which are supported by an independent valuation;</p> <p>(i) a contract that is awarded by or on behalf of the Government of Malaysia or a State Government to the listed corporation or its subsidiary provided that the listed corporation immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C in the announcement;</p> <p>(j) a contract that is awarded by way of a public tender -</p> <p>(i) in relation to the listed awarder or its subsidiaries provided that the listed corporation immediately announces to the Exchange the terms of the awarded contract, and the value of at least the 3 closest bids or if not applicable, such lesser number of bids received, and an explanation of the basis for selecting the winning bid; and</p> <p>(ii) in relation to the successful listed bidder or its subsidiaries provided that -</p> <p>(aa) the awarder is listed or is a subsidiary of a listed corporation;</p> <p>(bb) majority of the directors and members of the audit committees of the listed corporations (whether as the bidder or the awarder or the holding companies of the bidder or awarder subsidiaries) are different; and</p> <p>(cc) the listed bidder immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C in the announcement;</p> |
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| | <p>(k) a transaction between a listed corporation or any of its subsidiaries and another person which involves the sharing of services or facilities provided by one of more of such parties or other similar arrangements whereby the consideration merely involves reimbursement or sharing of costs in proportion to the utilisation of the services or facilities;</p> <p>(l) a transaction between the listed corporation or any of its subsidiaries and another person where there are no other interested relationships except for the related party having shareholdings in the other person which is less than 5%<u>10%</u> other than via the listed corporation;</p> <p>(m) a transaction between the listed corporation or any of its subsidiaries and another person where there are no other interested relationships except for -</p> <ul style="list-style-type: none"> (i) common major shareholders; or (ii) a person connected with a major shareholder being a major shareholder of the other person, provided that the following conditions are satisfied: <ul style="list-style-type: none"> (aa) the major shareholder and/or the person connected with the major shareholder is/are not the largest shareholder of the listed corporation; (bb) the major shareholder and/or the person connected with the major shareholder is/are not a party to the said transaction, initiator, agent or involved in any other manner in the said transaction; (cc) the major shareholder does not have any representative in an executive capacity on the board of directors of the listed corporation or any of its subsidiaries; and (dd) the major shareholder is - <ul style="list-style-type: none"> (A) a statutory institution who is managing funds belonging to the general public; (B) a closed end fund, unit trust or investment fund (but excluding an investment holding corporation); or (C) an insurance corporation whose activities are regulated by any written law relating to insurance and are subject to supervision by Bank Negara Malaysia <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate</u>, and the said insurance corporation is managing its insurance funds (together with its own shareholders' funds or otherwise). For the purposes of this sub-Rule, "insurance funds" has the meaning given in section 2 of the Insurance Act 1996; |
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| | <p>(n) a transaction between the listed corporation and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed corporation or person connected with such director or major shareholder having an interest in the transaction;</p> <p>(o) a transaction between a subsidiary of a listed corporation (“transacting subsidiary”) and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed corporation (other than the transacting subsidiary or holding companies of the transacting subsidiary) or a person connected with such director or major shareholder having an interest in the transaction;</p> <p>(p) subscription to or acquisition by a listed corporation or its unlisted subsidiaries <u>not listed on any stock exchange</u>, of debt securities and/or redeemable preference shares issued <u>or guaranteed</u> by or on behalf of the Government of Malaysia, Bank Negara Malaysia, and/or a State Government <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate</u>; or</p> <p>(q) a disposal by a listed corporation or any of its subsidiaries of an interest in an investee corporation where a related party is also a major shareholder or person connected with a major shareholder of the investee corporation (other than via the listed corporation), provided that -</p> <p>(i) the related party, person connected with the related party or both, are not a party, initiator or agent to the said disposal; and</p> <p>(ii) the disposal is effected on the Exchange where the counterparty's identity is unknown to the listed corporation or its subsidiaries (as the case may be) at the time of the disposal.</p> <p>For the purpose of this sub-Rule (q), a “disposal” includes a disposal by a listed corporation or any of its subsidiaries of an interest in an investee corporation on a pro rata basis or arising from an acceptance of a take-over offer, except that sub-Rule (q)(ii) above will not be applicable in such instances.</p> |
| <p>Rule 10.09</p> | <p>Recurrent Related Party Transactions</p> <p>(1) Notwithstanding Rule 10.08(1)(b) above, a listed corporation must immediately announce a Recurrent Related Party Transaction as follows:</p> <p>(a) in relation to a listed corporation with an issued and paid-up capital of RM60 million and above -</p> |

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| | <ul style="list-style-type: none"> (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more, whichever is the higher; or <p>(b) in relation to a listed corporation with an issued and paid-up capital which is less than RM60 million -</p> <ul style="list-style-type: none"> (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more, whichever is the lower. <p>(2) A listed corporation may seek a mandate from its shareholders for Recurrent Related Party Transactions subject to the following:</p> <ul style="list-style-type: none"> (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public; (b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under sub-Rule (1) above; (c) the listed corporation's circular to shareholders for the shareholder mandate includes the information as may be prescribed by the Exchange. The circular must be submitted to the Exchange together with a checklist showing compliance with such information; (d) in a meeting to obtain a shareholder mandate, the <u>relevant related party must comply with the requirements set out in Rule 10.08(7) above; interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions;</u> and |
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| | <p>(e) the listed corporation immediately announces to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the listed corporation, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.</p> <p><i>[Cross reference: Guidance Note 8]</i></p> <p>(3) Where a listed corporation has procured a shareholder mandate pursuant to sub-Rule (2) above, the provisions of Rule 10.08 will not apply.</p> |
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[End of Appendix 2]

APPENDIX 3

REGULARISATION PLANS FOR FINANCIALLY DISTRESSED LISTED ISSUERS AND
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MAIN MARKET LISTING REQUIREMENTS

CHAPTER 8 – CONTINUING LISTING OBLIGATIONS

Paragraph 8.03A

Level of operations

- (1) A listed issuer must maintain an adequate level of operations to warrant continued trading or listing on the Official List.
- (2) The following are circumstances which indicate that a listed issuer may not have a level of operations that is adequate to warrant continued trading or listing on the Official List:
- (a) the listed issuer has suspended or ceased –
- (i) all of its business or its major business; or
- (ii) its entire or major operations,
- for any reason whatsoever including, amongst others, due to or as a result of -
- (aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;
- (bb) the disposal of the listed issuer's business or major business; or
- (cc) a court order or judgment obtained against the listed issuer prohibiting the listed issuer from conducting its major operations on grounds of infringement of copyright of products etc; or
- (b) the listed issuer has an insignificant business or operations.
- (3) Subject to subparagraphs (5) and (6) below, a listed issuer that triggers subparagraphs (2)(a) or (2)(b) above (“**affected listed issuer**”) must comply with the following, failing which the Exchange may suspend the trading of listed securities of such listed issuer or de-list the listed issuer, or both:
- (a) immediately announce to the Exchange of its condition and provide such information from time to time for public release in accordance with the disclosure obligations set out in paragraph 4.0 of Practice Note 17, with the necessary modifications;

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| | <p>(b) <u>regularise its condition by complying with the requirements set out in paragraph 8.04(3) and paragraph 5.0 of Practice Note 17, with the necessary modifications; and</u></p> <p>(c) <u>comply with such other requirements or do such other acts or things as may be prescribed or required by the Exchange.</u></p> <p>(4) <u>Where the Exchange approves the regularisation plan of an affected listed issuer pursuant to subparagraph (3)(b) above, such approval may be unconditional or subject to such conditions, as it deems fit. If the regularisation plan is rejected by the Exchange, the affected listed issuer may appeal against the decision of the Exchange within 30 days from the date of its rejection.</u></p> <p>(5) <u>An affected listed issuer need not comply with the requirements set out in subparagraph (3) above provided that -</u></p> <p>(a) <u>the affected listed issuer is able to demonstrate to the satisfaction of the Exchange that its remaining business is viable, sustainable and has growth prospects, supported with appropriate justifications; and</u></p> <p>(b) <u>in the view of the Exchange, its level of operations warrant continued trading or listing on the Official List.</u></p> <p>(6) <u>An affected listed issuer intending to rely on subparagraph (5) above must announce the following to the Exchange:</u></p> <p>(a) <u>immediately upon the affected listed issuer triggering subparagraphs (2)(a) or (2)(b) above, a statement to that effect and that it has made an application to the Exchange pursuant to subparagraph (5) above; and</u></p> <p>(b) <u>immediately upon its receipt of the Exchange's decision on its application, the Exchange's decision and the conditions imposed (if any).</u></p> <p>(7) <u>For the purposes of this paragraph, unless the context otherwise requires –</u></p> <p>(a) <u>in relation to subparagraph (2)(a) above, "major" means such proportion that contributes or generates 70% or more of the listed issuer's revenue on a consolidated basis based on its latest annual audited or unaudited financial statements;</u></p> <p>(b) <u>"insignificant business or operations" means business or operations which generates revenue on a consolidated basis that represents 5% or less of the issued and paid-up capital (excluding any redeemable preference shares and treasury shares) or the unit holders capital of the listed issuer ("Capital") based on its latest annual audited or unaudited financial statements.</u></p> |
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| | <p><u>For the purpose of computation, the following applies:</u></p> <p>(i) <u>“revenue on a consolidated basis” comprises the revenue of the listed issuer, its subsidiaries, as well as revenue from the listed issuer’s associated companies, calculated on a proportionate basis, based on the listed issuer’s equity holding in the associated companies; and</u></p> <p>(ii) <u>where there is/are a change/changes to the Capital in that financial year, the weighted average Capital for that financial year must be used. The weighted average Capital means the total amount of the Capital at the beginning of the financial year, adjusted by the amount of increase or reduction in the Capital during that financial year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the specific Capital is outstanding as a proportion of the total number of days in that financial year.</u></p> <p><u>Example - Weighted Average of Capital for financial year ended 31 December 2xx1</u></p> <table data-bbox="662 1048 1300 1384"> <thead> <tr> <th></th> <th></th> <th><u>Issued and Paid up Capital (RM)</u></th> </tr> </thead> <tbody> <tr> <td><u>1 January 2xx1</u></td> <td><u>Balance</u></td> <td><u>60,000,000</u></td> </tr> <tr> <td><u>1 June 2xx1</u></td> <td><u>Issue of 10,000,000 new shares for cash</u></td> <td><u>70,000,000</u></td> </tr> <tr> <td><u>1 Dec 2xx1</u></td> <td><u>Issue of 12,000,000 new shares for cash</u></td> <td><u>82,000,000</u></td> </tr> </tbody> </table> <p><u>Computation of weighted average:</u></p> $\frac{(60,000,000 \times 151/365) + (70,000,000 \times 183/365) + (82,000,000 \times 31/365)}{365} = 66,882,185$ <p>(8) <u>Subparagraph (2)(b) above is not applicable to closed-end funds, real estate investment trusts, exchange-traded funds, infrastructure project corporations which have not completed and commenced operations on their infrastructure project(s) and special purpose acquisition companies.</u></p> <p><u>[Cross reference: Practice Notes 17 and 29]</u></p> | | | <u>Issued and Paid up Capital (RM)</u> | <u>1 January 2xx1</u> | <u>Balance</u> | <u>60,000,000</u> | <u>1 June 2xx1</u> | <u>Issue of 10,000,000 new shares for cash</u> | <u>70,000,000</u> | <u>1 Dec 2xx1</u> | <u>Issue of 12,000,000 new shares for cash</u> | <u>82,000,000</u> |
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| | | <u>Issued and Paid up Capital (RM)</u> | | | | | | | | | | | |
| <u>1 January 2xx1</u> | <u>Balance</u> | <u>60,000,000</u> | | | | | | | | | | | |
| <u>1 June 2xx1</u> | <u>Issue of 10,000,000 new shares for cash</u> | <u>70,000,000</u> | | | | | | | | | | | |
| <u>1 Dec 2xx1</u> | <u>Issue of 12,000,000 new shares for cash</u> | <u>82,000,000</u> | | | | | | | | | | | |
| <p>Paragraph 8.04</p> | <p>Financial condition and level of operations</p> <p>(1) The financial condition and level of operations of a listed issuer on a consolidated basis must, in the opinion of the Exchange, warrant continued trading or listing on the Official List.</p> | | | | | | | | | | | | |

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| | <p>(2) The Exchange may prescribe certain criteria in relation to the financial condition and level of operations of a listed issuer ("Prescribed Criteria"). When a listed issuer triggers any of the Prescribed Criteria ("PN17 Issuer"), it must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed issuer or de-list it, or both.</p> <p>(3) A PN17 Issuer must -</p> <p style="padding-left: 20px;">(a) regularise its condition in the following manner:</p> <p style="padding-left: 40px;">(i) within 12 months from the date it announces that it is a PN17 Issuer:</p> <p style="padding-left: 60px;">(aa) submit a regularisation plan to the SC if the plan will result in a significant change in the business direction or policy of the PN17 Issuer; or</p> <p style="padding-left: 60px;">(bb) submit a regularisation plan to the Exchange if the plan will not result in a significant change in the business direction or policy of the PN17 Issuer, and obtain the Exchange's approval to implement the plan; and</p> <p style="padding-left: 40px;">(ii) implement the plan within the timeframe stipulated by the SC or the Exchange as the case may be;</p> <p style="padding-left: 20px;">(b) provide such information as may be prescribed by the Exchange from time to time for public release; and</p> <p style="padding-left: 20px;">(c) do such other acts or things as may be required by the Exchange.</p> <p>(4) Where the Exchange approves the regularisation plan of a PN17 Issuer, such approval may be unconditional or subject to such conditions, as it deems fit. If the regularisation plan is rejected by the Exchange, the PN17 Issuer may appeal against the decision of the Exchange within 4-month <u>30 days</u> from the date of its rejection.</p> <p>(5) If a PN17 Issuer fails to comply with any part of its obligations under subparagraph (3)(a) above <u>within the timeframes permitted by the Exchange</u>, the Exchange shall -</p> <p style="padding-left: 20px;">(a) suspend the trading of the PN17 Issuer's listed securities on the next market day after 5 market days from <u>6th market day after</u> the date of notification of suspension by the Exchange; and</p> <p style="padding-left: 20px;">(b) de-list such PN17 Issuer subject to the latter's right to appeal against the de-listing under subparagraph (6) below.</p> |
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| | <p>(6) <u>Unless otherwise specified, Aa</u> PN17 Issuer which intends to appeal against a de-listing under this paragraph 8.04 must submit its appeal to the Exchange within 5 market days from the date of notification of de-listing by the Exchange.</p> <p>(7) Where there is an appeal <u>against de-listing has been</u> submitted to the Exchange, the Exchange shall stay the de-listing of the PN17 Issuer concerned pending consideration of the appeal. However, the Exchange shall suspend the trading of the PN17 Issuer's listed securities on the <u>next 6th</u> market day after 5 market days from the date of notification of suspension by the Exchange even though the decision of the appeal is still pending.</p> <p>(8) For a PN17 Issuer to be no longer considered a PN17 Issuer, the PN17 Issuer must –</p> <ul style="list-style-type: none"> (a) complete the implementation of its regularisation plan; and (b) submit an application to the Exchange to demonstrate that it is no longer a PN17 Issuer, together with all the necessary documentary evidence. <p>The fact that a PN17 Issuer has ceased to trigger the Prescribed Criteria before it completes the implementation of its regularisation plan, would not entitle it to be no longer considered as a PN17 Issuer for the purpose of this subparagraph.</p> <p>(9) If a PN17 Issuer triggers any one or more of the Prescribed Criteria within 3 years after it is no longer considered a PN17 Issuer, such PN17 Issuer must undertake a regularisation plan which will result in a significant change in its business direction or policy and submit the plan to the SC for approval. The PN17 Issuer must also comply with all requirements set out in this paragraph 8.04.</p> <p><i>[Cross reference: Practice Notes 17 and 29]</i></p> |
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PRACTICE NOTE 17 – CRITERIA AND OBLIGATIONS OF PN17 ISSUERS

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| Practice Note 17 | <p>CRITERIA AND OBLIGATIONS OF PN17 ISSUERS</p> <p>1.0 Introduction</p> <p>1.1 This Practice Note sets out, amongst others, the following:</p> <ul style="list-style-type: none"> (a) the criteria in relation to the financial condition <u>and level of operations</u> of a listed issuer, which if triggered will give rise to an obligation for the listed issuer to comply with the provisions of this Practice Note; and (b) the requirements that must be complied with by a PN17 Issuer, including a PN17 Business Trust. |
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| | <p>2.0 Criteria</p> <p>2.1 Pursuant to paragraphs 8.04(2) of the Listing Requirements, where a listed issuer triggers any one or more of the following Prescribed Criteria it must comply with the provisions of paragraph 8.04 and this Practice Note:</p> <p>(a) the shareholders' equity of the listed issuer on a consolidated basis is 25% or less of the issued and paid-up capital (excluding treasury shares) of the listed issuer and such shareholders' equity is less than RM40 million;</p> <p>(b) receivers or managers have been appointed over the asset of the listed issuer, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis;</p> <p>(c) a winding up of a listed issuer's subsidiary or associated company which accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis;</p> <p>(d) the auditors have expressed an adverse or disclaimer opinion in the listed issuer's latest audited financial statements;</p> <p>(e) the auditors have expressed an emphasis of matter on the listed issuer's ability to continue as a going concern in the listed issuer's latest audited financial statements and the shareholders' equity of the listed issuer on a consolidated basis is 50% or less of the issued and paid-up capital (excluding treasury shares) of the listed issuer; or</p> <p>(f) a default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to Practice Note 4 paragraph 9.19A of the Listing Requirements and the listed issuer is unable to provide a solvency declaration to the Exchange;</p> <p>(g) the listed issuer has suspended or ceased</p> <p style="padding-left: 20px;">(i) all of its business or its major business; or</p> <p style="padding-left: 20px;">(ii) its entire or major operations,</p> <p style="padding-left: 20px;">for any reasons whatsoever including, amongst others, due to or as a result of -</p> <p style="padding-left: 20px;">(aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;</p> <p style="padding-left: 20px;">(bb) the disposal of the listed issuer's business or major business; or</p> |
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| | <p style="text-align: center;">(cc) a court order or judgment obtained against the listed issuer prohibiting the listed issuer from conducting its major operations on grounds of infringement of copyright of products etc; or [deleted];</p> <p>(h) the listed issuer has an insignificant business or operations.[deleted]</p> <p>2.1A In relation to a listed issuer which is a business trust, where the business trust triggers any one or more of the following Prescribed Criteria (“PN17 Business Trust”) instead of the Prescribed Criteria in paragraph 2.1 above, it must comply with the provisions of paragraph 8.04 and this Practice Note:</p> <p>(a) the unit holders’ fund (excluding non-controlling interest) on a consolidated basis is negative;</p> <p>(b) receivers or managers have been appointed over the asset of the business trust, which asset accounts for at least 50% of the total assets employed of the business trust on a consolidated basis;</p> <p>(c) a winding up of a business trust’s subsidiary or associated company which accounts for at least 50% of the total assets employed of the business trust on a consolidated basis;</p> <p>(d) the auditors have expressed an adverse or disclaimer opinion in the business trust’s latest audited financial statements; <u>or</u></p> <p>(e) a default in payment of loans or credit facilities of a business trust or its major subsidiary or major associated company, as announced by the trustee-manager pursuant to <u>Practice Note 4 paragraph 9.19A of the Listing Requirements</u> and the trustee-manager is unable to provide a solvency declaration to the Exchange.;</p> <p>(f) the trustee-manager has suspended or ceased all of the business trust’s business or its major business; or the business trust’s entire or major operations, for any reasons whatsoever including, amongst others, due to or as a result of—</p> <p style="padding-left: 40px;">(aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct the business trust’s business activities;</p> <p style="padding-left: 40px;">(bb) the disposal of the business trust’s business or major business; or</p> |
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| | <p style="text-align: center;">(cc) — a court order or judgment obtained against the trustee-manager prohibiting the trustee-manager from conducting the business trust's major operations on grounds of infringement of copyright of products etc; or[deleted]</p> <p style="text-align: center;">(g) the business trust has an insignificant business or operations[deleted]</p> <p>2.2 For the purposes of this Practice Note, unless the context otherwise requires -</p> <p>(a) “shareholders’ equity” refers to the equity attributable to equity holders of the listed issuer;</p> <p>(b) “total assets employed” must be based on the listed issuer’s latest audited or unaudited financial statements;</p> <p>(c) in relation to paragraphs 2.1(g) and 2.1A(f), “major” means such proportion that contributes or generates 70% or more of the listed issuer’s revenue on a consolidated basis based on its latest annual audited or unaudited financial statements; [deleted]</p> <p>(d) “insignificant business or operations” means business or operations which generates revenue on a consolidated basis that represents 5% or less of the issued and paid-up capital (excluding any redeemable preference shares and treasury shares) or the unit holders capital of the listed issuer (“Capital”) based on its latest annual audited or unaudited financial statements.[deleted]</p> <p style="text-align: center;">(i) — “revenue on a consolidated basis” comprises of the revenue of the listed issuer, its subsidiaries, as well as revenue from the listed issuer’s associated companies, calculated on a proportionate basis, based on the listed issuer’s equity holding in the associated companies; and</p> <p style="text-align: center;">(ii) — where there is/are a change/changes to the Capital in that financial year, the weighted average Capital for that financial year must be used. The weighted average Capital means the total amount of the Capital at the beginning of the financial year, adjusted by the amount of increase or reduction in the Capital during that financial year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the specific Capital is outstanding as a proportion of the total number of days in that financial year.</p> <p style="text-align: center;">Example — Weighted Average of Capital for financial year ended 31 December 2xx1</p> |
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| | | Issued and Paid-up Capital (RM) |
|--------------------------------------|---|------------------------------------|
| 1 January 2xx1 | Balance | 60,000,000 |
| 1 June 2xx1 | Issue _____ of 10,000,000 new shares for cash | 70,000,000 |
| 1 _____ December 2xx1 | Issue _____ of 12,000,000 new shares for cash | 82,000,000 |
| | Computation of weighted average: | |
| | $(60,000,000 \times 151/365) + (70,000,000 \times 183/365) +$ $(82,000,000 \times 31/365) = 66,882,185$ | |
| | (e) “ net profit ” means the net profit after minority interest and excludes one off items, such as the following: | |
| | (i) interest waiver; | |
| | (ii) negative goodwill credited to statement of profit and loss and other comprehensive income; | |
| | (iii) gain/loss arising from sale of investment in associated companies/ subsidiaries or land and building; and | |
| | (iv) restructuring cost; | |
| | (f) “ unit holders’ fund ” refers to the fund attributable to unit holders of the business trust. | |
| 2.3 | Paragraph 2.1(h) is not applicable to closed-end funds, real estate investment trusts, exchange-traded funds, infrastructure project corporations which have not completed and commenced operations on their infrastructure project(s) and special purpose acquisition companies [Deleted] | |
| 3.0 | Regularisation Plan[Deleted] | |
| 3.1 | Pursuant to paragraph 8.04(3) of the Listing Requirements, a PN17 Issuer must regularise its condition by undertaking a regularisation plan. In this regard, a PN17 Issuer and its Principal Adviser must ensure that the regularisation plan— | |
| | (a) is sufficiently comprehensive and capable of resolving all problems, financial or otherwise that had caused the PN17 Issuer to trigger the Prescribed Criteria; | |

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| | <p>(b) enables the PN17 Issuer to regularise its financial condition and level of operations, such that the PN17 Issuer no longer triggers any of the Prescribed Criteria; and</p> <p>(c) is fair and reasonable to the PN17 Issuer and its securities holders and will increase value for its securities holders.</p> <p>4.0 Disclosure obligations of the PN17 Issuer</p> <p>4.1 Pursuant to paragraph 8.04(3)(b) of the Listing Requirements, a PN17 Issuer must announce to the Exchange -</p> <p>(a) on an immediate basis (“First Announcement”) upon the PN17 Issuer triggering one or more of the Prescribed Criteria -</p> <p style="padding-left: 40px;">(i) that the listed issuer is a PN17 Issuer pursuant to this Practice Note;</p> <p style="padding-left: 40px;">(ii) the listed issuer’s obligations pursuant to this Practice Note;</p> <p style="padding-left: 40px;">(iii) the consequences of non-compliance with such obligations; and</p> <p style="padding-left: 40px;">(iv) the status of the listed issuer’s regularisation plan or the status of its endeavours to formulate such a plan, whichever is applicable, or where neither a plan nor any endeavour to formulate such a plan has been undertaken, an appropriate negative statement to such effect;</p> <p>(b) within 3 months from the First Announcement, on whether the regularisation plan will result in a significant change in the business direction or policy of the PN17 Issuer;</p> <p>(c) the status of its regularisation plan and the number of months to the end of the relevant timeframes referred to in paragraph 5.1, or 5.2 <u>or 5.3</u> below, as may be applicable, on a monthly basis (“Monthly Announcement”) until further notice from the Exchange;</p> <p>(d) its compliance or non-compliance with a particular obligation imposed pursuant to this Practice Note, on an immediate basis;</p> <p>(e) details of the regularisation plan which announcement must fulfill the requirements set out in paragraph 4.2 below (“Requisite Announcement”); and</p> <p>(f) where the PN17 Issuer fails to regularise its condition, the dates of suspension and de-listing of its listed securities, immediately upon notification of suspension and de-listing by the Exchange.</p> |
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| | <p>4.2 The Requisite Announcement must -</p> <ul style="list-style-type: none"> (a) contain details of the regularisation plan and sufficient information to demonstrate that the PN17 Issuer is able to comply with all the requirements set out under paragraph 5.4 below 3.1 above after implementation of the regularisation plan; (b) include a timeline for the complete implementation of the regularisation plan; and (c) be announced by the PN17 Issuer's Principal Adviser. <p>4.3 Before a PN17 Issuer makes the Requisite Announcement, it must ensure that -</p> <ul style="list-style-type: none"> (a) all agreements to be entered into with third parties as part of the regularisation plan, have been duly executed by all parties to such agreements; and (b) where the regularisation plan involves a compromise or arrangement with the PN17 Issuer's creditors, the PN17 Issuer has taken reasonable steps to procure the agreement-in-principle of such creditors. <p>4.4 The Monthly Announcements must be made on the first market day of each month beginning with the month following the date of the First Announcement.</p> <p>5.0 Obligation to Regularise</p> <p>5.1 If a PN17 Issuer undertakes a regularisation plan which will result in a significant change in the business direction or policy of the PN17 Issuer, it must –</p> <ul style="list-style-type: none"> (a) submit the plan to the SC for approval, within 12 months from the date of the First Announcement; and (b) complete the implementation of the plan within such timeframe as may be prescribed by the SC. <p>5.2 If a PN17 Issuer undertakes a regularisation plan which will not result in a significant change in the business direction or policy of the PN17 Issuer, it must –</p> <ul style="list-style-type: none"> (a) submit to the Exchange the plan and obtain the Exchange's approval to implement the plan within 12 months from the date of the First Announcement; (b) complete the implementation of the plan within 6 months from the date the plan is approved by the Exchange. However, for cases which involve court proceedings, a PN17 Issuer has up to 12 months from the date the plan is approved by the Exchange, to complete the implementation of the plan; and |
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| | <p>(c) record a net profit in 2 consecutive quarterly results immediately after the completion of the implementation of the plan. In this regard, the PN17 Issuer must ensure that the relevant quarterly results are subjected to a limited review by an external auditor before they are announced to the Exchange.</p> |
| 5.3 | <p>In relation to a PN17 Business Trust, if the PN17 Business Trust undertakes a regularisation plan which will not result in a significant change in the business direction or policy of the PN17 Business Trust, it must –</p> <p>(a) comply with the requirements in paragraph 5.2(a) and (b) above; and</p> <p>(b) record either a net profit or positive operating cash flow in 2 consecutive quarterly results immediately after the completion of the implementation of the plan. In this regard, the PN17 Business Trust must ensure that the relevant quarterly results are subjected to a limited review by an external auditor before they are announced to the Exchange.</p> |
| 5.4 | <p><u>Pursuant to paragraph 5.2 above, a PN17 Issuer and its Principal Adviser must ensure that a regularisation plan which will not result in a significant change in the business direction or policy of the PN17 Issuer</u></p> <p>=</p> <p>(a) <u>is sufficiently comprehensive and capable of resolving all problems, financial or otherwise that had caused the PN17 Issuer to trigger the Prescribed Criteria;</u></p> <p>(b) <u>enables the PN17 Issuer to regularise its financial condition such that the PN17 Issuer no longer triggers any of the Prescribed Criteria; and</u></p> <p>(c) <u>is fair and reasonable to the PN17 Issuer and its securities holders and will increase value for its securities holders.</u></p> |
| 5.5 | <p><u>In complying with the requirements under paragraph 5.4 above, the PN17 Issuer and its Principal Adviser must demonstrate to the satisfaction of the Exchange, the following:</u></p> <p>(a) <u>the regularisation plan is able to strengthen the financial position of the PN17 Issuer including its securities holders' equity, gearing, net asset position, cash flow position, and address its accumulated losses position;</u></p> <p>(b) <u>the steps taken or proposed to be taken are comprehensive and capable of addressing the issues that had caused the PN17 Issuer to trigger the Prescribed Criteria, such that the PN17 Issuer will -</u></p> <p>(i) <u>no longer trigger any of the Prescribed Criteria upon implementation of the regularisation plan; and</u></p> |

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| | <p><u>(ii) not trigger any of the Prescribed Criteria in the near future;</u></p> <p><u>(c) the core business activities of the PN17 Issuer post-implementation of the regularisation plan is viable, sustainable and has growth prospects to warrant continued trading or listing on the Official List. In this respect, the PN17 Issuer must provide sufficient information in support of its regularisation plan, including -</u></p> <p><u>(i) a detailed business plan of its core business activities;</u></p> <p><u>(ii) profitability of the core business. Generally, low profit margin or loss making business will raise concerns on the viability of the core business. In the case of a PN17 Business Trust, the ability to generate profits or positive operating cash flow from the core business;</u></p> <p><u>(iii) sufficiency of resources and strength and expertise of the key management, to achieve its business plan and expected level of operations;</u></p> <p><u>(iv) industry prospects;</u></p> <p><u>(v) competitive advantage; and</u></p> <p><u>(vi) market position; and</u></p> <p><u>(d) the ability of the PN17 Issuer to immediately generate net profits or positive operating cash flow (in the case of a PN17 Business Trust) in 2 consecutive quarterly results immediately after the completion of the implementation of the regularisation plan.</u></p> <p><u>5.6 A PN17 Issuer and its Principal Adviser must review the PN17 Issuer's risk management and internal control system, and submit to the Exchange the results of such review together with its action plans to address the weaknesses identified.</u></p> <p><u>5.7 A PN17 Issuer must ensure that the submission to the Exchange under paragraphs 5.2(a) and 5.3(a) above is accompanied by the following:</u></p> <p><u>(a) a cover letter signed by 2 authorised signatories of the Principal Adviser, containing details of the proposals, any approval, clearance or waiver sought, and such other information as may be prescribed by the Exchange from time to time;</u></p> <p><u>(b) a draft circular to securities holders containing the relevant information prescribed in the Listing Requirements, such as Appendix 6B or Appendix 10B, where applicable, and the additional information set out in Annexure PN17-A;</u></p> |
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| <u>Annexure PN17-A</u> | <p>(c) <u>the listing application(s) together with the relevant submission documents as required under Chapter 6 of the Listing Requirements; and</u></p> <p>(d) <u>any other supporting documents, including experts' reports, where relevant.</u></p> <p><u>Additional content of circular for regularisation plan undertaken by a PN 17 Issuer</u> <u>(paragraph 5.7(b))</u></p> <p>(1) <u>The historical financial information of the PN17 Issuer for the last 5 years or since listing, whichever is later, based on the audited or unaudited financial statements. This includes:</u></p> <p>(a) <u>the turnover;</u></p> <p>(b) <u>the gross profit/loss;</u></p> <p>(c) <u>the net profit/loss;</u></p> <p>(d) <u>the shareholders' funds or unit holders funds, as the case may be;</u></p> <p>(e) <u>the borrowings; and</u></p> <p>(f) <u>the key ratios such as gross profit margin and gearing.</u></p> <p>(2) <u>A commentary on the performance of the PN17 Issuer for the past 5 years or since listing, whichever is later. The commentary should include an analysis and discussion of significant and specific factors contributing to exceptional performance in any of the financial years under review and significant changes in the financial performance on a year-to-year basis, whether favourable or adverse.</u></p> <p>(3) <u>A description of the business plan including information on the viability and profitability of the business and sufficiency of resources to achieve the plan and expected level of operations.</u></p> <p>(4) <u>An analysis of the business post implementation of the regularisation plan including -</u></p> <p>(a) <u>the nature and operational environment of the PN17 Issuer's business such as the introduction of new asset or business, new products, new markets or new contracts, to address the operational issues faced by the PN17 Issuer;</u></p> <p>(b) <u>industry overview and description of the growth prospects of the PN17 Issuer's business in light of the industry outlook; and</u></p> <p>(c) <u>the risk factors affecting the PN17 Issuer and its business, together with the mitigating factors.</u></p> |
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| | <p><u>(5) The reasons or issues which caused the PN17 Issuer to trigger any of the Prescribed Criteria, the steps taken or to be taken (whether short term or long term) to address such reasons or issues.</u></p> <p><u>(6) Where the proposal includes an injection of new asset or business, the following information where applicable:</u></p> <p style="padding-left: 40px;"><u>(a) in relation to the new asset or business -</u></p> <p style="padding-left: 80px;"><u>(i) name, qualification and experience of the directors, chief executive and key management; and</u></p> <p style="padding-left: 80px;"><u>(ii) details of the substantial securities holders; and</u></p> <p style="padding-left: 40px;"><u>(b) in relation to the PN17 Issuer -</u></p> <p style="padding-left: 80px;"><u>(i) name, qualification and experience of the proposed new directors to the board; and</u></p> <p style="padding-left: 80px;"><u>(ii) details of the proposed new substantial securities holders.</u></p> <p><u>(7) A commentary by the PN17 Issuer's board of directors on whether the PN17 Issuer is able to record a net profit or positive operating cash flow (in the case of a PN17 Business Trust) in 2 consecutive quarterly results immediately after the completion of the implementation of the plan.</u></p> <p><u>(8) A statement by the directors as to whether, in their opinion, the working capital available to the PN17 Issuer will be sufficient for a period of 12 months from date of the circular. If not, how the additional working capital which is deemed to be necessary will be obtained.</u></p> <p><u>(9) The profit and cash flow estimate, forecast or projection, and the assumptions together with a copy of the reporting accountant's letter, if such information is provided to the Exchange in the submission.</u></p> <p><u>(10) The results of the risk management and internal control review together with the action plans to address the weaknesses identified.</u></p> <p style="text-align: right;"><u>[End of Annexure]</u></p> |
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ACE MARKET LISTING REQUIREMENTS

CHAPTER 8 – CONTINUING LISTING OBLIGATIONS

Rule 8.03A

Level of operations

- (1) A listed corporation must maintain an adequate level of operations to warrant continued trading or listing on the Official List.
- (2) The following are circumstances which indicate that a listed corporation may not have a level of operations that is adequate to warrant continued trading or listing on the Official List:
- (a) the listed corporation has suspended or ceased –
- (i) all of its business or its major business; or
- (ii) its entire or major operations,
- for any reasons whatsoever including, amongst others, due to or as a result of -
- (aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;
- (bb) the disposal of the listed corporation’s business or major business; or
- (cc) a court order or judgment obtained against the listed corporation prohibiting the listed corporation from conducting its major operations on grounds of infringement of copyright of products etc; or
- (b) the listed corporation has an insignificant business or operations. This is not applicable to a Sponsored Corporation during the Sponsorship Period.
- (3) Subject to sub-Rules (5) and (6) below, a listed corporation that triggers sub-Rules (2)(a) or (2)(b) above (“**affected listed corporation**”) must comply with the following, failing which the Exchange may suspend the trading of listed securities of such listed corporation or de-list the listed corporation, or both:
- (a) immediately announce to the Exchange of its condition and provide such information from time to time for public release in accordance with the disclosure obligations set out in paragraph 4.0 of Guidance Note 3, with the necessary modifications;
- (b) regularise its condition by complying with the requirements set out in Rule 8.04(3) and paragraph 5.0 of Guidance Note 3, with the necessary modifications; and

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| | <p><u>(c) comply with such other requirements or do such other acts or things as may be prescribed or required by the Exchange.</u></p> <p><u>(4) Where the Exchange approves the regularisation plan of an affected listed corporation pursuant to sub-Rule (3)(b) above, such approval may be unconditional or subject to such conditions, as it deems fit. If the regularisation plan is rejected by the Exchange, the affected listed corporation may appeal against the decision of the Exchange within 30 days from the date of its rejection.</u></p> <p><u>(5) An affected listed corporation need not comply with the requirements set out in sub-Rule (3) above provided that -</u></p> <p><u>(a) the affected listed corporation is able to demonstrate to the satisfaction of the Exchange that its remaining business is sustainable and has prospects, supported with appropriate justifications; and</u></p> <p><u>(b) in the view of the Exchange, its level of operations warrant continued trading or listing on the Official List.</u></p> <p><u>(6) An affected listed corporation intending to rely on sub-Rule (5) above must announce the following to the Exchange:</u></p> <p><u>(a) immediately upon the affected listed corporation triggering sub-Rules (2)(a) or (2)(b) above, a statement to that effect and that it has made an application to the Exchange pursuant to sub-Rule (5) above; and</u></p> <p><u>(b) immediately upon its receipt of the Exchange's decision on its application, the Exchange's decision and the conditions imposed (if any).</u></p> <p><u>(7) For the purposes of this Rule, unless the context otherwise requires –</u></p> <p><u>(a) in relation to sub-Rule (2)(a) above, "major" means such proportion that contributes or generates 70% or more of the listed corporation's revenue on a consolidated basis based on its latest annual audited or unaudited financial statements;</u></p> <p><u>(b) "insignificant business or operations" means business or operations which generates revenue on a consolidated basis that represents 5% or less of the issued and paid-up capital (excluding any redeemable preference shares and treasury shares) of the listed corporation ("Capital") based on its latest annual audited or unaudited financial statements.</u></p> <p><u>For the purpose of computation, the following applies:</u></p> |
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| | <p>(i) <u>“revenue on a consolidated basis”</u> comprises the revenue of the listed corporation, its subsidiaries, as well as revenue from the listed corporation’s associated companies, calculated on a proportionate basis, based on the listed corporation’s equity holding in the associated companies; and</p> <p>(ii) where there is/are a change/changes to the Capital in that financial year, the weighted average Capital for that financial year must be used. The weighted average Capital means the total amount of the Capital at the beginning of the financial year, adjusted by the amount of increase or reduction in the Capital during that financial year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the specific Capital is outstanding as a proportion of the total number of days in that financial year.</p> <p><u>Example - Weighted Average of Capital for financial year ended 31 December 2xx1</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 30%;"></th> <th style="width: 40%; text-align: right;"><u>Issued and Paid up Capital (RM)</u></th> </tr> </thead> <tbody> <tr> <td><u>1 January 2xx1</u></td> <td><u>Balance</u></td> <td style="text-align: right;"><u>10,000,000</u></td> </tr> <tr> <td><u>1 June 2xx1</u></td> <td><u>Issue of 5,000,000 new shares for cash</u></td> <td style="text-align: right;"><u>15,000,000</u></td> </tr> <tr> <td><u>1 Dec 2xx1</u></td> <td><u>Issue of 3,000,000 new shares for cash</u></td> <td style="text-align: right;"><u>18,000,000</u></td> </tr> </tbody> </table> <p><u>Computation of weighted average:</u></p> <p><u>$(10,000,000 \times 151/365) + (15,000,000 \times 183/365) + (18,000,000 \times 31/365) = 13,186,301$</u></p> <p><u>[Cross reference: Guidance Notes 3 and 20]</u></p> | | | <u>Issued and Paid up Capital (RM)</u> | <u>1 January 2xx1</u> | <u>Balance</u> | <u>10,000,000</u> | <u>1 June 2xx1</u> | <u>Issue of 5,000,000 new shares for cash</u> | <u>15,000,000</u> | <u>1 Dec 2xx1</u> | <u>Issue of 3,000,000 new shares for cash</u> | <u>18,000,000</u> |
|-------------------------|--|--|--|--|-----------------------|----------------|-------------------|--------------------|---|-------------------|-------------------|---|-------------------|
| | | <u>Issued and Paid up Capital (RM)</u> | | | | | | | | | | | |
| <u>1 January 2xx1</u> | <u>Balance</u> | <u>10,000,000</u> | | | | | | | | | | | |
| <u>1 June 2xx1</u> | <u>Issue of 5,000,000 new shares for cash</u> | <u>15,000,000</u> | | | | | | | | | | | |
| <u>1 Dec 2xx1</u> | <u>Issue of 3,000,000 new shares for cash</u> | <u>18,000,000</u> | | | | | | | | | | | |
| <p>Rule 8.04</p> | <p>Financial condition and level of operations</p> <p>(1) The financial condition and level of operations of a listed corporation on a consolidated basis must, in the opinion of the Exchange, warrant continued trading or listing on the Official List.</p> | | | | | | | | | | | | |

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| | <p>(2) The Exchange may prescribe certain criteria in relation to the financial condition and level of operations of a listed corporation (“Prescribed Criteria”). When a listed corporation triggers any of the Prescribed Criteria (“GN3 Company”) it must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed corporation or de-list it or both.</p> <p>(3) A GN3 Company must comply with the following additional requirements:</p> <p>(a) regularise its condition in the following manner:</p> <p>(i) submit to the Exchange a regularisation plan and obtain the Exchange’s approval to implement the plan within 12 months from the date the listed corporation announces that it is a GN3 Company;</p> <p>(ii) appoint a Sponsor within 3 months from the date the listed corporation announces that it is a GN3 Company and retain the said Sponsor until it is no longer considered as a GN3 Company by the Exchange under sub-Rule (8) below; and</p> <p>(iii) implement the regularisation plan within 6 months from the date the regularisation plan is approved by the Exchange. However, for cases which involve court proceedings, a GN3 Company has up to 12 months from the date the regularisation plan is approved by the Exchange, to complete the implementation of the regularisation plan;</p> <p>(b) provide such information as may be prescribed by the Exchange from time to time for public release;</p> <p>(c) retain the services of a Sponsor for at least 3 full financial years after it is no longer considered as a GN3 Company by the Exchange under sub-Rule (8) below. In this regard, the Sponsor referred to in sub-Rule (a)(ii) above must act as the Sponsor of the GN3 Company for at least the first full financial year; and</p> <p>(d) do such other acts or things as may be required by the Exchange.</p> <p>(4) Where the Exchange approves the regularisation plan of a GN3 Company, such approval may be unconditional or subject to such conditions, as it deems fit. If the regularisation plan is rejected by the Exchange, the GN3 Company may appeal against the decision of the Exchange within 30 days <u>1 month</u> from the date of its rejection.</p> <p>(5) If a GN3 Company fails to comply with any part of its obligations under sub-Rule (3)(a) above <u>within the timeframes permitted by the Exchange</u>, the Exchange shall –</p> |
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| | <p>(a) suspend the trading of the GN3 Company's listed securities on the next market day after 5 market days from 6th market day after the date of notification of suspension by the Exchange; and</p> <p>(b) de-list such GN3 Company subject to the latter's right to appeal against the de-listing under sub-Rule (6) below.</p> <p>(6) <u>Unless otherwise specified, Aa</u> GN3 Company which intends to appeal against a de-listing under this Rule 8.04 must submit its appeal to the Exchange within 5 market days from the date of notification of de-listing by the Exchange.</p> <p>(7) Where there is an appeal <u>against de-listing has been</u> submitted to the Exchange, the Exchange shall stay the de-listing of the GN3 Company concerned pending consideration of the appeal. However, the Exchange shall suspend the trading of the GN3 Company's listed securities on the 6th next market day after 5 market days from the date of notification of suspension by the Exchange even though the decision of the appeal may still be pending</p> <p>(8) For a GN3 Company to be no longer considered a GN3 Company, the GN3 Company must –</p> <p>(a) complete the implementation of its regularisation plan; and</p> <p>(b) submit an application to the Exchange to demonstrate that it is no longer a GN3 Company, together with all the necessary documentary evidence.</p> <p>The fact that a GN3 Company has ceased to trigger the Prescribed Criteria before it completes the implementation of its regularisation plan, would not entitle it to be no longer considered as a GN3 Company for the purpose of this sub-Rule.</p> <p><i>[Cross reference: Guidance Notes 3 and 20]</i></p> |
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GUIDANCE NOTE 3 – CRITERIA AND OBLIGATIONS OF GN3 COMPANIES

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| Guidance Note 3 | <p>CRITERIA AND OBLIGATIONS OF GN3 COMPANIES</p> <p>1.0 Introduction</p> <p>1.1 This Guidance Note sets out, amongst others, the following:</p> <p>(a) the criteria in relation to the financial condition and level of operations of a listed corporation, which if triggered, will give rise to an obligation for a listed corporation to comply with the provisions of this Guidance Note (“GN3 Company”); <u>and</u></p> <p>(b) the requirements of a regularisation plan that must be complied with by a GN3 Company; <u>and</u></p> <p>(c) the disclosure requirements that must be complied with by a GN3 Company.</p> |
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| | <p>2.0 Criteria</p> <p>2.1 Pursuant to Rule 8.04(2) of the Listing Requirements, where a listed corporation triggers any one or more of the following Prescribed Criteria, it must comply with the provisions of Rule 8.04 and this Guidance Note:</p> <p>(a) the shareholders' equity of the listed corporation is 25% or less of the issued and paid-up capital of the listed corporation;</p> <p>(b) where the listed corporation has incurred loss in any 1 full financial year commencing on or after its listing, which equal to or exceed the amount of its shareholders' equity at the end of the said financial year and the shareholders' equity is equal to or less than 50% of the issued and paid-up capital of the listed corporation at the end of the said financial year;</p> <p>(c) where the listed corporation has incurred aggregated losses in any 2 consecutive full financial years commencing on or after its listing ("said financial period") –</p> <p style="padding-left: 20px;">(i) which exceed the amount of its shareholders' equity at the end of the said financial period;</p> <p style="padding-left: 20px;">(ii) the loss incurred in the second full financial year of the said financial period is 50% or more of the loss incurred in the first full financial year of the said financial period; and</p> <p style="padding-left: 20px;">(iii) the shareholders' equity is equal to or less than 50% of the issued and paid-up capital of the listed corporation at the end of the said financial period;</p> <p>(d) receivers or managers have been appointed over the asset of the listed corporation, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed corporation;</p> <p>(e) a winding up of a listed corporation's subsidiary or associated company which accounts for at least 50% of the total assets employed of the listed corporation;</p> <p>(f) the auditors have expressed an adverse or disclaimer opinion in the listed corporation's latest audited financial statements;</p> <p>(g) the auditors have expressed an emphasis of matter on the listed corporation's ability to continue as a going concern in the listed corporation's latest audited financial statements and the shareholders' equity of the listed corporation is 50% or less of the issued and paid-up capital of the listed corporation; or</p> |
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| | <p>(h) a default in payment by a listed corporation, its major subsidiary or major associated company, as the case may be, as announced by a listed corporation pursuant to Guidance Note 5 Rule 9.19A of the Listing Requirements and the listed corporation is unable to provide a solvency declaration to the Exchange;</p> <p>(i) the listed corporation has suspended or ceased-</p> <p style="padding-left: 20px;">(i) all of its business or its major business; or</p> <p style="padding-left: 20px;">(ii) its entire or major operations,</p> <p style="padding-left: 20px;">for any reasons whatsoever including, amongst others, due to or as a result of-</p> <p style="padding-left: 40px;">(aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;</p> <p style="padding-left: 40px;">(bb) the disposal of the listed corporation's business or major business; or</p> <p style="padding-left: 40px;">(cc) a court order or judgment obtained against the listed corporation prohibiting the listed corporation from conducting its major operations on grounds of infringement of copyright of products etc; or[deleted];</p> <p>(j) the listed corporation has an insignificant business or operations. This is not applicable to a Sponsored Corporation during the Sponsorship Period[deleted]</p> <p>2.2 For the purposes of this Guidance Note unless the context otherwise requires -</p> <p>(a) "shareholders' equity" refers to the equity attributable to the equity holders of the listed corporation;</p> <p>(b) in relation to subparagraph 2.1(i) above, "major" means such proportion that contributes or generates 70% or more of the listed corporation's revenue on a consolidated basis based on its latest annual audited or unaudited financial statements[deleted]</p> <p>(c) "insignificant business or operations" means business or operations which generates revenue on a consolidated basis that represents 5% or less of the issued and paid-up capital (excluding any redeemable preference shares) of the listed corporation ("Capital") based on its latest annual audited or unaudited financial statements[deleted]</p> <p style="padding-left: 20px;">For the purpose of computation, the following apply:-</p> |
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(i) ~~“revenue on a consolidated basis” comprises of the revenue of the listed corporation, its subsidiaries, as well as revenue from the listed corporation’s associated companies, calculated on a proportionate basis, based on the listed corporation’s equity holding in the associated companies; and~~

(ii) ~~where there is/are a change/changes to the Capital in that financial year, the weighted average Capital for that financial year must be used. The weighted average Capital means the total amount of the Capital at the beginning of the financial year, adjusted by the amount of increase or reduction in the Capital during that financial year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the specific Capital is outstanding as a proportion of the total number of days in that financial year.~~

~~Example – Weighted Average of Capital for financial year ended 31 December 2xx1~~

| | | Issued and Paid up Capital (RM) |
|----------------|--|------------------------------------|
| 1 January 2xx1 | Balance | 10,000,000 |
| 1 June 2xx1 | Issue of 5,000,000 new shares for cash | 15,000,000 |
| 1 Dec 2xx1 | Issue of 3,000,000 new shares for cash | 18,000,000 |

~~Computation of weighted average:~~

$$\del{(10,000,000 \times 151/365) + (15,000,000 \times 183/365) + (18,000,000 \times 31/365) = 13,186,301}$$

- (d) **“issued and paid-up capital”** excludes treasury shares;
- (e) the determination of whether any one or more of the Prescribed Criteria is fulfilled must be based on the latest audited or unaudited consolidated financial statements of the listed corporation; and
- (f) in relation to subparagraphs 2.1(b) and (c) above, **“loss”** or **“losses”** refers to the loss or losses attributable to ordinary shareholders of the listed corporation.

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| 2.3 | <p>The following example illustrates the application of subparagraph 2.1(b) above:</p> <p><u>Example 1</u></p> <p>A Bhd</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Financial Year Ended (FYE) 31 December 2xx1 (FYE 1)</th> </tr> </thead> <tbody> <tr> <td>Losses (RM'million)</td> <td style="text-align: center;">(4)</td> </tr> <tr> <td>Shareholders' equity (RM'million)</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Issued and Paid-up Capital (RM' million)</td> <td style="text-align: center;">6</td> </tr> </tbody> </table> <p>In Example 1 above, listed corporation A Bhd incurs losses amounting to RM4 million in FYE 1. The shareholders' equity for FYE 1 amounts to RM3 million. The issued and paid-up capital of A Bhd as at FYE 1 is RM 6 million.</p> <p>Since the amount of losses has exceeded the amount of the shareholders' equity, and the shareholders' equity is equal to 50% of the issued and paid-up capital of A Bhd, A Bhd has triggered the criteria set out in subparagraph 2.1 (b) above and must therefore comply with the requirements of Rule 8.04 and this Guidance Note.</p> | | Financial Year Ended (FYE) 31 December 2xx1 (FYE 1) | Losses (RM'million) | (4) | Shareholders' equity (RM'million) | 3 | Issued and Paid-up Capital (RM' million) | 6 | | | | |
|--|--|------------------------------------|--|------------------------------------|---------------------|-----------------------------------|-----|--|---|---|--|---|---|
| | Financial Year Ended (FYE) 31 December 2xx1 (FYE 1) | | | | | | | | | | | | |
| Losses (RM'million) | (4) | | | | | | | | | | | | |
| Shareholders' equity (RM'million) | 3 | | | | | | | | | | | | |
| Issued and Paid-up Capital (RM' million) | 6 | | | | | | | | | | | | |
| 2.4 | <p>The following example illustrates the application of subparagraph 2.1(c) above:</p> <p><u>Example 2</u></p> <p>B Bhd</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">FYE 31 December 2xx1 (FYE 1)</th> <th style="text-align: center;">FYE 31 December 2xx2 (FYE 2)</th> </tr> </thead> <tbody> <tr> <td>Losses (RM'million)</td> <td style="text-align: center;">(2)</td> <td style="text-align: center;">(3)</td> </tr> <tr> <td>Shareholders' equity (RM'million)</td> <td style="text-align: center;">7</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Issued and paid- up capital (RM'million)</td> <td style="text-align: center;">9</td> <td style="text-align: center;">9</td> </tr> </tbody> </table> | | FYE 31 December 2xx1 (FYE 1) | FYE 31 December 2xx2 (FYE 2) | Losses (RM'million) | (2) | (3) | Shareholders' equity (RM'million) | 7 | 4 | Issued and paid- up capital (RM'million) | 9 | 9 |
| | FYE 31 December 2xx1 (FYE 1) | FYE 31 December 2xx2 (FYE 2) | | | | | | | | | | | |
| Losses (RM'million) | (2) | (3) | | | | | | | | | | | |
| Shareholders' equity (RM'million) | 7 | 4 | | | | | | | | | | | |
| Issued and paid- up capital (RM'million) | 9 | 9 | | | | | | | | | | | |

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| | <p>In Example 2 above, listed corporation B Bhd incurs losses amounting to RM2 million in FYE 1. The shareholders' equity for FYE 1 amounts to RM7 million.</p> <p>In the following financial year, FYE 2, B Bhd incurs losses amounting to RM3 million, whilst the shareholders' equity amounts to RM4 million.</p> <p>The issued and paid-up capital for both FYE1 and FYE 2 of B Bhd is RM 9 million.</p> <p>The aggregated losses incurred by B Bhd in both FYE 1 and FYE 2 amount to RM5 million, which in absolute terms exceed the amount of the shareholders' equity for FYE 2 of RM4 million. In addition, the amount of losses incurred in FYE 2 is more than 50% of more than the amount of losses incurred in FYE 1 and the shareholders' equity is less than 50% of the issued and paid-up capital of B Bhd as at FYE 2.</p> <p>As such, B Bhd has triggered the criteria set out in subparagraph 2.1 (c) above and must therefore comply with the requirements of Rule 8.04 and this Guidance Note.</p> <p>3.0 Regularisation Plan[Deleted]</p> <p>3.1 The GN3 Company and its Sponsor must ensure that a regularisation plan enables the GN3 Company to regularise its condition, such that -</p> <p style="padding-left: 20px;">(a) the regularisation plan is sufficiently comprehensive and capable of resolving all problems, financial or otherwise that had caused the GN3 Company to trigger the Prescribed Criteria;</p> <p style="padding-left: 20px;">(b) the regularisation plan enables the GN3 Company to regularise its financial condition and level of operations, such that the GN3 Company no longer triggers any of the Prescribed Criteria; and</p> <p style="padding-left: 20px;">(c) the regularisation plan is fair and reasonable to the GN3 Company and its shareholders and will increase shareholder value.</p> <p>4.0 Disclosure obligations of the GN3 Company</p> <p>4.1 Pursuant to Rule 8.04(3)(b) of the Listing Requirements, a GN3 Company must announce to the Exchange -</p> <p style="padding-left: 20px;">(a) the following, on an immediate basis ("First Announcement") upon the GN3 Company triggering one or more of the Prescribed Criteria -;</p> <p style="padding-left: 40px;">(i) that the listed corporation is a GN3 Company pursuant to this Guidance Note;</p> <p style="padding-left: 40px;">(ii) the <u>listed corporation's</u> obligations of the listed corporation pursuant to this Guidance Note;</p> |
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| | <p>(iii) the consequences of non-compliance with such obligations; and</p> <p>(iv) the status of the listed corporation's regularisation plan to comply with its obligations under Rule 8.04(3)(a) of the Listing Requirements or the status of its endeavours to formulate such a plan, whichever is applicable, or where neither a plan nor any endeavour to formulate such a plan has been undertaken, an appropriate negative statement to such effect;</p> <p>(b) announce the status of its regularisation plan as referred to in subparagraph (a)(iv) above and the number of months to the end of the relevant timeframes referred to in Rule 8.04(3) of the Listing Requirements on a monthly basis ("Monthly Announcement") until further notice from the Exchange;</p> <p>(c) announce its compliance or non-compliance with a particular obligation imposed pursuant to this Guidance Note₁ on an immediate basis;</p> <p>(d) announce details of the regularisation plan₇ which announcement must fulfill the requirements set out in paragraph 4.2 below ("Requisite Announcement") and</p> <p>(e) where the GN3 Company fails to regularise its condition, the dates of suspension and de-listing of its listed securities, immediately upon notification of suspension and de-listing by the Exchange.</p> <p>4.2 The Requisite Announcement must -</p> <p>(a) contain details of the regularisation plan and sufficient information to demonstrate that the GN3 Company is able to comply with all the requirements set out in paragraph 5.2 below3.1 above after the implementation of the regularisation plan;</p> <p>(b) containinclude a timeline for the complete implementation of the regularisation plan; and</p> <p>(c) be announced by the GN3 Company's Sponsor.</p> <p>4.3 Before a GN3 Company makes the Requisite Announcement, it must ensure that -</p> <p>(a) all agreements to be entered into with third parties as part of the regularisation plan, have been duly executed by all parties to such agreements; and</p> <p>(b) where the regularisation plan involves a compromise or arrangement with the GN3 Company's creditors, the GN3 Company has taken reasonable steps to procure the agreement-in-principle of such creditors.</p> |
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| | <p>4.4 The Monthly Announcements must be made on the first market day of each month beginning with the month following the date of the First Announcement.</p> <p><u>5.0 Obligation to Regularise</u></p> <p><u>5.1 Pursuant to Rule 8.04(3)(a)(i) of the Listing Requirements, a GN3 Company must submit to the Exchange a regularisation plan and obtain the Exchange's approval to implement the plan within 12 months from the date of the First Announcement.</u></p> <p><u>5.2 The GN3 Company and its Sponsor must ensure that the regularisation plan referred to in paragraph 5.1 above -</u></p> <p style="margin-left: 20px;"><u>(a) is sufficiently comprehensive and capable of resolving all problems, financial or otherwise that had caused the GN3 Company to trigger the Prescribed Criteria;</u></p> <p style="margin-left: 20px;"><u>(b) enables the GN3 Company to regularise its financial condition such that the GN3 Company no longer triggers any of the Prescribed Criteria; and</u></p> <p style="margin-left: 20px;"><u>(c) is fair and reasonable to the GN3 Company and its shareholders and will increase shareholder value.</u></p> <p><u>5.3 In complying with the requirements under paragraph 5.2 above, the GN3 Company and its Sponsor must demonstrate to the satisfaction of the Exchange, the following:</u></p> <p style="margin-left: 20px;"><u>(a) the regularisation plan is able to strengthen the financial position of the GN3 Company including its shareholders' equity, gearing, net asset position, cash flow position and address its accumulated losses position;</u></p> <p style="margin-left: 20px;"><u>(b) the steps taken or proposed to be taken are comprehensive and capable of addressing the issues that had caused the GN3 Company to trigger the Prescribed Criteria, such that the GN3 Company will -</u></p> <p style="margin-left: 40px;"><u>(i) no longer trigger any of the Prescribed Criteria upon implementation of the regularisation plan; and</u></p> <p style="margin-left: 40px;"><u>(ii) not trigger any of the Prescribed Criteria in the near future;</u></p> <p style="margin-left: 20px;"><u>(c) the core business activities of the GN3 Company post-implementation of the regularisation plan is sustainable and has prospects to warrant continued trading or listing on the Official List. In this respect, the GN3 Company must comply with the requirements set out in paragraph 3.1 of Guidance Note 18, with the necessary modifications, and provide sufficient information in support of its regularisation plan.</u></p> |
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| | <p><u>5.4 A GN3 Company and its Sponsor must review the GN3 Company's risk management and internal control system, and submit to the Exchange the results of such review together with its action plans to address the weaknesses identified.</u></p> <p><u>5.5 A GN3 Company must ensure that the submission to the Exchange under paragraph 5.1 above is accompanied by the following:</u></p> <p style="margin-left: 20px;"><u>(a) a cover letter signed by 2 authorised signatories of the Sponsor, containing details of the proposals, any approvals, clearance or waivers sought, and such other information as may be prescribed by the Exchange from time to time;</u></p> <p style="margin-left: 20px;"><u>(b) a draft circular to shareholders containing the relevant information prescribed in the Listing Requirements, such as Appendix 6B or Appendix 10B, where applicable, and the additional information set out in Annexure GN3-A;</u></p> <p style="margin-left: 20px;"><u>(c) the listing application(s) together with the relevant submission documents as required under Chapter 6 of the Listing Requirements; and</u></p> <p style="margin-left: 20px;"><u>(d) any other supporting documents, including experts' reports, where relevant.</u></p> <p><u>Annexure GN3-A Additional content of circular for regularisation plan undertaken by a GN3 Company</u> <u>(paragraph 5.5(b))</u></p> <p><u>(1) The historical financial information of the GN3 Company for the last 5 years or since listing, whichever is later, based on the audited or unaudited financial statements. This includes:</u></p> <p style="margin-left: 20px;"><u>(a) the turnover;</u></p> <p style="margin-left: 20px;"><u>(b) the gross profit/loss;</u></p> <p style="margin-left: 20px;"><u>(c) the net profit/loss;</u></p> <p style="margin-left: 20px;"><u>(d) the shareholders' funds;</u></p> <p style="margin-left: 20px;"><u>(e) the borrowings; and</u></p> <p style="margin-left: 20px;"><u>(f) the key ratios such as gross profit margin and gearing.</u></p> <p><u>(2) A commentary on the performance of the GN3 Company for the past 5 years or since listing, whichever is later. The commentary should include an analysis and discussion of significant and specific factors contributing to exceptional performance in any of the financial years under review and significant changes in the financial performance on a year-to-year basis, whether favourable or adverse.</u></p> <p><u>(3) A description of the business plan including information on the prospects of the GN3 Company having regards to the requirements set out in paragraph 3.1 of Guidance Note 18, with the necessary modifications.</u></p> |
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| | <p><u>(4) An analysis of the business post implementation of the regularisation plan including –</u></p> <p><u>(a) the nature and operational environment of the GN3 Company's business such as the introduction of new asset or business, new products, new markets or new contracts, to address the operational issues faced by the GN3 Company;</u></p> <p><u>(b) industry overview and description of the growth prospects of the GN3 Company's business in light of the industry outlook;</u></p> <p><u>(c) the risk factors affecting the GN3 Company and its business, together with the mitigating factors.</u></p> <p><u>(5) The reasons or issues which caused the GN3 Company to trigger any of the Prescribed Criteria, the steps taken or to be taken (whether short term or long term) to address such reasons or issues.</u></p> <p><u>(6) Where the proposal includes an injection of new asset or business, the following information where applicable:</u></p> <p><u>(a) in relation to the new asset or business -</u></p> <p><u>(i) name, qualification and experience of the directors, chief executive and key management; and</u></p> <p><u>(ii) details of the substantial shareholders; and</u></p> <p><u>(b) in relation to the GN3 Company -</u></p> <p><u>(i) name, qualification and experience of the proposed new directors to the board; and</u></p> <p><u>(ii) details of the proposed new substantial shareholders.</u></p> <p><u>(7) A statement by the directors as to whether, in their opinion, the working capital available to the GN3 Company will be sufficient for a period of 12 months from date of the circular. If not, how the additional working capital which is deemed to be necessary will be obtained.</u></p> <p><u>(8) The profit and cash flow estimate, forecast or projection, and the assumptions together with a copy of the reporting accountant's letter, if such information is provided to the Exchange in the submission.</u></p> <p><u>(9) The results of the risk management and internal control review together with the action plans to address the weaknesses identified.</u></p> <p style="text-align: right;"><u>[End of Annexure]</u></p> |
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[End of Appendix 3]

APPENDIX 4
FOREIGN LISTING REQUIREMENTS
MAIN MARKET LISTING REQUIREMENTS

| CHAPTER 1 – DEFINITIONS AND INTERPRETATION | |
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| Paragraph 1.01 | <p>auditor means an auditor who is registered <u>as a registered auditor or recognized as a recognized auditor</u> under section 31O of the Securities Commission Act 1993.</p> <p>principal subsidiary means a subsidiary which accounts for 25% or more of the <u>latest audited consolidated profit after tax of the group</u> or total assets employed of the <u>group listed issuer based on the latest published or announced audited financial statements of the listed issuer or audited consolidated financial statements of the listed issuer, as the case may be.</u></p> |
| Paragraph 8.21 | <p>Material dilution</p> <p>(1) A listed issuer must obtain shareholder approval in a general meeting for the issue by its principal subsidiary, of shares or convertible securities or options that results or could potentially result in a material dilution of the listed issuer’s equity interest in such principal subsidiary.</p> <p>(2) For the purpose of subparagraph (1) above, <u>unless the context otherwise requires—</u></p> <p>(a) <u>“principal subsidiary” means a subsidiary which accounts for 25% or more of the latest audited consolidated profit after tax of the group or total assets employed of the group; and</u></p> <p>(b) <u>“material dilution” means a percentage reduction amounting to 25% or more.</u></p> |
| CHAPTER 4A – FOREIGN LISTING | |
| Paragraph 4A.04 | <p>Appointment of directors</p> <p>(1) An applicant whose operations are entirely or predominantly Malaysian-based must have a majority of directors whose principal or only place of residence is within Malaysia.</p> |

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| | <p>(2) An applicant whose operations are entirely or predominantly foreign-based must have at least <u>42 independent directors</u> whose principal or only place of residence is within Malaysia.</p> <p>(3) Subparagraphs (1) and (2) above do not apply to an applicant which is a foreign collective investment scheme, unless it is a closed-end fund or a business trust.</p> |
| <u>Paragraph 4A.04A</u> | <p><u>Audit committee</u></p> <p><u>In addition to the provisions in these Requirements relating to audit committee, an applicant must also ensure that the audit committee has at least 1 independent director who has a principal or only place of residence in Malaysia.</u></p> |
| Paragraph 4A.08 | <p>Other obligations</p> <p>A foreign issuer with a primary listing must comply with paragraphs 4A.03, 4A.04, <u>4A.04A</u> and 4A.05 as continuing listing obligations.</p> |
| Paragraph 4A.09 | <p><u>Auditors and Auditing standards</u></p> <p>A foreign issuer with a primary listing must –</p> <p>(a) <u>appoint an external auditor from an international accounting firm or an accounting firm with international affiliation; and</u></p> <p>(b) ensure that the auditing standards applied are in accordance with the approved auditing standards applied in Malaysia or International Standards on Auditing.</p> |
| <u>Paragraph 4A.09A</u> | <p><u>Shareholder approval required to appoint or remove external auditors</u></p> <p><u>A foreign issuer with a primary listing must obtain prior shareholder approval in a general meeting to appoint or remove its external auditor.</u></p> |
| <u>Paragraph 4A.18A</u> | <p><u>Announcement on change of laws</u></p> <p><u>A foreign issuer with a primary listing must immediately announce to the Exchange, any change in the laws of its country of incorporation or the laws in the country of incorporation of its foreign principal subsidiaries, which may affect the rights of its shareholders. This includes –</u></p> <p>(a) <u>right to attend, speak, vote at shareholders' meetings and the right to appoint proxies;</u></p> |

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| | <ul style="list-style-type: none"> <u>(b) right to receive rights offering and any other entitlements;</u> <u>(c) withholding taxes on its securities;</u> <u>(d) foreign shareholding limits on the securities;</u> <u>(e) capital controls over cash dividends or other cash distributions payable in respect of its securities;</u> <u>(f) repatriation of funds;</u> <u>(g) right to transfer shares;</u> <u>(h) right to appoint and remove directors and auditors;</u> <u>(i) right to requisition a general meeting;</u> <u>(j) right to notice of meetings;</u> <u>(k) right to inspect any register, minute book or document of the foreign issuer or its foreign principal subsidiaries; and</u> <u>(l) right of minority shareholders in relation to –</u> <ul style="list-style-type: none"> <u>(i) take-overs and mergers;</u> <u>(ii) suits or enforcement actions against the foreign issuer or its foreign principal subsidiaries, their directors and senior management; and</u> <u>(iii) distribution of assets arising from a winding-up or liquidation of the foreign issuer or its foreign principal subsidiaries.</u> |
| <p><u>Paragraph 4A.18B</u></p> | <p><u>System of internal control</u></p> <p><u>A foreign issuer with a primary listing and its subsidiaries must ensure that they have in place a system of internal control that will provide a reasonable assurance that -</u></p> <ul style="list-style-type: none"> <u>(a) assets of the foreign issuer and its subsidiaries are safeguarded against loss from unauthorized use or disposition; and</u> <u>(b) all transactions are properly authorised and that they are recorded as necessary to enable the preparation of a true and fair view of the financial statements, and to give a proper account of the assets.</u> |

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| <p>Paragraph 4A.30</p> | <p>Other obligations</p> <p>Apart from the obligations set out in this Part E, an issuer with a secondary listing must comply with the following requirements, with the necessary modifications:</p> <ul style="list-style-type: none"> (a) Paragraph 4A.09(b); (b) Paragraph 4A.10; (c) Paragraph 4A.11; (d) Paragraph 4A.12; (e) Paragraph 4A.13; (f) Paragraph 4A.15; (g) Paragraph 4A.17; and (h) Paragraph 4A.18. |
| <p>CHAPTER 8 – CONTINUING LISTING OBLIGATIONS</p> | |
| <p>Paragraph 8.31</p> | <p>Lodgement of agreement</p> <p>Where any agreement has been entered into by a listed issuer or its subsidiaries in connection with any acquisition or disposal of assets or any transaction outside the ordinary course of business of a listed issuer or its subsidiaries, the listed issuer must make available for inspection a copy each of the relevant agreements at the listed issuer's registered office in Malaysia for a period of 3 months from the date of announcement.</p> |

ACE MARKET LISTING REQUIREMENTS

| CHAPTER 1 – DEFINITIONS AND INTERPRETATION | |
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| Rule 1.01 | <p>auditor means an auditor who is registered as a registered auditor or recognized as a recognized auditor under section 31O of the Securities Commission Act 1993.</p> <p>principal subsidiary means a subsidiary which accounts for 25% or more of the latest audited consolidated profit after tax of the group or total assets employed of the group of the listed corporation based on the latest published or announced audited financial statements of the listed corporation or audited consolidated financial statements of the listed corporation, as the case may be.</p> |
| Rule 8.23 | <p>Material dilution</p> <p>(1) A listed corporation must obtain shareholder approval in a general meeting for the issue by its principal subsidiary, of shares or convertible securities or options that results or could potentially result in a material dilution of the listed corporation's equity interest in such principal subsidiary.</p> <p>(2) For the purpose of sub-Rule (1) above, unless the context otherwise requires—</p> <p>(a) “principal subsidiary” means a subsidiary which accounts for 25% or more of the latest audited consolidated profit after tax of the group or total assets employed of the group; and</p> <p>(b) “material dilution” means a percentage reduction amounting to 25% or more.</p> |
| CHAPTER 5 – FOREIGN LISTING | |
| Rule 5.07 | <p>Appointment of directors</p> <p>An applicant—</p> <p>(1) An applicant whose operations are entirely or predominantly Malaysian-based must have a majority of directors whose principal or only place of residence is within Malaysia; and</p> <p>(2) An applicant whose operations are entirely or predominantly foreign-based must have at least one 2 independent directors whose principal or only place of residence is within Malaysia.</p> |

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| <u>Rule 5.07A</u> | <p><u>Audit committee</u></p> <p><u>In addition to the provisions in these Requirements relating to audit committee, an applicant must also ensure that the audit committee has at least 1 independent director who has a principal or only place of residence in Malaysia.</u></p> |
| Rule 5.11 | <p><u>Auditors and Auditing standards</u></p> <p>An applicant must -</p> <p>(a) <u>appoint an external auditor from an international accounting firm or an accounting firm with international affiliation; and</u></p> <p>(b) <u>ensure that the auditing standards applied are in accordance with the approved auditing standards applied in Malaysia or the International Standards on Auditing.</u></p> |
| Rule 5.14 | <p><u>Directors and audit committee</u></p> <p>A listed corporation must comply with Rules <u>5.07 and 5.07A</u> above as a continuing listing obligation.</p> |
| <u>Rule 5.15A</u> | <p><u>Shareholder approval required to appoint or remove external auditors</u></p> <p><u>A listed corporation must obtain prior shareholder approval in a general meeting to appoint or remove its external auditor.</u></p> |
| <u>Rule 5.25</u> | <p><u>Announcement on change of laws</u></p> <p><u>A listed corporation must immediately announce to the Exchange, any change in the laws of its country of incorporation or the laws in the country of incorporation of its foreign principal subsidiaries, which may affect the rights of its shareholders. This includes –</u></p> <p>(a) <u>right to attend, speak, vote at shareholders' meetings and the right to appoint proxies;</u></p> <p>(b) <u>right to receive rights offering and any other entitlements;</u></p> <p>(c) <u>withholding taxes on its securities;</u></p> <p>(d) <u>foreign shareholding limits on the securities;</u></p> <p>(e) <u>capital controls over cash dividends or other cash distributions payable in respect of its securities;</u></p> |

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| | <p>(f) <u>repatriation of funds;</u></p> <p>(g) <u>right to transfer shares;</u></p> <p>(h) <u>right to appoint and remove directors and auditors;</u></p> <p>(i) <u>right to requisition a general meeting;</u></p> <p>(j) <u>right to notice of meetings;</u></p> <p>(k) <u>right to inspect any register, minute book or document of the listed corporation and its foreign principal subsidiaries; and</u></p> <p>(l) <u>right of minority shareholders in relation to –</u></p> <p style="padding-left: 40px;">(i) <u>take-overs and mergers;</u></p> <p style="padding-left: 40px;">(ii) <u>suits or enforcement actions against the listed corporation or its foreign principal subsidiaries, their directors and senior management; and</u></p> <p style="padding-left: 40px;">(iii) <u>distribution of assets arising from a winding-up or liquidation of the listed corporation or its foreign principal subsidiaries.</u></p> |
| Rule 5.26 | <p><u>System of internal control</u></p> <p><u>A listed corporation and its subsidiaries must ensure that they have in place a system of internal control that will provide a reasonable assurance that -</u></p> <p>(a) <u>assets of the listed corporation and its subsidiaries are safeguarded against loss from unauthorised use or disposition; and</u></p> <p>(b) <u>all transactions are properly authorised and that they are recorded as necessary to enable the preparation of a true and fair view of the financial statements, and to give a proper account of the assets.</u></p> |
| CHAPTER 8 – CONTINUING LISTING OBLIGATIONS | |
| Rule 8.33 | <p>Lodgment of agreement</p> <p>Where any agreement has been entered into by a listed corporation or its subsidiaries in connection with any acquisition or disposal of assets or any transaction outside the ordinary course of business of a listed corporation or its subsidiaries, the listed corporation must make available for inspection a copy each of the relevant agreements at the listed corporation's registered office <u>in Malaysia</u> for a period of 3 months from the date of announcement.</p> |

[End of Appendix 4]

APPENDIX 5
DISCLOSURE OBLIGATIONS
MAIN MARKET LISTING REQUIREMENTS

CHAPTER 9 – CONTINUING DISCLOSURE

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| Paragraph 9.19 | <p>Immediate announcements to the Exchange</p> <p>A listed issuer must immediately announce to the Exchange the events set out below. This requirement is in addition to the other announcement requirements which are imposed under this Chapter and other parts of these Requirements, and are not exhaustive -</p> <p><u>(14B) any appointment or change in the legal representative(s) (or person(s) of equivalent authority, however described), with sole powers to represent, exercise rights or enter into binding obligations, on behalf of the listed issuer or its foreign principal subsidiary pursuant to any relevant law applicable to the listed issuer or its foreign principal subsidiary. An announcement to the Exchange must include the information contained in Part B(B) of Appendix 9A.</u></p> |
| Appendix 9A | <p><u>PART B(B)</u></p> <p><u>Contents of announcement in relation to the change in legal representative(s) (or person(s) of equivalent authority, however described)</u> <u>(paragraph 9.19(14B))</u></p> <p><u>(a) The identity, qualification, experience, occupation, powers and responsibilities of such person.</u></p> <p><u>(b) Risks in relation to the appointment, including concentration of authority and impediments to the removal of such person.</u></p> <p><u>(c) Description of the processes and procedures put in place to mitigate the risks in relation to the appointment and an opinion by the board of directors on the adequacy of the processes.</u></p> <p><u>(d) Reasons for the change, where applicable.</u></p> |
| <u>Paragraph 9.19A</u> | <p><u>Default in payment</u></p> <p><u>(1) A listed issuer must immediately announce to the Exchange any default in payment of either interest, principal sums, or both, in respect of any credit facility or debt securities (whether listed or unlisted on the Exchange) by the listed issuer, or any of its subsidiaries or associated companies, as the case may be, irrespective of whether a demand has been made, where -</u></p> |

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| <p>Appendix 9A</p> | <p>(a) <u>the total amount outstanding of the defaulted credit facility or debt securities, either singly or collectively, is 5% or more of the net assets of the listed issuer based on the latest published or announced financial statements; or</u></p> <p>(b) <u>the default in payment is reasonably expected to have a material effect on the price, value or market activity of any of the listed issuer's securities or the decision of the listed issuer's securities holder or investor in determining his choice of action.</u></p> <p>(2) <u>In circumstances where a listed issuer has negative net assets, the listed issuer must immediately announce any default in payment of either interest, principal sums, or both, in respect of any credit facility or debt securities.</u></p> <p>(3) <u>The listed issuer must include the information contained in Part H(A) of Appendix 9A, in the announcement to the Exchange under subparagraphs (1) or (2) above.</u></p> <p>(4) <u>Where a listed issuer states that it is solvent ("Solvency Declaration") in the announcement to the Exchange under subparagraphs (1) or (2) above, the listed issuer must ensure that its board of directors executes and submits to the Exchange the Solvency Declaration within 3 market days from the announcement date. For this purpose, a listed issuer is regarded as "solvent" if the majority directors have formed the opinion that the listed issuer will be able to pay all its debts as and when they fall due within the period of 12 months from the date of the announcement.</u></p> <p>(5) <u>After the announcement in subparagraphs (1) or (2) above, the listed issuer must announce to the Exchange -</u></p> <p>(a) <u>the current status of the default in payment and the steps taken by the listed issuer to address the default in payment on a monthly basis until such time when the default in payment is remedied; and</u></p> <p>(b) <u>any circumstance which may render the Solvency Declaration inaccurate, immediately upon the listed issuer becoming aware of the same.</u></p> <p><u>PART H(A)</u></p> <p><u>Contents of announcement in relation to default in payment (paragraph 9.19A)</u></p> <p>(a) The date of the <u>Ddefault in payment</u>.</p> <p>(b) The reasons for the <u>dDefault in payment</u>.</p> <p>(c) The measures by the listed issuer to address the <u>Ddefault in payment</u>.</p> |
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| | <p>(d) The legal implications of the Ddefault <u>in payment</u> including the extent of the listed issuer's liability in respect of the obligations incurred under the agreements for the indebtedness.</p> <p>(e) The business, financial and operational impact of the Ddefault <u>in payment</u> on the listed issuer.</p> <p>(f) In the event the Ddefault <u>in payment</u> is in respect of secured loan stocks or bonds, the lines of action available to the guarantors or security holders against the listed issuer.</p> <p>(g) In the event the Ddefault <u>in payment</u> is in respect of payments under a debenture, to specify whether the Ddefault <u>in payment</u> will empower the debenture holder to appoint a receiver or receiver and manager.</p> <p>(h) Whether the Ddefault <u>in payment</u> constitutes an event of default under a different agreement for indebtedness (cross default) and the details for such other default, where applicable.</p> <p>(i) Where the Ddefault <u>in payment</u> is in respect of a subsidiary or associated company, a confirmation as to whether the subsidiary or associated company is a major subsidiary or major associated company, as the case may be.</p> <p>(j) Where the Ddefault <u>in payment</u> is in respect of a listed issuer, major subsidiary or major associated company, as the case may be, (i) — a statement as to whether the listed issuer is solvent ("Solvency Declaration"). For this purpose, a listed issuer is regarded as "solvent" if the majority directors have formed the opinion that the listed issuer will be able to pay all its debts as and when they fall due within the period of 12 months from the date of the announcement; and</p> <p>(ii) — if the listed issuer is solvent, a statement that the listed issuer undertakes to provide to the Exchange, the Solvency Declaration duly executed by its board of directors within 3 market days from the announcement date.</p> <p>(k) Any other information that the Exchange may require from time to time.</p> |
| <p>Paragraph 9.03</p> | <p>Disclosure of material information</p> <p>(1) A listed issuer must make immediate public disclosure of any material information, except as set out in paragraph 9.05 below.</p> <p>(2) Information is considered material, if it is reasonably expected to have a material effect on -</p> <p>(a) the price, value or market activity of any of the listed issuer's securities; or</p> <p>(b) the decision of a holder of securities of the listed issuer or an investor in determining his choice of action.</p> |

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| | <p>(3) Without limiting the generality of subparagraph (2) above, material information may include information which -</p> <ul style="list-style-type: none"> (a) concerns the listed issuer's assets and liabilities, business, financial condition or prospects; (b) relates to dealings with employees, suppliers, customers and others; (c) relates to any event affecting the present or potential dilution of the rights or interests of the listed issuer's securities; or (d) relates to any event materially affecting the size of the public holding of its securities. <p><i>[Cross reference: Practice Notes 1 and 3]</i></p> |
| <p>Paragraph 9.04(l)</p> | <p>Examples of events which may require immediate disclosure</p> <p>The following are some examples of events which may require immediate disclosure by the listed issuer:</p> <ul style="list-style-type: none"> (a) the entry into a joint venture agreement or merger; (b) the acquisition or loss of a contract, franchise or distributorship rights; (c) the introduction of a new product or discovery; (d) a change in management; (e) the borrowing of funds; (f) the commencement of or the involvement in litigation and any material development arising from such litigation; (g) the commencement of arbitration proceedings or proceedings involving alternative dispute resolution methods and any material development arising from such proceedings; (h) the purchase or sale of an asset; (i) a change in capital investment plans; (j) the occurrence of a labour dispute or disputes with sub-contractors or suppliers; (k) the making of a tender offer for another corporation's securities; (l) the occurrence of an event of default on interest, principal payments or both in respect of loans;[deleted] <p><i>[Cross reference: Practice Note 1]</i></p> <ul style="list-style-type: none"> (m) a change in general business direction; |

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| | <ul style="list-style-type: none"> (n) a change of intellectual property rights; (o) the entry into a memorandum of understanding; or (p) the entry into any call or put option or financial futures contract. |
| <p>Paragraph 9.16</p> | <p>Content of press or other public announcement</p> <p>(1) The content of a press or other public announcement is as important as its timing. A listed issuer must ensure that each announcement -</p> <ul style="list-style-type: none"> (a) is factual, clear, unambiguous, accurate, succinct and contains sufficient information to enable investors to make informed investment decisions; (b) is not false, misleading or deceptive, and does not contain any language which is inflammatory, defamatory or scandalous of another person; (c) is balanced and fair. Thus, the announcement must avoid amongst others - <ul style="list-style-type: none"> (i) the omission of material facts; (ii) the omission of material unfavourable facts, or the slighting of such facts (e.g. by “burying” them at the end of a press release); (iii) the presentation of favourable possibilities as certain, or as more probable than is actually the case; (iv) the representation with respect to any future performance, occurrence or matter (including the doing of, or the refusing to do, any act) without adequate justification (supported by proper bases and assumptions) or any reasonable grounds for making such representation; (v) the presentation of revenue or profit estimate, forecast or projection without sufficient qualification, assumptions or factual basis. If any revenue or profit estimate, forecast or projection is released, it must be prepared carefully, with a reasonable factual basis and be stated realistically, with appropriate assumptions and qualifications, so as to ensure that it is properly understood. In addition, the accounting bases and calculations of the estimate, forecast or projection and the assumptions must be reviewed by the external auditors except where the revenue or profit estimate, forecast or projection is required to be released on an immediate basis; |

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| | <p>(vi) negative statements phrased so as to create a positive implication, e.g. “The company cannot now predict whether the development will have a materially favourable effect on its earnings” (creating the implication that the effect will be favourable even if not materially favourable), or “The company expects that the developments will not have a materially favourable effect on earnings in the immediate future” (creating the implication that the development will eventually have a materially favourable effect); or</p> <p>(vii) the use of promotional jargon calculated to induce investment or create interest in the securities of the listed issuer rather than to inform;</p> <p>(d) avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman;</p> <p>(e) explains, if the consequences or effects of the information on the listed issuer’s future prospects cannot be assessed, why this is so; and</p> <p>(f) explains, in relation to an announcement on internal targets, that the information disclosed is merely internal management targets or aspirations set to be achieved by the listed issuer and not an estimate, forecast or projection.</p> <p>(2) Where an adviser is appointed by the listed issuer for submission of the announcement to the Exchange, such adviser must also comply with subparagraph (1) above.</p> <p>(3) A listed issuer or its adviser does not commit a breach of subparagraphs (1) or (2) above, as the case may be, if such person proves that -</p> <p>(a) he had made all enquiries as were reasonable in the circumstances; and</p> <p>(b) after making such enquiries, he had reasonable grounds to believe and did believe until the submission of the announcement that the announcement did fulfil the requirements of subparagraph (1) above.</p> <p>(4) Where any announcement referred to in subparagraph (1) above has been submitted to the Exchange and the person referred to in subparagraphs (1) or (2) above subsequently becomes aware that the announcement may not fulfil the requirements of subparagraph (1) above, the person must immediately notify the Exchange of the same.</p> <p><i>[Cross reference: Practice Notes 1 and 3]</i></p> |
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Practice Note 1

~~DEFAULT IN PAYMENT~~~~[Deleted]~~~~1.0 — Introduction~~

~~1.1 — This Practice Note enumerates some circumstances upon which a listed issuer must announce an event of default of interest or principal payments for loans under paragraphs 9.03 and 9.04(l) of the Listing Requirements.~~

~~1.2 — The circumstances set out in this Practice Note are not exhaustive.~~

~~1.3 — Nothing in this Practice Note restricts the generality of paragraphs 9.03, 9.04(l) and 9.16 of the Listing Requirements.~~

~~2.0 — Events of default~~

~~2.1 — The following are several events of default (“Default(s)”) the occurrence of which a listed issuer is required to immediately announce to the Exchange under paragraphs 9.03 and 9.04 of the Listing Requirements, irrespective of whether a demand has been made to the listed issuer, its subsidiaries or associated companies, as the case may be:~~

~~(a) — default in payments of interest in respect of loan stocks or bonds, whether listed or unlisted on the Exchange;~~

~~(b) — default in principal payments in respect of loan stocks or bonds, whether listed or unlisted on the Exchange;~~

~~(c) — default in payments under a debenture;~~

~~(d) — default in payments of either interest, principal sums or both in respect of a credit facility where the total amount outstanding of the defaulted credit facility is 5% or more of the net assets of the listed issuer based on the latest published or announced financial statements; or~~

~~(e) — default in payments of either interest or principal sums or both in respect of a credit facility, which is reasonably expected to have a material effect on the price, value or market activity of any of the listed issuer’s securities or the decision of a listed issuer’s securities holder or investor in determining his choice of action. For the purpose of this subparagraph, where a listed issuer has a negative net asset, any amount in default will be considered as material.~~

~~2.2 — The Defaults may be that of the listed issuer, its subsidiaries or associated companies.~~

~~3.0 — Details of the announcement~~

~~3.1 — A listed issuer must include the following information when announcing a Default to the Exchange:~~

~~(a) — the date of Default;~~

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| | <p>(b) — the reasons for the Default;</p> <p>(c) — the measures by the listed issuer to address the Default;</p> <p>(d) — the legal implications of the Default including the extent of the listed issuer's liability in respect of the obligations incurred under the agreements for the indebtedness;</p> <p>(e) — the business, financial and operational impact of the Default on the listed issuer;</p> <p>(f) — in the event the Default is in respect of secured loan stocks or bonds, the lines of action available to the guarantors or security holders against the listed issuer;</p> <p>(g) — in the event the Default is in respect of payments under a debenture, to specify whether the Default will empower the debenture holder to appoint a receiver or receiver and manager;</p> <p>(h) — whether the Default constitutes an event of default under a different agreement for indebtedness (cross default) and the details for such other default, where applicable;</p> <p>(i) — where the Default is in respect of a subsidiary or associated company, a confirmation as to whether the subsidiary or associated company is a major subsidiary or major associated company, as the case may be;</p> <p>(j) — where the Default is in respect of a listed issuer, major subsidiary or major associated company, as the case may be</p> <p>(i) — a statement as to whether the listed issuer is solvent ("Solvency Declaration"). For this purpose, a listed issuer is regarded as "solvent" if the majority directors have formed the opinion that the listed issuer will be able to pay all its debts as and when they fall due within the period of 12 months from the date of the announcement; and</p> <p>(ii) — if the listed issuer is solvent, a statement that the listed issuer undertakes to provide to the Exchange, the Solvency Declaration duly executed by its board of directors within 3 market days from the announcement date; and</p> <p>(k) — any other information that the Exchange may require from time to time.</p> <p>3.2 — After the announcement in paragraph 2.1 above, the listed issuer must announce to the Exchange</p> <p>(a) — the current status of the Default and the steps taken by the listed issuer to address the Default on a monthly basis until such time when the Default is remedied; and</p> |
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| | <p>(b) immediately upon the listed issuer becoming aware of any circumstance which may render the Solvency Declaration inaccurate.</p> <p>4.0 Solvency Declaration</p> <p>4.1 In relation to paragraph 3.1(j)(ii) above, a listed issuer must ensure that its board of directors executes and submits to the Exchange, the Solvency Declaration within 3 market days from the date when the listed issuer announces a Default to the Exchange under paragraph 2.1 above.</p> |
| <p>Practice Note 17, paragraphs 2.1(f) and 2.1A(e)</p> | <p>2.1 Pursuant to paragraphs 8.04(2) of the Listing Requirements, where a listed issuer triggers any one or more of the following Prescribed Criteria it must comply with the provisions of paragraph 8.04 and this Practice Note:</p> <p>(a) the shareholders' equity of the listed issuer on a consolidated basis is 25% or less of the issued and paid-up capital (excluding treasury shares) of the listed issuer and such shareholders' equity is less than RM40 million;</p> <p>(b) receivers or managers have been appointed over the asset of the listed issuer, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis;</p> <p>(c) a winding up of a listed issuer's subsidiary or associated company which accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis;</p> <p>(d) the auditors have expressed an adverse or disclaimer opinion in the listed issuer's latest audited financial statements;</p> <p>(e) the auditors have expressed an emphasis of matter on the listed issuer's ability to continue as a going concern in the listed issuer's latest audited financial statements and the shareholders' equity of the listed issuer on a consolidated basis is 50% or less of the issued and paid-up capital (excluding treasury shares) of the listed issuer; <u>or</u></p> <p>(f) a default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to <u>Practice Note 4 paragraph 9.19A of the Listing Requirements</u> and the listed issuer is unable to provide a solvency declaration to the Exchange;</p> <p>(g) the listed issuer has suspended or ceased-</p> <p>(i) all of its business or its major business; or</p> <p>(ii) its entire or major operations,</p> |

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| | <p>for any reasons whatsoever including, amongst others, due to or as a result of—</p> <p>(aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;</p> <p>(bb) the disposal of the listed issuer's business or major business; or</p> <p>(cc) a court order or judgment obtained against the listed issuer prohibiting the listed issuer from conducting its major operations on grounds of infringement of copyright of products etc; or; <u>[deleted]</u></p> <p>(h) the listed issuer has an insignificant business or operations. <u>[deleted]</u></p> |
| | <p>2.1A In relation to a listed issuer which is a business trust, where the business trust triggers any one or more of the following Prescribed Criteria (“PN17 Business Trust”) instead of the Prescribed Criteria in paragraph 2.1 above, it must comply with the provisions of paragraph 8.04 and this Practice Note:</p> <p>(a) the unit holders’ fund (excluding non-controlling interest) on a consolidated basis is negative;</p> <p>(b) receivers or managers have been appointed over the asset of the business trust, which asset accounts for at least 50% of the total assets employed of the business trust on a consolidated basis;</p> <p>(c) a winding up of a business trust’s subsidiary or associated company which accounts for at least 50% of the total assets employed of the business trust on a consolidated basis;</p> <p>(d) the auditors have expressed an adverse or disclaimer opinion in the business trust’s latest audited financial statements; <u>or</u></p> <p>(e) a default in payment of loans or credit facilities of a business trust or its major subsidiary or major associated company, as announced by the trustee-manager pursuant to <u>Practice Note 4 paragraph 9.19A of the Listing Requirements</u> and the trustee-manager is unable to provide a solvency declaration to the Exchange;</p> <p>(f) the trustee-manager has suspended or ceased—</p> <p>(i) all of the business trust’s business or its major business; or</p> <p>(ii) the business trust’s entire or major operations;</p> |

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| | <p>for any reasons whatsoever including, amongst others, due to or as a result of—</p> <p>(aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct the business trust's business activities;</p> <p>(bb) the disposal of the business trust's business or major business; or</p> <p>(cc) a court order or judgment obtained against the trustee manager prohibiting the trustee manager from conducting the business trust's major operations on grounds of infringement of copyright of products etc; or [deleted]</p> <p>(g) the business trust has an insignificant business or operations. [deleted]</p> |
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| <p>Appendix 9A</p> | <p>(b) <u>the default in payment is reasonably expected to have a material effect on the price, value or market activity of any of the listed corporation's securities or the decision of the listed corporation's securities holder or investor in determining his choice of action.</u></p> <p>(2) <u>In circumstances where a listed corporation has negative net assets, the listed corporation must immediately announce any default in payment of either interest, principal sums, or both, in respect of any credit facility or debt securities.</u></p> <p>(3) <u>The listed corporation must include the information contained in Part H(A) of Appendix 9A, in the announcement to the Exchange under sub-Rules (1) or (2) above.</u></p> <p>(4) <u>Where a listed corporation states that it is solvent ("Solvency Declaration") in the announcement to the Exchange under sub-Rules (1) or (2) above, the listed corporation must ensure that its board of directors executes and submits to the Exchange the Solvency Declaration within 3 market days from the announcement date. For this purpose, a listed corporation is regarded as "solvent" if the majority directors have formed the opinion that the listed corporation will be able to pay all its debts as and when they fall due within the period of 12 months from the date of the announcement.</u></p> <p>(5) <u>After the announcement in sub-Rules (1) or (2) above, the listed corporation must announce to the Exchange -</u></p> <p>(a) <u>the current status of the default in payment and the steps taken by the listed corporation to address the default in payment on a monthly basis until such time when the default in payment is remedied; and</u></p> <p>(b) <u>any circumstance which may render the Solvency Declaration inaccurate, immediately upon the listed corporation becoming aware of the same.</u></p> <p><u>PART H(A)</u></p> <p><u>Contents of announcement in relation to default in payment</u> <u>(Rule 9.19A)</u></p> <p>(a) The date of <u>dDefault in payment</u>.</p> <p>(b) The reasons for the <u>dDefault in payment</u>.</p> <p>(c) The measures by the listed corporation to address the <u>dDefault in payment</u>.</p> <p>(d) The legal implications of the <u>Ddefault in payment</u> including the extent of the listed corporation's liability in respect of the obligations incurred under the agreements for the indebtedness.</p> <p>(e) The business, financial and operational impact of the <u>dDefault in payment</u> on the listed corporation.</p> |
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| | <p>(f) In the event the dDefault <u>in payment</u> is in respect of secured loan stocks or bonds, the lines of action available to the guarantors or security holders against the listed corporation.</p> <p>(g) In the event the dDefault <u>in payment</u> is in respect of payments under a debenture, to specify whether the dDefault <u>in payment</u> will empower the debenture holder to appoint a receiver or receiver and manager.</p> <p>(h) Whether the dDefault <u>in payment</u> constitutes an event of default under a different agreement for indebtedness (cross default) and the details for such other default, where applicable.</p> <p>(i) Where the dDefault <u>in payment</u> is in respect of a subsidiary or associated company, a confirmation as to whether the subsidiary or associated company is a major subsidiary or major associated company, as the case may be.</p> <p>(j) Where the Ddefault <u>in payment</u> is in respect of a listed corporation, major subsidiary or major associated company, as the case may be, (i) — A a statement as to whether the listed corporation is solvent (“Solvency Declaration”). For this purpose, a listed corporation is regarded as being “solvent” if the majority directors have formed the opinion that the listed corporation will be able to pay all its debts as and when they fall due within a period of 12 months from the date of the announcement; and (ii) — if the listed corporation is solvent, a statement that the listed corporation undertakes to provide to the Exchange, the Solvency Declaration duly executed by its board of directors within 3 market days from the announcement date.</p> <p>(k) Any other information that the Exchange may require from time to time.</p> |
| <p>Rule 9.03</p> | <p>Disclosure of material information</p> <p>(1) A listed corporation must make immediate public disclosure of any material information, except as set out in Rule 9.05 below.</p> <p>(2) Information is considered material, if it is reasonably expected to have a material effect on -</p> <p>(a) the price, value or market activity of any of the listed corporation’s securities; or</p> <p>(b) the decision of a holder of securities of the listed corporation or an investor in determining his choice of action.</p> <p>(3) Without limiting the generality of sub-Rule (2) above, material information may include information which -</p> <p>(a) concerns the listed corporation’s assets and liabilities, business, financial condition or prospects;</p> |

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| | <ul style="list-style-type: none"> (b) relates to dealings with employees, suppliers, customers and others; (c) relates to any event affecting the present or potential dilution of the rights or interests of the listed corporation's securities; or (d) relates to any event materially affecting the size of the public holding of its securities. <p>[Cross-reference: Guidance Note 5]</p> |
| <p>Rule 9.04(l)</p> | <p>Examples of events which may require immediate disclosure</p> <p>The following are some examples of events which may require immediate disclosure by the listed corporation:</p> <ul style="list-style-type: none"> (a) the entry into a joint venture agreement or merger; (b) the acquisition or loss of a contract, franchise or distributorship rights; (c) the introduction of a new product or discovery; (d) a change in management; (e) the borrowing of funds; (f) the commencement of or the involvement in litigation and any material development arising from such litigation; (g) the commencement of arbitration proceedings or proceedings involving alternative dispute resolution methods and any material development arising from such proceedings; (h) the purchase or sale of an asset; (i) a change in capital investment plans; (j) the occurrence of a labour dispute or disputes with sub-contractors or suppliers; (k) the making of a tender offer for another corporation's securities; (l) the occurrence of an event of default on interest or principal payments or both in respect of loans;[deleted] <p>[Cross-reference: Guidance Note 5]</p> <ul style="list-style-type: none"> (m) a change in the general business direction; (n) a change of intellectual property rights; (o) the entry into a memorandum of understanding; |

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| | <p>(p) the entry into any call or put option or financial futures contract; or</p> <p>(q) a change in the business plan of the listed corporation that has been previously disclosed.</p> |
| <p>Rule 9.16</p> | <p>Content of press or other public announcement</p> <p>(1) The content of a press or other public announcement is as important as its timing. A listed corporation must ensure that each announcement -</p> <p>(a) is factual, clear, unambiguous, accurate, succinct and contains sufficient information to enable investors to make informed investment decisions;</p> <p>(b) is not false, misleading or deceptive, and does not contain any language which is inflammatory, defamatory or scandalous of another person;</p> <p>(c) is balanced and fair. Thus, the announcement must avoid amongst others -</p> <p>(i) the omission of material facts;</p> <p>(ii) the omission of material unfavourable facts, or the slighting of such facts, (e.g. by “burying” them at the end of a press release);</p> <p>(iii) the presentation of favourable possibilities as certain, or as more probable than is actually the case;</p> <p>(iv) the representation with respect to any future performance, occurrence or matter (including the doing of, or the refusing to do, any act) without adequate justification (supported by proper bases and assumptions) or any reasonable grounds for making of such representation;</p> <p>(v) the presentation of revenue or profit estimate, forecast or projection without sufficient qualification, assumptions or factual basis. If any revenue or profit estimate, forecast or projection is released, it must be prepared carefully, with a reasonable factual basis and be stated realistically, with appropriate assumptions and qualifications, so as to ensure that it is properly understood. In addition, the accounting bases and calculations of the estimate, forecast or projection and the assumptions must be reviewed by the external auditors except where the revenue or profit estimate, forecast or projection is required to be released on an immediate basis;</p> |

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| | <p>(vi) negative statements phrased so as to create a positive implication; e.g. “The company cannot now predict whether the development will have a materially favourable effect on its earnings” (creating the implication that the effect will be favourable even if not materially favourable), or “The company expects that the developments will not have a materially favourable effect on earnings in the immediate future” (creating the implication that the development will eventually have a materially favourable effect); or</p> <p>(vii) the use of promotional jargon calculated to induce investment or create interest in the securities of the listed corporation rather than to inform;</p> <p>(d) avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman;</p> <p>(e) explains, if the consequences or effects of the information on the listed corporation's future prospects cannot be assessed, why this is so; and</p> <p>(f) explains, in relation to an announcement on internal targets, that the information disclosed are merely internal management targets or aspirations set to be achieved by the listed corporation and not an estimate, forecast or projection.</p> <p>(2) Where an adviser is appointed by the listed corporation for preparation or submission of the announcement to the Exchange, such adviser must also comply with sub-Rule (1) above.</p> <p>(3) A listed corporation or its adviser does not commit a breach of sub-Rules (1) or (2) above, as the case may be, if such person proves that -</p> <p>(a) he had made all enquiries as were reasonable in the circumstances; and</p> <p>(b) after making such enquiries, he had reasonable grounds to believe and did believe until the submission of the announcement that the announcement did fulfil the requirements of sub-Rule (1) above.</p> <p>(4) Where any announcement referred to in sub-Rule (1) above has been submitted to the Exchange and the person referred to in sub-Rules (1) and (2) above subsequently becomes aware that the announcement may not fulfil the requirements of sub-Rule (1) above, the person must immediately notify the Exchange of the same.</p> <p>[Cross reference: Guidance Note 5]</p> |
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Guidance Note 5

~~DEFAULT IN PAYMENT~~~~[Deleted]~~~~1.0 Introduction~~

~~1.1 This Guidance Note enumerates some circumstances upon which a listed corporation must announce an event of default of interest or principal payments for loans under Rules 9.03 and 9.04(l) of the Listing Requirements.~~

~~1.2 The circumstances set out in this Guidance Note are not exhaustive.~~

~~1.3 Nothing in this Guidance Note restricts the generality of Rules 9.03, 9.04(l) and 9.16 of the Listing Requirements.~~

~~2.0 Events of default~~

~~2.1 The following are some events of default ("Defaults") the occurrence of which a listed corporation is required to immediately announce to the Exchange under Rules 9.03 and 9.04 of the Listing Requirements, irrespective of whether a demand has been made to the listed corporation, its subsidiaries or associated companies, as the case may be:~~

~~(a) default in payments of interest in respect of loan stocks or bonds, whether listed or unlisted on the Exchange;~~

~~(b) default in principal payments in respect of loan stocks or bonds, whether listed or unlisted on the Exchange;~~

~~(c) default in payments under a debenture;~~

~~(d) default in payments of either interest, principal sums or both in respect of a credit facility where the total amount outstanding of the defaulted credit facility is 5% or more of the net assets of the listed corporation based on the latest published or announced financial statements; or~~

~~(e) default in payments of either interest or principal sums or both in respect of a credit facility, which is reasonably expected to have a material effect on the price, value or market activity of any of the listed corporation's securities or the decision of a listed corporation's securities holder or investor in determining his choice of action. For the purpose of this subparagraph, where a listed corporation has a negative net asset, any amount in default will be considered as material.~~

~~2.2 The Defaults may be that of the listed corporation, its subsidiaries or associated companies.~~

~~3.0 Details of the announcement~~

~~3.1 A listed corporation must include the following information when announcing a Default to the Exchange:~~

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| | <p>(a) — the date of Default;</p> <p>(b) — the reasons for the Default;</p> <p>(c) — the measures by the listed corporation to address the Default;</p> <p>(d) — the legal implications of the Default including the extent of the listed corporation's liability in respect of the obligations incurred under the agreements for the indebtedness;</p> <p>(e) — the business, financial and operational impact of the Default on the listed corporation;</p> <p>(f) — in the event the Default is in respect of secured loan stocks or bonds, the lines of action available to the guarantors or security holders against the listed corporation;</p> <p>(g) — in the event the Default is in respect of payments under a debenture, to specify whether the Default will empower the debenture holder to appoint a receiver or receiver and manager;</p> <p>(h) — whether the Default constitutes an event of default under a different agreement for indebtedness (cross default) and the details for such other default, where applicable;</p> <p>(i) — where the Default is in respect of a subsidiary or associated company, a confirmation as to whether the subsidiary or associated company is a major subsidiary or major associated company, as the case may be;</p> <p>(j) — where the Default is in respect of a listed corporation, major subsidiary or major associated company, as the case may be—</p> <p style="padding-left: 40px;">(i) — a statement as to whether the listed corporation is solvent ("Solvency Declaration"). For this purpose, a listed corporation is regarded as being "solvent" if the majority directors have formed the opinion that the listed corporation will be able to pay all its debts as and when they fall due within a period of 12 months from the date of the announcement; and</p> <p style="padding-left: 40px;">(ii) — if the listed corporation is solvent, a statement that the listed corporation undertakes to provide to the Exchange, the Solvency Declaration duly executed by its board of directors within 3 market days from the announcement date; and</p> <p>(k) — any other information that the Exchange may require from time to time.</p> <p>3.2 — After the announcement in paragraph 2.1, the listed corporation must announce to the Exchange —</p> |
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| | <p>(a) the current status of Default and the steps taken by the listed corporation to address the Default on a monthly basis until such time when the Default is remedied; and</p> <p>(b) immediately upon the listed corporation becoming aware of the circumstance which may render the Solvency Declaration inaccurate.</p> <p>4.0 Solvency declaration</p> <p>4.1 In relation to paragraph 3.1(j)(ii), a listed corporation must ensure that its board of directors executes and submits to the Exchange, the Solvency Declaration within 3 market days from the date when the listed corporation announces a Default to the Exchange under paragraph 2.1.</p> |
| <p>Guidance Note 3, paragraph 2.1(h)</p> | <p>2.1 Pursuant to Rule 8.04(2) of the Listing Requirements, where a listed corporation triggers any one or more of the following Prescribed Criteria, it must comply with the provisions of Rule 8.04 and this Guidance Note:</p> <p>(a) the shareholders' equity of the listed corporation is 25% or less of the issued and paid-up capital of the listed corporation;</p> <p>(b) where the listed corporation has incurred loss in any 1 full financial year commencing on or after its listing, which equal to or exceed the amount of its shareholders' equity at the end of the said financial year and the shareholders' equity is equal to or less than 50% of the issued and paid-up capital of the listed corporation at the end of the said financial year;</p> <p>(c) where the listed corporation has incurred aggregated losses in any 2 consecutive full financial years commencing on or after its listing ("said financial period") –</p> <p>(i) which exceed the amount of its shareholders' equity at the end of the said financial period;</p> <p>(ii) the loss incurred in the second full financial year of the said financial period is 50% or more of the loss incurred in the first full financial year of the said financial period; and</p> <p>(iii) the shareholders' equity is equal to or less than 50% of the issued and paid-up capital of the listed corporation at the end of the said financial period;</p> <p>(d) receivers or managers have been appointed over the asset of the listed corporation, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed corporation;</p> |

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| | <p>(e) a winding up of a listed corporation's subsidiary or associated company which accounts for at least 50% of the total assets employed of the listed corporation;</p> <p>(f) the auditors have expressed an adverse or disclaimer opinion in the listed corporation's latest audited financial statements;</p> <p>(g) the auditors have expressed an emphasis of matter on the listed corporation's ability to continue as a going concern in the listed corporation's latest audited financial statements and the shareholders' equity of the listed corporation is 50% or less of the issued and paid-up capital of the listed corporation; <u>or</u></p> <p>(h) a default in payment by a listed corporation, its major subsidiary or major associated company, as the case may be, as announced by a listed corporation pursuant to Guidance Note 5 Rule 9.19A of the Listing Requirements and the listed corporation is unable to provide a solvency declaration to the Exchange;</p> <p>(i) the listed corporation has suspended or ceased—</p> <p style="padding-left: 20px;">(i) all of its business or its major business; or</p> <p style="padding-left: 20px;">(ii) its entire or major operations,</p> <p style="padding-left: 20px;">for any reasons whatsoever including, amongst others, due to or as a result of—</p> <p style="padding-left: 20px;">(aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;</p> <p style="padding-left: 20px;">(bb) the disposal of the listed corporation's business or major business; or</p> <p style="padding-left: 20px;">(cc) a court order or judgment obtained against the listed corporation prohibiting the listed corporation from conducting its major operations on grounds of infringement of copyright of products etc; or [deleted]</p> <p>(j) the listed corporation has an insignificant business or operations. This is not applicable to a Sponsored Corporation during the Sponsorship Period. [deleted]</p> |
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[End of Appendix 5]

APPENDIX 6
OTHER AMENDMENTS
MAIN MARKET LISTING REQUIREMENTS

| ENHANCEMENTS TO THE STRUCTURED WARRANTS FRAMEWORK | |
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| CHAPTER 5 – STRUCTURED WARRANTS | |
| Paragraph 5.03 | <p>Underlying financial instrument listed on the Exchange</p> <p>(1) Where the underlying financial instrument of the structured warrants is shares or units in an exchange-traded fund listed on the Exchange, an issuer must ensure that the underlying corporation or exchange-traded fund has an average daily market capitalisation (excluding treasury shares) of at least -</p> <p style="margin-left: 40px;">(a) RM1 billion in the past 3 months ending on the last market day of the calendar month immediately preceding the date of issue; or</p> <p style="margin-left: 40px;">(b) RM3 billion for newly listed corporations or exchange-traded funds that do not meet the 3 month market capitalisation track record.</p> <p>(1A) Where the underlying financial instrument of the structured warrants is shares or units in an exchange-traded fund that will be listed on the Exchange, an issuer must ensure that the underlying corporation or exchange-traded fund has a market capitalisation (excluding treasury shares) of at least RM3 billion based on the issue price of the shares or units in the exchange-traded fund as set out in the prospectus.</p> <p>(2) In the case of an issue of structured warrants where the underlying financial instrument is shares, an issuer must ensure that the underlying corporation is in compliance with the Exchange's public shareholding spread requirement.</p> |
| Paragraph 5.04 | <p>Underlying financial instrument listed outside Malaysia</p> <p>(1) Where the underlying financial instrument of the structured warrants is shares or units in an exchange-traded fund listed on a securities exchange outside Malaysia, an issuer must ensure that the underlying financial instrument satisfies the following criteria:</p> <p style="margin-left: 40px;">(a) the underlying corporation or exchange-traded fund is listed on a securities exchange which is a member of the World Federation of Exchanges or is approved by the Exchange;</p> |

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| | <p>(b) the underlying corporation or exchange-traded fund must have an average daily market capitalisation equivalent to at least -</p> <p>(i) RM3 billion in the past 3 months ending on the last market day of the calendar month immediately preceding the date of issue; or</p> <p>(ii) RM5 billion for newly listed corporations or exchange-traded fund that does not meet the 3 month market capitalisation track record;</p> <p>(c) the underlying corporation or exchange-traded fund must be in compliance with the listing rules and requirements of its home exchange at the date of issue; and</p> <p>(d) information on the price, volume, financial information and price-sensitive information relating to the underlying corporation or exchange-traded fund must be available to investors in Malaysia.</p> <p><u>(2) Where the underlying financial instrument of the structured warrants is shares or units in an exchange-traded fund that will be listed on a securities exchange outside Malaysia, an issuer must ensure that the underlying financial instrument satisfies the following criteria:</u></p> <p><u>(a) the underlying corporation or exchange-traded fund must have a market capitalisation equivalent to at least RM5 billion based on the issue price of the shares or units in the exchange-traded fund as set out in the prospectus; and</u></p> <p><u>(b) upon listing, the underlying corporation or exchange-traded fund must comply with the requirements set out in subparagraphs (1)(a), (c) and (d) above.</u></p> |
| <p>Paragraph 5.35</p> | <p>Submission of periodic information</p> <p>(1) Subject to subparagraph (2) below, an issuer must announce the following information to the Exchange, within the timeframes stipulated in subparagraph (2) below.</p> <p>(a) the number of structured warrants exercised during the relevant timeframe;</p> <p>(b) the cumulative number of structured warrants exercised to date; and</p> <p>(c) the number of structured warrants outstanding.</p> |

(2) The timeframes referred to in subparagraph (1) above are -

| | Structured warrants having an expiry date of - | Timeframes for announcement |
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| (a) | 28 days | On a weekly basis, on the first market day of the week. |
| (b) | More than 28 days but 6 months or less | On a fortnightly basis, on the first market day of the week. |
| (c) | More than 6 months | On a monthly basis, within the first 5 market days of the month. |

(3) Subparagraph (1) above does not apply to structured warrants exercisable in an European style.

(4) If an issuer provides liquidity via a market making, the issuer must announce the following information within the first 5 market days of every month:

- (a) stock short name;
- (b) stock code;
- (c) number of structured warrants bought and the volume weighted average price of structured warrants bought in the preceding month;
- (d) number of structured warrants sold and the volume weighted average price of structured warrants sold in the preceding month;
- (e) number of outstanding structured warrants in the market and the percentage of the same; and
- (f) total issue size.

(5) An issuer must also announce the number of structured warrants not held by the issuer or its Market Maker and the percentage of the same, on a ~~quarterly~~monthly basis.

ENHANCEMENTS TO THE FRAMEWORK FOR NEW ISSUE OF SECURITIES

CHAPTER 6 – NEW ISSUE OF SECURITIES

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| <p>Paragraph 6.44</p> | <p>Share Issuance Scheme after listing</p> <p>(1) A listed issuer must ensure that all schemes whether implemented by the listed issuer or its subsidiary, involving that it implements which involve the issue of shares to employees comply with the following:</p> <p>(a) the scheme is approved by the shareholders of the listed issuer in general meeting;</p> <p>(b) the resolution approves a specific scheme and refers either to the scheme itself or to a summary of its principal terms included in the circular which contains all the provisions set out in Appendix 6E;</p> <p>(c) unless the shares subject to the scheme are identical with other listed shares they are separately designated; and</p> <p>(d) where directors of the listed issuer are trustees of the scheme or have an interest, direct or indirect, in the scheme, the circular must disclose that interest; and</p> <p>(e) where the scheme is implemented by a subsidiary, the bylaws of such scheme includes the provisions set out in Appendix 6E[deleted].</p> <p>(2) Subparagraph (1) does not apply to -</p> <p>(a) an applicant that is implementing a Share Issuance Scheme as part of its listing proposal; and</p> <p>(b) Share Issuance Scheme implemented by subsidiaries of the listed issuer which are listed on the ACE Market or a stock exchange deemed comparable by the Exchange.</p> |
| <p>Paragraph 9.19(51)</p> <p>and</p> <p>New paragraph 9.19(52)</p> | <p>Immediate announcements to the Exchange</p> <p>A listed issuer must immediately announce to the Exchange the events set out below. This requirement is in addition to the other announcement requirements which are imposed under this Chapter and other parts of these Requirements, and are not exhaustive -</p> <p>(1) – (50) [No change]</p> <p>(51) any options or shares offered under a Share Issuance Scheme. The listed issuer must announce the following<u>An announcement on the options or shares offered must be made</u> on the date of the offer and must include the following information:</p> |

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| | <ul style="list-style-type: none"> (a) date of offer; (b) exercise price of options offered, if applicable; (c) number of options or shares offered; (d) market price of its securities on the date of the offer; (e) number of options or shares offered to each director, if any; and (f) vesting period of the options or shares offered; <u>or-</u> <p><u>(52) any employee share scheme implemented by a subsidiary either by way of an issuance of new shares or grant of its existing shares. An announcement on such a scheme must include the following information:</u></p> <ul style="list-style-type: none"> <u>(a) principal terms of the employee share scheme implemented by the subsidiary; and</u> <u>(b) financial effect (including the dilutive effect, if any) of the employee share scheme implemented by the subsidiary.</u> |
| <p>Paragraph 6.51</p> | <p><u> Holders of convertible securities </u></p> <p><u>A listed issuer seeking a listing of its convertible securities must have at least 100 holders of such securities holding not less than 1 board lot of the convertible securities each.</u></p> |
| <p>PRACTICE NOTE 28 – LISTING PROCEDURES FOR NEW ISSUES OF SECURITIES</p> | |
| <p>Practice Note 28, Annexure PN28-B paragraph (1), Part B</p> | <p>Documents to be filed with a listing application for a new issue of securities (paragraphs 6.1(b), 7.1, 8.1 and 9.1)</p> <p>(1) A listed issuer must file the following documents in support of a listing application for a new issue of securities:</p> <ul style="list-style-type: none"> (a) a copy of the announcement, circular, prospectus or abridged prospectus which is registered with the relevant authorities; (b) a certified true copy of the relevant resolution passed by securities holders in general meeting; (c) a letter from the listed issuer’s Principal Adviser confirming all approvals of relevant authorities have been obtained; (d) a copy each of all letters of approval from the relevant authorities; |

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| | <p><u>(dA) in the case of a bonus issue –</u></p> <p><u>(i) a statement from the listed issuer confirming the adequacy of the reserves for capitalisation; and</u></p> <p><u>(ii) where a confirmation by the external auditors or reporting accountants is required under paragraph 6.30(3) of the Listing Requirements, the report from the external auditors or reporting accountants.</u></p> <p>(e) in the case of a Share Issuance Scheme, a draft copy of the bylaws; and</p> <p>(f) for proposals which apply the procedures under paragraphs 3.0 and 4.0 of Practice Note 28, a cheque drawn to the order of Bursa Malaysia Securities Berhad for the processing and listing fees (see the Schedule of Fees for the computation of the amount), together with a copy of the details of the computation of the amount of listing fees payable.</p> <p>(2) If any of the above documents are not filed because they are not applicable or available in any case, a listed issuer must submit a separate exhibit explaining why such documents are not applicable or available.</p> |
| <p>Practice Note 28, Annexure PN28-B, paragraphs (1) (e), (f) and (g), Part C</p> <p>and</p> <p>New paragraph (2), Part C</p> | <p>Documents to be filed with a quotation application for a new issue of securities (paragraph 6.2)</p> <p><u>(1)</u> A listed issuer must file the following documents in support of quotation application for a new issue of securities:</p> <p>(a) a confirmation from the listed issuer as to its latest issued and paid-up capital;</p> <p>(b) a confirmation that all notices of allotment have been issued and despatched to the entitled holders;</p> <p>(c) a confirmation from the listed issuer that the Depository is ready to credit the new securities to the accounts of the entitled holders, after receiving the allotment information for crediting of the new securities;</p> <p>(d) a cheque drawn to the order of Bursa Malaysia Securities Berhad for the listing fees (see Schedule of Fees for computation of amount) together with a copy of the details of the computation of the amount of listing fees payable;</p> |

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| | <p>(e) a confirmation from the Principal Adviser of whether the new issue of securities will be listed and quoted as the existing securities of the same class or will be separately quoted on the listing date. If the new issue of securities will be separately quoted on the listing date, to specify the entitlement that the holders of the new issue of securities will not be entitled to;</p> <p>(f) a confirmation from the Principal Adviser that all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities have been met;</p> <p>(g) a confirmation from the Principal Adviser that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law; and</p> <p>(h) such other documents which are not/have not been submitted pursuant to Part B of Annexure PN28-B.</p> <p><u>(2) The relevant confirmations in subparagraphs (1)(e), (f) or (g) above may be provided by the listed issuer instead of the Principal Adviser, for an application for quotation of new issue of securities arising from -</u></p> <p><u>(a) an exercise or conversion of convertible securities; or</u></p> <p><u>(b) an exercise of options under a Share Issuance Scheme.</u></p> |
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ENHANCEMENTS TO POST LISTING OBLIGATIONS

CHAPTER 8 – CONTINUING LISTING OBLIGATIONS

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| Paragraph 8.03 | <p>Cash Companies</p> <p>(1) A listed issuer whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both (“Cash Criterion”) must immediately notify the Exchange of its condition in writing. The Exchange will determine whether such listed issuer should be considered a Cash Company. A listed issuer considered as a Cash Company by the Exchange will be notified by the Exchange.</p> <p>(2) A Cash Company must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed issuer or de-list it, or both.</p> <p>(3) For the purposes of subparagraph (1) above –</p> |
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| | <p>(a) a listed issuer must, as a minimum requirement, make a determination as to whether it triggers the Cash Criterion when it disposes its assets or business on a group basis or prepares its financial statements or accounts; and</p> <p>(b) “short term investments” means investments which are by their nature readily realisable and intended to be held for 12 months or less including interests (equity or otherwise) incorporations.</p> <p>(4) A Cash Company must place at least 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal undertaken by the Cash Company) in an account opened with a financial institution licensed by Bank Negara Malaysia and operated by a custodian. Any interest generated by the monies held in the account must accrue to the account. For the purpose of this subparagraph (4), “custodian” means any of the following who is independent of the Cash Company:</p> <p>(a) a trust company registered under the Trust Companies Act 1949 or incorporated pursuant to the Public Trust Corporation Act 1995 and is in the List of Registered Trustees in relation to Unit Trust Funds issued by the SC; or</p> <p>(b) a licensed bank or merchant bank as defined in the Banking and Financial Institutions Act 1989.</p> <p>The Cash Company must ensure that the amount placed in the above account is not withdrawn, except for the following purposes:</p> <p>(i) implementing a proposal to acquire a new core business approved by the SC; or</p> <p>(ii) pro rata distributions to shareholders pursuant to subparagraph (9) below.</p> <p>(5) A Cash Company must comply with the following additional requirements:</p> <p>(a) regularise its condition in the following manner:</p> <p>(i) submit a proposal to acquire a new core business to the SC for its approval within 12 months from the date it receives the notice referred to in subparagraph (1) above; and</p> <p>(ii) implement its proposal within the timeframe prescribed by the SC;</p> <p>(b) provide such information as may be prescribed by the Exchange from time to time for public release; and</p> |
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| | <p>(c) do such other acts or things as may be required by the Exchange.</p> <p>(6) The Exchange may suspend the trading of the Cash Company's listed securities if it fails to comply with any part of its obligations in subparagraph (5)(a) above or if its proposal is rejected by the SC and the Exchange may de-list such Cash Company.</p> <p>(7) Subparagraphs (1) and (2) above are not applicable to the following listed issuers:</p> <p>(a) listed issuers whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia;</p> <p>(b) Participating Organisations;</p> <p>(c) closed-end funds;</p> <p>(d) real estate investment trusts;</p> <p>(e) exchange-traded funds;</p> <p>(f) infrastructure project corporations which have not completed their infrastructure project(s);</p> <p>(g) special purpose acquisition companies; and</p> <p>(h) such other category of listed issuers as may be prescribed by the Exchange.</p> <p>(8) For a Cash Company to be no longer considered a Cash Company, the Cash Company must –</p> <p>(a) complete the implementation of its proposal; and</p> <p>(b) submit an application to the Exchange to demonstrate that it is no longer a Cash Company, together with all the necessary documentary evidence.</p> <p>The fact that a Cash Company has ceased to trigger the Cash Criterion before it completes the implementation of its proposal, would not entitle it to be no longer considered as a Cash Company for the purpose of this subparagraph.</p> <p>(9) If the A Cash Company fails to comply with any part of its obligations in subparagraph (5)(a) above, it must ensure that all moneys deposited, together with interests earned with the financial institution licensed by Bank Negara Malaysia and operated by a custodian under subparagraph (4) above are distributed to its shareholders on a pro-rata basis as soon as practicable <u>if the Cash Company -</u></p> |
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| | <p>(a) fails to comply with any part of its obligations in subparagraph (5)(a) above; or</p> <p>(b) does not intend to maintain its listing at any time after it receives the notice referred to in subparagraph (1) above.</p> <p><i>[Cross reference: Practice Notes 16 and 29]</i></p> |
| <p>Paragraph 8.23</p> | <p>Provision of financial assistance</p> <p>(1) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and subject to subparagraph (2) below, a listed issuer or its unlisted subsidiaries not listed on any stock exchange may only -</p> <p>(a) lend or advance any money; or</p> <p>(b) guarantee, indemnify or provide collateral for a debt,</p> <p>(“provision of financial assistance”) to or in favour of the following:</p> <p>(i) directors or employees of the listed issuer or its subsidiaries;</p> <p>(ii) persons to whom the provision of financial assistance -</p> <p>(aa) is necessary to facilitate the ordinary course of business of the listed issuer or its subsidiaries; or</p> <p>(bb) pursuant to the ordinary course of business of the listed issuer or its subsidiaries;</p> <p>such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its moneylending business; or</p> <p>(iii) the subsidiaries, or associated companies or joint arrangements of the listed issuer, the listed issuer (in the case of the subsidiaries providing the financial assistance) or its immediate holding company which is listed.</p> <p>For the purpose of this subparagraph (iii), a “joint arrangement” has the meaning given to it under the approved accounting standards.</p> <p>(2) Where a listed issuer or its subsidiaries provide financial assistance -</p> <p>(a) the board of directors of such listed issuer must ensure -</p> <p>(i) that the provision of the financial assistance referred to in subparagraph (1) above is fair and reasonable to the listed issuer and is not to the detriment of the listed issuer and its shareholders; and</p> |

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| | <p>(ii) where a listed issuer or its subsidiary lends or advances money in the ordinary course of its business as a moneylender (“moneylending company” and “moneylending operations”), that the board of directors of the listed issuer oversees the moneylending operations and the management of credit risk of the moneylending company including ensuring that adequate policies and procedures are put in place which must be reviewed regularly to enable -</p> <p>(aa) maintenance of sound credit-granting standards;</p> <p>(bb) maintenance of a clear and defined credit approval process including a list of the approving party(ies), which must include the board of directors of the listed issuer, for different quantum of financial assistance granted by the moneylending company;</p> <p>(cc) monitoring and control of credit risk; and</p> <p>(dd) timely identification and administration of problem credits;</p> <p>(b) where it is a related party transaction as defined in paragraph 10.02, the listed issuer complies with the requirements of paragraph 10.08 in addition to this provision;</p> <p>(c) where the provision of financial assistance is to the associated company <u>or the joint arrangement of the listed issuer</u>, and the aggregate amount provided or to be provided at any time to each associated company <u>or joint arrangement</u> compared to the net tangible assets of the group is 5% or more, the listed issuer must issue a circular to its shareholders and seek its shareholder approval in <u>a</u> general meeting, of such provision of financial assistance, <u>unless the listed issuer complies with the requirements in subparagraph (1)(ii) above, in which case, the requirement to issue a circular and seek shareholder approval is dispensed with</u>;</p> <p>(d) where shareholder approval is required pursuant to subparagraphs (b) or (c) above, the listed issuer must state in its circular, the proposed utilisation of the amount of the financial assistance; and</p> <p>(e) in addition to the announcement as may be required by the Exchange, the listed issuer must announce the information set out in Appendix 8D in relation to each moneylending company for each quarter of its financial year, if any, not later than 7 market days after the end of each quarter of a financial year.</p> |
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| | <p>(3) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and without limiting the generality of Part D of Chapter 2 -</p> <p>(a) a listed issuer or its directors must give the Exchange any information, document or explanation that the Exchange requests for in relation to moneylending operations in accordance with the instructions or request of the Exchange, including but not limited to the following information in relation to the 20 debtors of each moneylending company having the highest amount of outstanding loans and/or advances (“Loans”) (with aggregation of Loans granted to persons connected with each other):</p> <p>(i) the names of the debtors and, in relation to each debtor, a statement as to whether the debtor is a related party;</p> <p>(ii) the outstanding Loan amounts with aggregation of Loans granted to persons connected to each other, and the breakdown into principal and interest owing;</p> <p>(iii) the salient terms of the outstanding Loans including the interest rate, terms as to the repayment of interest and principal and the security provided; and</p> <p>(iv) the length of default on interest and/or principal, if applicable; and</p> <p>(b) the Exchange may, at its absolute discretion, forward such information, document or explanation to the relevant authorities including the SC.</p> <p>(4) Subparagraphs (1), (2) and (3) above do not apply to -</p> <p>(a) any provision of financial assistance provided to or in favour of the listed issuer or wholly owned subsidiaries of the listed issuer;</p> <p>(b) a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate</u>;</p> <p>(c) a corporation which is registered as a scheduled institution with and supervised by Bank Negara Malaysia under the Banking and Financial Institutions Act 1989; or</p> |
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| | <p>(d) share financing or share margin financing carried out by a listed issuer or its unlisted-subsidiary <u>not listed on any stock exchange</u> which is a Participating Organisation.</p> <p><i>[Cross reference: Practice Note 11]</i></p> |
| CHAPTER 12 – SHARE BUY-BACKS | |
| Paragraph 12.02 | <p>Definitions</p> <p>For the purpose of this Chapter, unless the context otherwise requires -</p> <p>(a) “Direct Business Transaction” means a transaction in securities entered into outside the Automated Trading System of the Exchange (“ATS”) in accordance with the Rules of the Exchange;</p> <p>(b) “odd lot” in relation to any securities quoted on the Official List, means any number of such securities which is less than the number of securities prescribed by the Exchange as a board lot; and</p> <p>(c) “On-Market Married Transactions” <u>has the meaning given under the Rules of the Exchange; and</u></p> <p>(d) “on the market” transactions s means transactions made through the ATS and <u>it</u> excludes Direct Business Transactions, <u>and On-Market Married Transactions.</u></p> |
| ENHANCEMENTS TO THE REQUIREMENTS FOR TRANSACTIONS | |
| CHAPTER 10 - TRANSACTIONS | |
| Paragraph 10.11A | <p>Major Disposal</p> <p>(1) A listed Issuer which intends to undertake a Major Disposal must:</p> <p>(a) appoint a main adviser, who is a Principal Adviser, before the terms of the Major Disposal are agreed upon;</p> <p>(b) appoint an independent adviser who is a corporate finance adviser within the meaning of the SC’s Principal Adviser Guidelines;</p> <p><u>(bA) ensure that a valuation is conducted on all its material real estate, if the total net book value of all the listed issuer’s real estate contributes 50% or more to the total assets of the listed issuer on a consolidated basis;</u></p> <p>(c) include additional information set out in Part I of Appendix 10A and Part J of Appendix 10B respectively, in the announcement of the Major Disposal to the Exchange, and the circular issued to the shareholders or unit holders; and</p> |

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| | <p>(d) convene a general meeting and obtain shareholder or unit holder approval of at least 75% in value of the shareholders or unit holders present and voting either in person or by proxy at the meeting for such Major Disposal.</p> <p>(2) The main adviser must, in relation to the Major Disposal -</p> <p>(a) ensure that the Major Disposal complies with the relevant laws, regulations or guidelines, where applicable; and</p> <p>(b) ensure full disclosure of all information required to be disclosed in the announcement and circular.</p> <p>(3) The independent adviser must, in relation to the Major Disposal –</p> <p>(a) comment as to whether the Major Disposal and its related proposals (if any) are fair and reasonable in so far as the shareholders or unit holders are concerned. Such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion. In arriving at such opinion, the independent adviser should comply with the relevant provisions relating to an independent adviser's recommendation in Practice Note 15 – Independent Advice Circular issued by the SC pursuant to the Take-Overs and Mergers Code;</p> <p>(b) advise the shareholders or unit holders on whether they should vote in favour of the Major Disposal and its related proposals (if any); and</p> <p>(c) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in subparagraphs (a) and (b) above.</p> <p>(4) If in the Exchange's opinion, an independent adviser is not independent, the Exchange may disallow such independent adviser to be appointed or continue to act as an independent adviser.</p> <p><u>(5) In the event a valuation is required to be conducted on all its material real estate pursuant to subparagraph (1)(bA) above, the listed issuer or its valuer, or both, as the case may be, must comply with paragraphs 10.04(3) to 10.04(8), where applicable.</u></p> |
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**CLARIFICATION ON THE EXCHANGE'S POWERS TO
SUSPEND AND DE-LIST LISTED SECURITIES**

CHAPTER 16 – SUSPENSION, DE-LISTING AND ENFORCEMENT

Paragraph 16.02

Suspension of trading imposed by the Exchange

- (1) The Exchange may at any time suspend the trading of listed securities in any of the following circumstances:
- (a) in the event of any substantial corporate exercise or capital restructuring of a listed issuer [including a scheme of arrangement, compromise, amalgamation or selective capital reduction](#);
 - (b) in the event of a conversion exercise of singly quoted shares to shares which are separately quoted on the Official List;
 - (c) where, in the opinion of the Exchange, it is necessary or expedient in the interest of maintaining an orderly and fair market in securities traded on the Exchange;
 - (d) in any circumstances as provided in these Requirements;
 - (e) in the event of any breach of these Requirements by a listed issuer, management company or trustee-manager;
 - (f) upon notice by the SC to the Exchange that in its opinion a listed issuer, management company or trustee-manager has breached or has failed to comply with any provision of the CMSA, the Securities Industry (Central Depositories) Act 1991, the Securities Commission Act 1993 or the SC's guidelines, or that it is necessary or expedient in the public interest and where it would be for the protection of investors;
 - (g) in the event of maturity of a listed debt security, convertible security or structured warrant;
 - (h) upon the suspension of the trading of such securities listed on another stock exchange;
 - (i) upon the commencement of a voluntary winding-up of a listed issuer in accordance with the Companies Act, 1965;
 - (iA) in relation to a listed issuer which is a collective investment scheme, upon the commencement of a winding-up of the collective investment scheme in accordance with the deed, the relevant guidelines issued by the SC or the CMSA; or
 - (j) where the Exchange deems it appropriate for some other reason.

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| | <p>(2) Subject to subparagraph (3) below, where the public shareholding spread of a listed issuer is 10% or less of its total listed shares (excluding treasury shares), the Exchange shall suspend trading of the securities of the listed issuer upon expiry of 30 market days from the date of immediate announcement by the listed issuer pursuant to-</p> <p>(a) paragraph 8.02(3); or</p> <p>(b) paragraph 9.19(48) where the listed issuer has announced that the offeror intends to maintain the listed issuer's listing status.</p> <p>In this regard, the suspension will only be uplifted upon the listed issuer's full compliance with the public shareholding spread requirements under paragraph 8.02(1) or as may be determined by the Exchange.</p> <p>(3) In a take-over offer for the acquisition of the listed shares or listed units of a listed issuer pursuant to the Take-Overs and Mergers Code or a corporate proposal undertaken by or in relation to a listed issuer; The Exchange shall suspend trading of the securities of the listed issuer <u>in relation to a take-over offer under the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction,</u> upon expiry of 5 market days from the <u>close of the offer period date of immediate announcement by</u> the listed issuer <u>has made an announcement</u> that the offeror does not intend to maintain the listed issuer's listing status pursuant to paragraph 9.19(48).</p> <p>(4) The Exchange will notify the SC of any decision to suspend the trading of any class of the listed securities of a listed issuer pursuant to subparagraphs (1)(c), (e) or (h) above.</p> <p><i>[Cross reference: Practice Notes 16 and 17]</i></p> |
| CHAPTER 9 – CONTINUING DISCLOSURE | |
| <p>Appendix 9A, Part J</p> | <p>Contents of announcement in relation to a take-over offer (paragraph 9.19(48))</p> <p>(1) In relation to a take-over offer, whether it is the offeror's intention to maintain the listed issuer's listing status.</p> <p>(2) A statement containing either (a) or (b) below.</p> <p>(a) If the offeror's intention is to maintain the listed issuer's listing status –</p> <p>(i) the percentage of public shareholding spread;</p> |

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| | <ul style="list-style-type: none"> (ii) a statement that the trading of the securities of the listed issuer will be suspended immediately upon the expiry of 30 market days from the date of immediate announcement by the listed issuer. The suspension will only be uplifted by the Exchange upon the listed issuer’s full compliance with the public shareholding spread requirements under paragraph 8.02(1) or as may be determined by the Exchange; (iii) the steps taken or proposed to be taken by the listed issuer (if any) to increase its public shareholding spread to above 10% before the date suspension is to be effected; (iv) an explanation of the rectification plan (if any); (v) the tentative timeline for the steps referred to in subparagraph (iii) above and the rectification plan; <u>and</u> (vi) where neither the steps referred to in subparagraph (iii) above nor a rectification plan have been formulated or if no endeavours have been taken to formulate such steps or rectification plan, an appropriate negative statement to such effect; <u>and/or</u> <p>(b) <u>if</u> the offeror’s intention is to de-list the listed issuer, that trading in the listed issuer’s securities will be suspended immediately upon the expiry of 5 market days from the date of the immediate announcement<u>the close of the offer period.</u></p> |
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OTHER ANCILLARY ENHANCEMENTS

CHAPTER 1 – DEFINITIONS AND INTERPRETATION

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| <p>Paragraph 1.01</p> | <p>Definitions</p> <p>In these Requirements, unless the context otherwise requires:-</p> <p>partner in relation to a director, major shareholder, or a person connected with the director or major shareholder, means such person who falls within any one of the following categories:</p> <ul style="list-style-type: none"> (a) a person with whom the director, major shareholder or person connected with the director or major shareholder, is in or proposes to enter into partnership with. “Partnership” for this purpose has the meaning given <u>refers to a “partnership” as defined in section 3 of the Partnership Act 1961 or “limited liability partnership” as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; and/or</u> |
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| | <p>(b) a person with whom the director, major shareholder or person connected with a director or major shareholder has entered or proposes to enter into a joint venture, whether incorporated or not.</p> |
| <p>CHAPTER 2 – GENERAL</p> | |
| <p>Paragraph 2.28A</p> | <p>Validity of actions</p> <p>Unless otherwise specified by the Exchange, any amendment to these Requirements will not affect any action proposed to be taken, or is in the process of being taken, or has been taken by the Exchange in relation to the provision which is effective prior to the amendments.</p> |
| <p>CHAPTER 5 – STRUCTURED WARRANTS</p> | |
| <p>Paragraph 5.02</p> | <p>Definitions</p> <p>For the purpose of this Chapter, unless the context otherwise requires –</p> <p>underlying financial instrument in relation to structured warrants, means the shares in a corporation, units of an exchange-traded fund or index, which is the subject of such warrants.</p> |
| <p>CHAPTER 6 – NEW ISSUES OF SECURITIES</p> | |
| <p>Paragraph 6.56</p> | <p>Consequential securities</p> <p>(1) Where a listed issuer intends to issue convertible securities arising from adjustments due to an issue of securities or a subdivision or consolidation of shares (referred to as “consequential securities” and “principal securities” respectively) -</p> <p>(a) the consequential securities must be listed and quoted simultaneously with the principal securities; and</p> <p>(b) a<u>the</u> listed issuer must ensure that the period from the date it announces the books closing date for the consequential securities to the books closing date is not less than 10 market days; and</p> <p><u>(c) the listed issuer must submit the additional listing application pursuant to Practice Note 28.</u></p> |

CHAPTER 8 – CONTINUING LISTING OBLIGATIONS

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| Paragraph 8.26 | <p>Declaration of dividend <u>or distribution</u></p> <p>(1) Once the dividend <u>or distribution</u> has been declared <u>or proposed to securities holders</u>, a listed issuer must not make any subsequent alteration to the dividend <u>or distribution</u> entitlement.</p> <p>(2) A listed issuer must ensure that all dividends <u>or distributions</u> are paid not later than 3 months from the date of declaration or the date on which approval is obtained in a general meeting, whichever is applicable.</p> |
| Appendix 8A, paragraph 2 | <p>Contents of statement accompanying notices of annual general meetings (paragraph 8.27(2))</p> <p><u>1.</u> Further details of individuals who are standing for election as directors (excluding directors standing for a re-election), namely the following:</p> <ul style="list-style-type: none"> (a) the name, age, nationality, qualification, and whether the position is an executive or non-executive one and whether such director is an independent director; (b) the working experience and occupation; (c) any other directorships of public companies; (d) the details of any interest in the securities of the listed issuer and its subsidiaries; (e) the family relationship with any director and/or major shareholder of the listed issuer; (f) any conflict of interests that they have with the listed issuer; and (g) the list of convictions for offences within the past 10 years other than traffic offences, if any. <p><u>2.</u> <u>A statement relating to general mandate for issue of securities in accordance with paragraph 6.03(3) of these Requirements.</u></p> |

CHAPTER 9 – CONTINUING DISCLOSURE

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| <p>Paragraph 9.20</p> | <p>Dealings in quoted securities</p> <p>(1) A listed issuer must immediately announce to the Exchange any purchase or sale of securities quoted on the Exchange or any other stock exchange (“quoted securities”) entered into by the listed issuer or any of its subsidiaries, resulting in the purchase or sale consideration when aggregated with any other purchase or sale, respectively within the preceding 12 months (excluding such purchase or sale which has been previously announced by the listed issuer pursuant to this paragraph), being 5% or more of the listed issuer’s latest audited consolidated net assets. The listed issuer must include the following in the announcement to the Exchange:</p> <ul style="list-style-type: none"> (a) the aggregate purchase or sale consideration within the preceding 12 months which have not been previously announced and such amount as a percentage of the latest audited consolidated net assets of the listed issuer; (b) the total cost, book value and market value of all investments in quoted securities as at the date of the announcement; and (c) any profit or loss arising from the sales in quoted securities during the current financial year. <p>(2) Subparagraph (1) above does not apply to –</p> <ul style="list-style-type: none"> (a) a closed-end fund; (b) a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate; (c) a Participating Organisation; (d) purchases or sales of quoted securities in an existing subsidiary or associated company of the listed issuer; or (e) an exchange-traded fund. |
| <p>Paragraph 9.33</p> | <p>Issuance of circular or document</p> <p>(1) Where a listed issuer announces a corporate proposal (including a transaction) and pursuant to these Requirements a circular or document is required to be issued to its securities holders in relation to such corporate proposal -</p> |

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| | <p>(a) the said listed issuer must submit the draft circular or document to the Exchange or issue the circular or document as the case may be, in accordance with these Requirements as soon as possible and in any event not later than 2 months from the date of the announcement or the date the last approval necessary for the corporate proposal is obtained from the relevant authority, whichever is the later; and</p> <p>(b) <u>the said listed issuer must issue the circular or document within 14 market days after receipt of –</u></p> <p style="padding-left: 20px;">(i) where the draft circular or document is submitted to the Exchange pursuant to subparagraph (a) above, the circular or document must be issued immediately upon receipt of the Exchange’s confirmation that it has no further comments and in any event not later than 14 market days after receipt of such confirmation; or</p> <p style="padding-left: 20px;">(ii) <u>the approval from other relevant authorities in respect of the corporate proposal, where such approval is required,</u></p> <p style="padding-left: 40px;"><u>whichever is the later.</u></p> <p>(2) The timeframe prescribed under subparagraph (1)(b) above does not apply to circulars or documents for any of the following purposes:</p> <p style="padding-left: 20px;">(a) procurement of shareholder mandate in respect of recurrent related party transactions and share buy-backs which are to coincide with the annual general meeting;</p> <p style="padding-left: 20px;">(b) notification of maturity of securities;</p> <p style="padding-left: 20px;">(c) notification of share exchange, recall or reduction;</p> <p style="padding-left: 20px;">(d) notification of subdivision of shares; or</p> <p style="padding-left: 20px;">(e) such other corporate proposal or action as may be prescribed by the Exchange from time to time.</p> |
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CHAPTER 10 - TRANSACTIONS

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| Paragraph 10.02(g) | <p>Definitions</p> <p>For the purpose of this Chapter, unless the context otherwise requires –</p> <p>(g) “percentage ratios” means the figures, expressed as a percentage, resulting from each of the following calculations:</p> <p style="padding-left: 20px;">(i) the value of the assets which are the subject matter of the transaction, compared with the net assets of the listed issuer;</p> |
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| | <ul style="list-style-type: none"> (ii) net profits (after deducting all charges and taxation and excluding extraordinary items) attributable to the assets which are the subject matter of the transaction, compared with the net profits <u>attributable to the owners</u> of the listed issuer <u>(before other comprehensive income or loss)</u>; (iii) the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of the listed issuer; (iv) the equity share capital issued by the listed issuer as consideration for an acquisition, compared with the equity share capital previously in issue (excluding treasury shares); (v) the aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of the listed issuer (excluding treasury shares); (vi) the total assets which are the subject matter of the transaction compared with the total assets of the listed issuer; (vii) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the listed issuer compared with the total assets of the listed issuer or in the case where a joint venture corporation is incorporated as a result of the joint venture, the total equity participation of the listed issuer in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net assets of the listed issuer. The value of the transaction should include shareholders' loans and guarantees to be given by the listed issuer; or (viii) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the listed issuer, in the case of a disposal and where the acquisition of the subject matter took place within last 5 years; |
| <p>Paragraph 10.03</p> | <p>Basis of valuation</p> <ul style="list-style-type: none"> (1) For the purpose of determining the value of the assets referred to in paragraph 10.02(g)(i), the following applies: <ul style="list-style-type: none"> (a) in an acquisition of equity interest in a corporation which would not result in such equity interest being accounted for using the equity method, the value is to be assessed by reference to the cost of investment; |

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| | <p>(b) in an acquisition of equity interest in a corporation which would result in -</p> <p>(i) such equity interest being accounted for using the equity method; or</p> <p>(ii) such corporation being consolidated into the group <u>accounts financial statements</u> (“consolidation”),</p> <p>the value is to be assessed by reference to the book value of the net assets represented by such equity interest;</p> <p>(c) in a disposal of equity interest in a corporation where before the disposal such equity interest was not accounted for using the equity method, the value is to be assessed by reference to the carrying amount of the investment;</p> <p>(d) in a disposal of equity interest in a corporation where before the disposal -</p> <p>(i) such equity interest was accounted for using the equity method; or</p> <p>(ii) such corporation was included in consolidation,</p> <p>the value is to be assessed by reference to the book value of the net assets represented by such equity interest; or</p> <p>(e) in any acquisition of assets other than equity interest, the value of such assets is to be assessed by reference to the consideration. In the case of any disposal of assets other than equity interest, the value of such assets must be assessed by the consideration or the net book value of those assets, whichever is the greater.</p> <p>(2) For the purposes of determining the net profits <u>attributable to of</u> the assets <u>which are the subject matter of the transaction</u> referred to in paragraph 10.02(g)(ii) in relation to -</p> <p><u>(a) an acquisition of equity interest in a corporation which would result in –</u></p> <p><u>(i) such equity interest being accounted for using the equity method; or</u></p> <p><u>(ii) such corporation being included in consolidation,</u></p> <p><u>the net profits refer to the profits after tax attributable to the owners of the corporation (before other comprehensive income or loss) represented by such equity interest being acquired;</u></p> |
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| | <p><u>(b)</u> a disposal of equity interest of a corporation where, before the disposal –</p> <p><u>(i)</u> such equity interest was accounted for using the equity method; or</p> <p><u>(ii)</u> such corporation was included in consolidation.</p> <p><u>the net profits refer to the profits after tax attributable to the owners of the corporation (before other comprehensive income or loss) represented by such equity interest being disposed;</u></p> <p><u>(ac)</u> an acquisition of equity interest in a corporation which would not result in such equity interest being accounted for using the equity method, the net profits are to be assessed by reference to the dividend income derived from such investment based on the last financial year end of such corporation; and</p> <p><u>(bd)</u> a disposal of equity interest of a corporation where, before the disposal, such equity interest was not accounted for using the equity method, the net profits are to be assessed by reference to the dividend income derived from such investment based on the last financial year end of such corporation.</p> <p>(3) The market value of the equity share capital of the corporation will be determined as the weighted average market price for the equity share capital for the 5 market days before the date on which the terms of the transaction were agreed upon.</p> <p>(4) For the purpose of computation of indicators of materiality (including the percentage ratios) in this Chapter, the following applies:</p> <p>(a) the figures used must, in the case of total assets, net assets, net book value of assets and net profits, be figures shown in the latest published or announced audited financial statements of the listed issuer or audited consolidated financial statements of the listed issuer, if the listed issuer has subsidiaries;</p> <p>(b) the total assets, net assets and net book value of assets may be adjusted to take into account subsequent completed transactions in respect of which adequate information has already been issued to shareholders and where the adjustments have been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange;</p> |
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| | <p>(c) the listed issuer may use the total assets, net assets, net book value of assets included in the statement of financial position in its latest published or announced interim financial report provided that the report has been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange;</p> <p>(d) the listed issuer may use the net profits based on the unaudited 12 months results provided that the results have been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange; and</p> <p>(e) the figures used must, in the case of cost of investment or carrying amount of the investment referred to in subparagraph (1) above, be based on –</p> <p style="padding-left: 40px;">(i) the latest published or announced audited financial statements of the listed issuer or audited consolidated financial statements of the listed issuer, if the listed issuer has subsidiaries; or</p> <p style="padding-left: 40px;">(ii) the latest published or announced interim financial report of the listed issuer provided that the report has been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange.</p> <p>(5) In the case of an acquisition or disposal by the grant or exercise of an option, the consideration for the acquisition or disposal is the total of the issue price of the option and its exercise price.</p> <p>(6) If deferred consideration is or may be payable or receivable by a listed issuer or its subsidiary in the future, the consideration to be taken into account is the maximum total consideration payable or receivable under the transaction.</p> <p>(7) In circumstances where any one of the percentage ratios produces an anomalous result or where the percentage ratios are inappropriate to the sphere of the activity of the listed issuer, or for any other reason that the Exchange deems fit, the Exchange may -</p> <p style="padding-left: 40px;">(a) disregard the results or percentage ratio; and/or</p> <p style="padding-left: 40px;">(b) substitute or apply other relevant indicators of size.</p> <p>(8) The calculation set out in subparagraph 10.02(g)(v) is only applicable in respect of -</p> <p style="padding-left: 40px;">(a) transactions involving consideration in the form of listed equity shares; or</p> |
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| | <p>(b) transactions where all the other percentage ratios produce anomalous results or are inapplicable.</p> <p>(9) In relation to any acquisition or disposal of equity interest in a corporation, the calculation set out in subparagraph 10.02(g)(vi) is only applicable where -</p> <p>(a) the acquisition would result in such corporation being included in consolidation; or</p> <p>(b) before the disposal, such corporation was included in consolidation.</p> <p>(10) For the purposes of this paragraph, unless the context otherwise requires, the following words or expressions have the meanings given under the approved accounting standards of the Malaysian Accounting Standards Board:</p> <p>(a) equity method;</p> <p>(b) carrying amount; and</p> <p>(c) consolidation.</p> |
| <p>Paragraph 10.08(11)</p> | <p>The following transactions are not normally regarded as related party transactions:</p> <p>(e) the provision or receipt of financial assistance or services, upon normal commercial terms and in the ordinary course of business, from a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate;</p> <p>(m) a transaction between the listed issuer or any of its subsidiaries and another person where there are no other interested relationships except for -</p> <p>(i) common major shareholders; or</p> <p>(ii) a person connected with a major shareholder being a major shareholder of the other person,</p> <p>provided that the following conditions are satisfied:</p> <p>(aa) the major shareholder and/or the person connected with the major shareholder is/are not the largest shareholder of the listed issuer;</p> |

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| | <p>(bb) the major shareholder and/or the person connected with the major shareholder is/are not a party to the said transaction, initiator, agent or involved in any other manner in the said transaction;</p> <p>(cc) the major shareholder does not have any representative in an executive capacity on the board of directors of the listed issuer or any of its subsidiaries; and</p> <p>(dd) the major shareholder is -</p> <p>(A) a statutory institution who is managing funds belonging to the general public;</p> <p>(B) a closed end fund, unit trust or investment fund (but excluding an investment holding companycorporation); or</p> <p>(C) an insurance corporation whose activities are regulated by any written law relating to insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate, and the said insurance corporation is managing its insurance funds (together with its own shareholders' funds or otherwise). For the purposes of this subparagraph, "insurance funds" has the meaning given in section 2 of the Insurance Act, 1996;</p> <p>(p) subscription to or acquisition by a listed issuer or its unlisted subsidiaries not listed on any stock exchange, of debt securities and/or redeemable preference shares issued or guaranteed by or on behalf of the Government of Malaysia, Bank Negara Malaysia, and/or a State Government or an equivalent foreign regulatory authority as the Exchange deems appropriate; or</p> |
| <p>Appendix 10B, paragraph 3, Part G</p> | <p>Additional specific information to be included in relation to very substantial transactions (paragraph 10.10)</p> <p>(1) The proforma consolidated statement of financial position together with the notes and the auditors' letter showing effects before and after the transaction based on the listed issuer's –</p> <p>(a) published or announced audited financial statements for the latest financial period ended; or</p> <p>(b) latest published or announced interim financial report which must be reviewed by external auditors.</p> |

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| | <p>Where an interim report referred to in subparagraph 1(b) above is used, a statement that the interim report has been reviewed by external auditors.</p> <p>(2) A summary of the key audited financial data of the assets of business or interests to be acquired for the past 3 financial years or since the date of incorporation or commencement of operations, whichever is the later. The financial data must include, but not be limited to, shareholders' funds and total borrowings.</p> <p>(3) An accountant's report on the unlisted corporation to be acquired which must include the following:</p> <p>(a) the statement of profit and loss and other comprehensive income (or its equivalent) in respect of each of the 3 financial years immediately preceding the last date to which the financial statements were made up; and</p> <p>(b) the statement of financial position (or its equivalent) for each of the past 3 financial years immediately preceding the last date to which the financial statements were made up.</p> <p><u>The report will not be required if the percentage ratio for the very substantial transaction is triggered due to aggregation of the transactions of the unlisted corporation under paragraph 10.12, but where individually, the percentage ratio of each transaction is less than 100%.</u></p> <p>(4) For assets or interests to be acquired which do not have any profitability track record (as in certain privatisation cases), the information must include, but not be limited to, the total cost needed to put on-stream the operation of the assets or interests and the proportion to be assumed or guaranteed by the listed issuer, the expected date on which the profit contribution will accrue to the listed issuer and the expected returns to be derived, together with the appropriate assumptions used. The listed issuer must ensure that the information provided is verified and confirmed by independent experts.</p> <p>(5) In the case of a disposal, a statement on the listed issuer's future activities and direction after the disposal of the asset.</p> |
| <p>Appendix 10B, paragraph 8(a), Part H</p> | <p>Additional specific information to be included in relation to significant change in business direction or policy of a listed issuer (paragraphs 10.11 and 10.14)</p> <p>(1) – (7) [No change].</p> <p>(8) The proforma consolidated statement of financial position together with the notes and the auditors' letter showing effects before and after the transaction based on the listed issuer's –</p> |

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| | <p>(a) published or announced audited accounts—financial statements for the latest financial period ended; or</p> <p>(b) latest published or announced interim financial report which must be reviewed by external auditors.</p> <p>Where an interim report referred to in subparagraph (b) above is used, a statement that the interim report has been reviewed by external auditors.</p> <p>(9) – (12) [No change].</p> |
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CHAPTER 15 – CORPORATE GOVERNANCE

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| Paragraph 15.05 | <p>Qualification, vacation of office and removal of directors</p> <p>(1) A listed issuer must ensure that no person is appointed or allowed to act as a director of the issuer or be involved whether directly or indirectly in the management of the issuer, including acting in an advisory capacity in relation to the issuer, if he –</p> <p>(a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;</p> <p>(b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or</p> <p>(c) has been convicted by a court of law of an offence under the securities laws or the Companies Act 1965,</p> <p>within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.</p> <p>(2) For the purpose of subparagraph (1) above, “securities laws” means the CMSA, the Securities Industry (Central Depositories) Act 1991, and the Securities Commission Act 1993, or in the case of a foreign listed issuer, the equivalent securities and corporation legislation of the foreign listed issuer’s place of incorporation.</p> <p>(3) The office of a director will become vacant if the director –</p> <p>(a) becomes of unsound mind;</p> <p>(b) becomes bankrupt;</p> <p>(c) is absent from more than 50% of the total board of directors’ meetings held during a financial year; or</p> |
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| | <p>(d) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in subparagraphs (1)(a), (b) or (c) above.</p> <p>(4) For the purposes of subparagraph (3)(c) above, if a director is appointed after the commencement of a financial year, then only the board of directors' meetings held after his appointment will be taken into account.</p> <p>(5) Where a director is removed from office, the listed issuer must forward to the Exchange a copy of any written representations made by the director in question at the same time as copies of such representations are sent to members of the listed issuer under section 128(3)(b) of the Companies Act 1965, unless copies of such representations need not be sent out by reason of the circumstances specified in section 128(4) of the Companies Act 1965.</p> |
| <p>Paragraph 15.17</p> | <p>Rights of the audit committee</p> <p>A listed issuer must ensure that wherever necessary and reasonable for the performance of its duties, an audit committee must, in accordance with a procedure to be determined by the board of directors and at the cost of the listed issuer –</p> <p>(a) have authority to investigate any matter within its terms of reference;</p> <p>(b) have the resources which are required to perform its duties;</p> <p>(c) have full and unrestricted access to any information pertaining to the listed issuer;</p> <p>(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;</p> <p>(e) be able to obtain independent professional or other advice; and</p> <p>(f) be able to convene meetings with the external auditors, the internal auditors person(s) carrying out the internal audit function or activity or both, excluding the attendance of other directors and employees of the listed issuer, whenever deemed necessary.</p> |
| <p>CHAPTER 16 – SUSPENSION, DE-LISTING AND ENFORCEMENT</p> | |
| <p>Paragraph 16.07</p> | <p>Withdrawal in a take-over offer or corporate proposal</p> <p>Notwithstanding paragraph 16.06 above, a listed issuer may withdraw its listing from the Official List in the following circumstances:</p> |

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| | <p>(a) in relation to a take-over offer under the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction, upon 90% or more of its listed shares (excluding treasury shares) or listed units being held by a shareholder or unit holder, either individually or jointly with associates of the said shareholder or unit holder; or</p> <p>(b) in relation to a corporate proposal undertaken by or in relation to the listed issuer, upon 100% of the listed shares or listed units of the listed issuer being held by a shareholder or unit holder either individually or jointly with the associates of the said shareholder or unit holder,</p> <p>and the listed issuer has announced the offeror's intention not to maintain the listed issuer's listing status pursuant to paragraph 9.19(48).</p> |
| <p>Paragraph 9.19(48)</p> | <p>Immediate announcements to the Exchange</p> <p>A listed issuer must immediately announce to the Exchange the events set out below. This requirement is in addition to the other announcement requirements which are imposed under this Chapter and other parts of these Requirements, and are not exhaustive -</p> <p>(48) in relation to a take-over offer for the acquisition of the listed shares or listed units of a listed issuer pursuant to the Take-Overs and Mergers Code or a corporate proposal undertaken by or in relation to a listed issuer, upon 90% or more of the listed shares (excluding treasury shares) or listed units of the said listed issuer being held by a shareholder or unit holder either individually or jointly with associates of the said shareholder or unit holder. In relation to a take-over offer, the listed issuer must include the information contained in Part J of Appendix 9A in the announcement to the Exchange;</p> |
| <p>Paragraph 16.11</p> | <p>De-listing by the Exchange</p> <p>(1) The Exchange may at any time de-list a listed issuer or any listed securities from the Official List in any of the following circumstances:</p> <p>(a) where the listed issuer fails to comply with these Requirements, subject to consultation with the SC;</p> <p>(b) in other circumstances as provided under paragraphs 8.03, 8.04, 9.28 or paragraphs 2, 3, and 4 of Practice Note 29, upon which the Exchange will notify the SC of the same;</p> <p><i>[Cross reference: Practice Note 29]</i></p> <p>(c) upon the de-listing of the listed issuer or the de-listing of such securities on another stock exchange;</p> |

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| | <p>(d) in relation to a SPAC, when it fails to complete a qualifying acquisition within 36 months from the date of its admission to the Exchange; or</p> <p>(e) where in the opinion of the Exchange, circumstances exist which do not warrant the continued listing of <u>any listed securities</u>, a listed issuer or any class of its listed securities, subject to consultation with the SC where applicable.</p> <p>(2) The Exchange shall de-list a listed issuer in any one of the following circumstances:</p> <p>(a) pursuant to a directive, requirement or condition imposed by the SC, after which the Exchange will notify the SC of the decision to de-list;</p> <p>(b) upon the maturity or expiry of a class of securities;</p> <p>(c) [deleted]</p> <p>(d) upon a winding up of a listed issuer. For this purpose, “winding up of a listed issuer” includes any of the following circumstances:</p> <p>(i) upon the commencement of a voluntary winding-up of a listed issuer in accordance with the Companies Act, 1965;</p> <p>(ii) upon a winding up order being made against a listed issuer; or</p> <p>(iii) upon the winding-up of a collective investment scheme in accordance with the deed, the relevant guidelines issued by the SC or the CMSA;</p> <p>(e) where a structured warrant has been fully exercised before expiry or maturity; or</p> <p>(f) in the case of a structured warrant, upon the de-listing of the underlying securities by the securities exchange where it is quoted.</p> <p><i>[Cross reference: Practice Notes 16 and 17]</i></p> |
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PRACTICE NOTE 11 – PROVISION OF FINANCIAL ASSISTANCE

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| <p>Practice Note 11, paragraph 1.1</p> | <p>Introduction</p> <p>1.1 Paragraph 8.23 of the Listing Requirements provides that a listed issuer or its unlisted subsidiaries <u>not listed on any stock exchange</u> may lend or advance any money or guarantee, indemnify or provide collateral for a debt (“provision of financial assistance”) to categories of persons set out in paragraph 8.23(1)(i) to (iii). One of the categories of persons is the following:</p> <p>“(ii) persons to whom the provision of financial assistance -</p> <p style="padding-left: 40px;">(aa) is necessary to facilitate the ordinary course of business of the listed issuer or its subsidiaries; or</p> <p style="padding-left: 40px;">(bb) pursuant to the ordinary course of business of the listed issuer or its subsidiaries;</p> <p style="padding-left: 40px;">such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its moneylending business;”</p> |
| <p>Practice Note 11, paragraph 2.2</p> | <p>Clarification on Requirements</p> <p>Subscription to or acquisition of debt securities and/or redeemable preference shares which are regulated by any written law and are subject to supervision by the SC, or Bank Negara Malaysia <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate</u>, by a listed issuer or its unlisted subsidiaries <u>not listed on any stock exchange</u>, are not considered as provision of financial assistance within paragraph 8.23 of the Listing Requirements. However, where such subscription or acquisition is a related party transaction, the listed issuer must comply with paragraph 10.08 of the Listing Requirements.</p> |
| <p>Practice Note 11, paragraph 3.0</p> | <p>Disclosure obligations</p> <p>3.1 A listed issuer must announce the financial assistance rendered or made by the said listed issuer or its unlisted subsidiaries <u>not listed on any stock exchange</u> pursuant to paragraph 8.23(1)(ii) of the Listing Requirements for each quarter of its financial year, if any, simultaneously with its quarterly report pursuant to paragraph 9.22 of the Listing Requirements and in any event not later than 2 months after the end of each quarter of a financial year. The listed issuer must include in its announcement the information set out in Annexure PN11-A.</p> <p>3.2 Paragraph 3.1 above does not apply to provision of financial assistance in respect of the business of leasing, factoring, share financing, share margin financing or hire purchase carried out by a listed issuer or its unlisted subsidiaries <u>not listed on any stock exchange</u> in the ordinary course of business, or such other similar business that may be determined by the Exchange.</p> |

PRACTICE NOTE 12 – RECURRENT RELATED PARTY TRANSACTION**Practice Note 12,
paragraphs 3.4(a)
and (c)**

Notwithstanding paragraph 3.2(d) above and subject to paragraph 10.09 of the Listing Requirements and the other provisions of this Practice Note, a listed issuer may obtain a Mandate in respect of the following Recurrent Related Party Transactions:

- (a) the pooling of funds within the listed issuer's group of companies via a centralised treasury management function or such similar arrangements which entails the provision of financial assistance by the listed issuer, its ~~unlisted~~ subsidiaries not listed on any stock exchange, or both, on a short or medium term basis provided that -
 - (i) the listed issuer in seeking such a mandate in accordance with paragraphs 8.23 and 10.09 of the Listing Requirements, must include in its circular, in addition to such other information as prescribed under the Listing Requirements, the estimated amounts or value of financial assistance ("**Estimate**"); and
 - (ii) notwithstanding paragraph 10.09(2)(e) of the Listing Requirements, if the actual amount of financial assistance provided or rendered exceeds the Estimate, the listed issuer must immediately announce the same to the Exchange. If the percentage ratio of the amount of financial assistance provided or rendered in excess of the Estimate is 5% or more, the listed issuer must comply with paragraph 10.08 of the Listing Requirements.
- (b) [no change].
- (c) provision of financial assistance in respect of the business of -
 - (i) leasing, factoring or hire purchase carried out by a listed issuer or its ~~unlisted~~ subsidiaries not listed on any stock exchange; or
 - (ii) share financing or share margin financing carried out by a listed issuer or its ~~unlisted~~ subsidiaries not listed on any stock exchange which is a Participating Organisation; or
 - (iii) such other similar business that may be determined by the Exchange.

PRACTICE NOTE 23 – LISTING PROCEDURES FOR SPECIFIC APPLICANTS

**Practice Note 23,
Annexure PN23-C**

Undertaking by a director of a management company of a real estate investment trust
(paragraph 4.2(a); [paragraph 15.03\(1\) of the Listing Requirements](#))

To:

Bursa Malaysia Securities Berhad
Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

Compliance with Main Market Listing Requirements

I, [name of director], am a director of[name of management company] ("**Company**") #which #has submitted an application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the real estate investment trust.....[name of the trust] ("**Trust**") to be admitted to the Official List of Bursa Securities ("**Official List**") / [for the real estate investment trust.....\[name of the trust\] \("**Trust**"\) which](#) is/are listed on the Official List of Bursa Securities.

In consideration of Bursa Securities #approving the Company's application for admission of the Trust to the Official List / allowing the continued listing of the Trust on the Official List, I UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements including any amendment as may be made from time to time, insofar as the same shall apply to me as a director of the Company.

**This Undertaking is deemed to have been made in Malaysia and the construction, validity and performance of this Undertaking are governed in all respects by the laws of Malaysia and I irrevocably submit to the jurisdiction of the Malaysian Courts.

Yours faithfully,

.....

Name:

NRIC No. (Old & New):

**Passport No. & Country of Issuance:

Designation:

Date:

Delete as appropriate

** Applicable to a foreign director only.

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| <p>Practice Note 23, Annexure PN23-D</p> | <p>Letter of confirmation by an independent director of a management company of a real estate investment trust (paragraph 4.2(b); paragraph 15.03(2) of the Listing Requirements)</p> <p>To:</p> <p>Bursa Malaysia Securities Berhad Exchange Square Bukit Kewangan 50200 Kuala Lumpur</p> <p>Confirmation of “independence” pursuant to Main Market Listing Requirements</p> <p>I, [name of director], am a director of [name of management company of real estate investment trust] for the real estate investment trust.....[name of the trust] (“Trust”) which #has submitted an application to Bursa Malaysia Securities Berhad (“Bursa Securities”) to be admitted to the Official List of Bursa Securities / is listed on the Official List of Bursa Securities.</p> <p>I CONFIRM AND DECLARE that I am an independent member as defined in the Securities Commission’s Guidelines on Real Estate Investment Trusts.</p> <p>**This Confirmation is deemed to have been made in Malaysia and the construction, validity and performance of this Confirmation are governed in all respects by the laws of Malaysia and I irrevocably submit to the jurisdiction of the Malaysian Courts.</p> <p>Yours faithfully,</p> <p>.....</p> <p>Name:</p> <p>NRIC No. (Old & New):</p> <p>**Passport No. & Country of Issuance:</p> <p>Designation:</p> <p>Date:</p> <p># Delete as appropriate</p> <p>** Applicable to a foreign independent director only.</p> |
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| <p>Practice Note 23, Annexure PN23-G</p> | <p>Undertaking by a director of a management company of an exchange-traded fund (paragraph 8.2(a); paragraph 15.03(1) of the Listing Requirements)</p> <p>To:</p> <p>Bursa Malaysia Securities Berhad Exchange Square Bukit Kewangan 50200 Kuala Lumpur</p> <p>Compliance with Main Market Listing Requirements</p> <p>I, [name of director], am a director of[name of management company] (“Company”) #which #has submitted an application to Bursa Malaysia Securities Berhad (“Bursa Securities”) for the exchange-traded fund[name of the fund] (“ETF”) to be admitted to the Official List of Bursa Securities (“Official List”) / for the exchange-traded fund.....[name of the fund] (“ETF”) which is/are listed on the Official List of Bursa Securities .</p> <p>In consideration of Bursa Securities #approving the Company’s application for admission of the ETF to the Official List / allowing the continued listing of the ETF on the Official List, I UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements including any amendment as may be made from time to time, insofar as the same shall apply to me as a director of the Company.</p> <p>**This Undertaking is deemed to have been made in Malaysia and the construction, validity and performance of this Undertaking are governed in all respects by the laws of Malaysia and I irrevocably submit to the jurisdiction of the Malaysian Courts.</p> <p>Yours faithfully,</p> <p>.....</p> <p>Name:</p> <p>NRIC No. (Old & New):</p> <p>**Passport No. & Country of Issuance:</p> <p>Designation:</p> <p>Date:</p> <p># Delete as appropriate</p> <p>** Applicable to a foreign director only.</p> |
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**Practice Note 23,
Annexure PN23-H**

Letter of confirmation by an independent director of a management company of an exchange-traded fund

(paragraph 8.2(b); [paragraph 15.03\(2\) of the Listing Requirements](#))

To:

Bursa Malaysia Securities Berhad
Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

Confirmation of “independence” pursuant to Main Market Listing Requirements

I, [name of director], am a director of [name of management company of exchange-traded fund] [for the exchange-traded fund\[name of the fund\] \(“ETF”\)](#) which #has submitted an application to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) to be admitted to the Official List of Bursa Securities / is listed on the Official List of Bursa Securities.

I CONFIRM AND DECLARE that I am an independent member in the Securities Commission’s Exchange-Traded Funds Guidelines.

**This Confirmation is deemed to have been made in Malaysia and the construction, validity and performance of this Confirmation are governed in all respects by the laws of Malaysia and I irrevocably submit to the jurisdiction of the Malaysian Courts.

Yours faithfully,

.....

Name:

NRIC No. (Old & New):

**Passport No. & Country of Issuance:

Designation:

Date:

Delete as appropriate

** Applicable to a foreign independent director only.

PRACTICE NOTE 27 – LISTING PROCEDURES FOR STRUCTURED WARRANTS

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| Practice Note 27, Annexure PN27-B, paragraph 7, Part A | 7. | Confirmation | <p>We confirm the following:</p> <p>(a) we are in full compliance with the relevant requirements for issuer as stipulated under the SC's Structured Warrants Guidelines Issuer Eligibility Guidelines – Structured Warrants.</p> <p>(b) we are in full compliance with the relevant requirements for Further Issue pursuant to paragraph 5.29(1) of Bursa Malaysia Securities Berhad (“Exchange”) Main Market Listing Requirements (“LR”).</p> |
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PRACTICE NOTE 28 – LISTING PROCEDURES FOR NEW ISSUES OF SECURITIES

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| Practice Note 28, Annexure PN28-B, paragraph 12, Part A | 12. | *Directorships and/or substantial shareholdings of the controlling shareholder | <p>A list setting out directorships and/or substantial shareholdings of the controlling shareholder(s) in all other listed issuers in Malaysia for the past 3 years, is attached.</p> <div style="text-align: right; border: 1px solid black; width: 40px; height: 20px; margin-left: auto;"></div> |
| | | | <p>* Not applicable to controlling shareholders which are statutory institutions managing funds belonging to the public.</p> |

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| Practice Note 28, Annexure PN28-B, paragraph 19, Part A | 19. | CORPORATE PROPOSALS WHICH FALL UNDER PARAGRAPHS 4.1 AND 4.20 OF PRACTICE NOTE 28 | |
| | 19A. | Undertakings for corporate proposals which apply the procedure under paragraphs 4.1 and 4.20 | <p>We undertake the following:</p> <p>(a) the return of allotment will be filed with the Registrar of Companies pursuant to the Companies Act, 1965 or in relation to a foreign corporation, the relevant document showing its latest issued and paid-up capital will be filed with the relevant authority pursuant to the laws of the place of incorporation;</p> <p>(b) all notices of allotment will be issued and despatched to the entitled holders as expeditiously as possible and in any event, not later than 4 market days after the date of listing and quotation;</p> |

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| | | | <ul style="list-style-type: none"> (c) the new securities will be listed and quoted as the existing listed securities of the same class; (d) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities will be met; (e) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law; (f) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the listed issuer has failed to meet any of the above undertakings referred to in paragraphs (a) to (d) or of any circumstances or facts referred to in paragraph (e) above; and (g) to announce to the Exchange the relevant information in accordance with paragraph 13.2 of Practice Note 28. |
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ACE MARKET LISTING REQUIREMENTS

| ENHANCEMENTS TO THE FRAMEWORK FOR NEW ISSUE OF SECURITIES | |
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| CHAPTER 6 – NEW ISSUES OF SECURITIES | |
| Rule 6.45 | <p>Share Issuance Scheme after listing</p> <p>(1) A listed corporation must ensure that all schemes, whether implemented by the listed corporation or its subsidiary, involving that it implements which involve the issue of shares to employees comply with the following:</p> <ul style="list-style-type: none"> (a) the scheme is approved by the shareholders of the listed corporation in general meeting; (b) the resolution approves a specific scheme and refers either to the scheme itself or to a summary of its principal terms included in the circular which contains all the provisions set out in Appendix 6E; (c) unless the shares subject to the scheme are identical with other listed shares they are separately designated; <u>and</u> (d) where directors of the listed corporation are trustees of the scheme or have an interest, direct or indirect, in the scheme, the circular must disclose that interest; and (e) where the scheme is implemented by a subsidiary, the bylaws of such scheme includes the provisions set out in Appendix 6E[deleted] <p>(2) Subparagraph (1) does not apply to -</p> <ul style="list-style-type: none"> (a) an applicant that is implementing a Share Issuance Scheme as part of its listing proposal; and (b) Share Issuance Scheme implemented by subsidiaries of the listed corporation which are listed on the Main Market of the Exchange or a stock exchange deemed comparable by the Exchange. |
| Rule 9.19(51) and New Rule 9.19(52) | <p>Immediate announcements to the Exchange</p> <p>A listed corporation must immediately announce to the Exchange the events set out below. This requirement is in addition to the other announcement requirements which are imposed under this Chapter and other parts of these Requirements, and are not exhaustive:</p> <p>(1) – (50) [No change].</p> |

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| | <p>(51) any options or shares offered under a Share Issuance Scheme. The listed corporation must announce <u>An announcement on the options or shares offered must be made the following</u> on the date of the offer <u>and must include the following information:</u></p> <ul style="list-style-type: none"> (a) date of offer; (b) exercise price of options offered, if applicable; (c) number of options or shares offered; (d) market price of its securities on the date of the offer; (e) number of options or shares offered to each director, if any; and (f) vesting period of the options or shares offered; or. <p>(52) <u>any employee share scheme implemented by a subsidiary either by way of an issuance of new shares or grant of its existing shares. An announcement on such a scheme must include the following information:</u></p> <ul style="list-style-type: none"> (a) <u>principal terms of the employee share scheme implemented by the subsidiary; and</u> (b) <u>financial effect (including the dilutive effect, if any) of the employee share scheme implemented by the subsidiary.</u> |
| Rule 6.52 | <p><u> Holders of convertible securities </u></p> <p><u>A listed corporation seeking a listing of its convertible securities must have at least 100 holders of such securities holding not less than 1 board lot of the convertible securities each.</u></p> |
| Guidance Note 17, Annexure GN17-B paragraph (1), Part B | <p>Documents to be filed with a listing application for a new issue of securities (paragraphs 6.1(b), 7.1 and 8.1)</p> <p>(1) A listed corporation must file the following documents in support of a listing application for a new issue of securities:</p> <ul style="list-style-type: none"> (a) a copy of the announcement, circular, prospectus or abridged prospectus which is registered with the relevant authorities; (b) a certified true copy of the relevant resolution passed by securities holders in general meeting; (c) a letter from the listed corporation's Sponsor or Adviser, as the case may be, confirming all approvals of relevant authorities have been obtained; |

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| | <p>(d) a copy each of all letters of approval from the relevant authorities;</p> <p><u>(dA) in the case of a bonus issue –</u></p> <p><u>(i) a statement from the listed corporation confirming the adequacy of the reserves for capitalisation; and</u></p> <p><u>(ii) where a confirmation by the external auditors or reporting accountants is required under Rule 6.31(3) of the Listing Requirements, the report from the external auditors or reporting accountants.</u></p> <p>(e) in the case of a Share Issuance Scheme, a draft copy of the bylaws; and</p> <p>(f) for proposals which apply the procedures under paragraphs 3.0 and 4.0 of Guidance Note 17, a cheque drawn to the order of Bursa Malaysia Securities Berhad for the processing and listing fees (see the Schedule of Fees for the computation of the amount), together with a copy of the details of the computation of the amount of listing fees payable.</p> <p>(2) If any of the above documents are not filed because they are not applicable or available in any case, a listed corporation must submit a separate exhibit explaining why such documents are not applicable or available.</p> |
| <p>Guidance Note 17, Annexure GN17-B, paragraphs (1)(e), (f) and (g), Part C</p> <p>and</p> <p>New paragraph (2), Part C</p> | <p>Documents to be filed with a quotation application for a new issue of securities (paragraph 6.2)</p> <p><u>(1)</u> A listed corporation must file the following documents in support of quotation application for a new issue of securities:</p> <p>(a) a confirmation from the listed corporation as to its latest issued and paid-up capital;</p> <p>(b) a confirmation that all notices of allotment have been issued and despatched to the entitled holders;</p> <p>(c) a confirmation from the listed corporation that the Depository is ready to credit the new securities to the accounts of the entitled holders, after receiving the allotment information for crediting of the new securities;</p> <p>(d) a cheque drawn to the order of Bursa Malaysia Securities Berhad for the listing fees (see Schedule of Fees for computation of amount) together with a copy of the details of the computation of the amount of listing fees payable;</p> |

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| | <p>(e) a confirmation from the listed corporation’s Sponsor or Adviser, as the case may be, of whether the new issue of securities will be listed and quoted as the existing securities of the same class or will be separately quoted on the listing date. If the new issue of securities will be separately quoted on the listing date, to specify the entitlement that the holders of the new issue of securities will not be entitled to;</p> <p>(f) a confirmation from the listed corporation’s Sponsor or Adviser, as the case may be, that all conditions including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities have been met;</p> <p>(g) a confirmation from the listed corporation’s Sponsor or Adviser, as the case may be, that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law; and</p> <p>(h) such other documents which are not/have not been submitted pursuant to Part B of Annexure GN17-B.</p> <p><u>(2) The relevant confirmations in subparagraphs (1)(e), (f) or (g) above may be provided by the listed corporation instead of the Sponsor or Adviser, as the case may be, for an application for quotation of new issue of securities arising from –</u></p> <p><u>(a) an exercise or conversion of convertible securities; or</u></p> <p><u>(b) an exercise of options under a Share Issuance Scheme.</u></p> |
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ENHANCEMENTS TO POST LISTING OBLIGATIONS

CHAPTER 8 – CONTINUING LISTING OBLIGATIONS

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| Rule 8.03 | <p>Cash Companies</p> <p>(1) A listed corporation whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both (“Cash Criterion”), must immediately notify the Exchange of its condition in writing. The Exchange will determine whether such listed corporation should be considered a Cash Company. A listed corporation considered as a Cash Company by the Exchange will be notified by the Exchange.</p> <p>(2) A Cash Company must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed corporation or de-list it, or both.</p> |
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| | <p>(3) For the purposes of sub-Rule (1) above, the following apply:</p> <ul style="list-style-type: none">(a) a listed corporation must, as a minimum requirement, make a determination as to whether it triggers the Cash Criterion when it disposes its assets or business on a group basis or prepares its financial statements or accounts; and(b) “short term investments” means investments which are by their nature readily realisable and intended to be held for 12 months or less including interests (equity or otherwise) in corporations. <p>(4) A Cash Company must place at least 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal undertaken by the Cash Company) in an account opened with a financial institution licensed by Bank Negara Malaysia and operated by a custodian. Any interest generated by the monies held in the account must accrue to the account. For the purpose of this sub-Rule (4), “custodian” means any of the following who is independent of the Cash Company:</p> <ul style="list-style-type: none">(a) a trust company registered under the Trust Companies Act 1949 or incorporated pursuant to the Public Trust Corporation Act 1995 and is in the List of Registered Trustees in relation to Unit Trust Funds issued by the SC; or(b) a licensed bank or merchant bank as defined in the Banking and Financial Institutions Act 1989. <p>The Cash Company must ensure that the amount placed in the above account is not withdrawn, except for the following purposes:</p> <ul style="list-style-type: none">(i) implementing a proposal to acquire a new core business approved by the Exchange; or(ii) pro-rata distributions to shareholders pursuant to sub-Rule (9) below. <p>(5) A Cash Company must comply with the following additional requirements:</p> <ul style="list-style-type: none">(a) regularise its condition in the following manner:<ul style="list-style-type: none">(i) submit a proposal to acquire a new core business, which is substantially comprehensive and will increase shareholder value, to the Exchange and obtain the Exchange’s approval to implement the proposal, within 12 months from the date it receives the notice referred to in sub-Rule (1) above; |
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| | <ul style="list-style-type: none"> (ii) appoint a Sponsor within 3 months from the date the listed corporation announces that it is a Cash Company and retain the said Sponsor until it is no longer considered as Cash Company by the Exchange under sub-Rule (8) below; and (iii) implement its proposal within 6 months from the date the proposal is approved by the Exchange. However, for cases which involve court proceedings, a Cash Company has up to 12 months from the date the proposal is approved by the Exchange, to complete the implementation of the proposal; <ul style="list-style-type: none"> (b) retain the services of a Sponsor for at least 3 full financial years after it is no longer considered as a Cash Company by the Exchange under sub-Rule (8) below. In this regard, the Sponsor referred to in sub-Rule (a)(ii) above must act as the Sponsor of the Cash Company for at least the first full financial year; (c) provide such information as may be prescribed by the Exchange from time to time for public release; and (d) do such other acts or things as may be required by the Exchange. <p>(6) The Exchange may suspend the trading of the Cash Company's listed securities if it fails to comply with any part of its obligations in sub-Rule (5)(a) above or if its proposal is rejected by the Exchange and the Exchange may de-list such Cash Company.</p> <p>(7) Sub-Rules (1) and (2) above are not applicable to the following listed corporations:</p> <ul style="list-style-type: none"> (a) listed corporations whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia; (b) Participating Organisations; (c) infrastructure project corporations which have not completed their infrastructure project(s); and (d) such other category of listed corporations as may be prescribed by the Exchange. <p>(8) For a Cash Company to be no longer considered a Cash Company, the Cash Company must–</p> <ul style="list-style-type: none"> (a) complete the implementation of its proposal; and |
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| | <p>(b) submit an application to the Exchange to demonstrate that it is no longer a Cash Company, together with all the necessary documentary evidence.</p> <p>The fact that a Cash Company has ceased to trigger the Cash Criterion before it completes the implementation of its proposal, would not entitle it to be no longer considered as a Cash Company for the purpose of this sub-Rule.</p> <p>(9) If theA Cash Company fails to comply with any part of its obligations in sub-Rule (5)(a) above it must ensure that all moneys deposited, together with interests earned with the financial institution licensed by Bank Negara Malaysia and operated by a custodian under sub-Rule (4) above are distributed to its shareholders on a pro-rata basis as soon as practicable if the Cash Company –</p> <p>(a) fails to comply with any part of its obligations in sub-Rule (5)(a) above; or</p> <p>(b) does not intend to maintain its listing at any time after it receives the notice referred to in sub-Rule (1) above.</p> <p><i>[Cross reference: Guidance Notes 2 and 20]</i></p> |
| <p>Rule 8.25</p> | <p>Provision of financial assistance</p> <p>(1) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and subject to sub-Rule (2) below, a listed corporation or its unlisted subsidiaries not listed on any stock exchange may only -</p> <p>(a) lend or advance any money; or</p> <p>(b) guarantee, indemnify or provide collateral for a debt,</p> <p>(“provision of financial assistance”) to or in favour of the following:</p> <p>(i) directors or employees of the listed corporation or its subsidiaries;</p> <p>(ii) persons to whom the provision of financial assistance -</p> <p>(aa) is necessary to facilitate the ordinary course of business of the listed corporation or its subsidiaries; or</p> <p>(bb) pursuant to the ordinary course of business of the listed corporation or its subsidiaries,</p> <p>such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its moneylending business; or</p> |

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| | <p>(iii) the subsidiaries, or associated companies <u>or joint arrangements</u> of the listed corporation, the listed corporation (in the case of the subsidiaries providing the financial assistance) or its immediate holding company which is listed.</p> <p><u>For the purpose of this sub-Rule (iii), a “joint arrangement” has the meaning given to it under the approved accounting standards.</u></p> <p>(2) Where a listed corporation or its subsidiaries provide financial assistance -</p> <p>(a) the board of directors of such listed corporation must ensure -</p> <p>(i) that the provision of the financial assistance referred to in sub-Rule (1) above is fair and reasonable to the listed corporation and is not to the detriment of the listed corporation and its shareholders; and</p> <p>(ii) where a listed corporation or its subsidiary lends or advances money in the ordinary course of business as a moneylender (“moneylending company” and “moneylending operations”), that the board of directors of the listed corporation oversees the moneylending operations and the management of credit risk of the moneylending company including ensuring that adequate policies and procedures are put in place which must be reviewed regularly to enable –</p> <p>(aa) maintenance of sound credit-granting standards;</p> <p>(bb) maintenance of a clear and defined credit approval process including a list of the approving party(ies), which must include the board of directors of the listed corporation, for different quantum of financial assistance granted by the moneylending company;</p> <p>(cc) monitoring and control of credit risk; and</p> <p>(dd) timely identification and administration of problem credits;</p> <p>(b) where it is a related party transaction as defined in Rule 10.02, the listed corporation complies with the requirements of Rule 10.08 in addition to this provision;</p> |
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| | <p>(c) where the provision of financial assistance is to the associated company <u>or the joint arrangement of the listed corporation</u>, and the aggregate amount provided or to be provided at any time to each associated company <u>or joint arrangement</u> compared to the net tangible assets of the group is 5% or more, the listed corporation must issue a circular to its shareholders and seek its shareholder approval in <u>a</u> general meeting, of such provision of financial assistance, <u>unless the listed corporation complies with the requirements in sub-Rule (1)(ii) above, in which case, the requirement to issue a circular and seek shareholder approval is dispensed with;</u></p> <p>(d) where shareholder approval is required pursuant to sub-Rules (b) or (c) above, the listed corporation must state in its circular, the proposed utilisation of the amount of the financial assistance; and</p> <p>(e) in addition to the announcement as may be required by the Exchange, the listed corporation must announce the information set out in Appendix 8D in relation to each moneylending company for each quarter of its financial year, if any, not later than 7 market days after the end of each quarter of a financial year.</p> <p>(3) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and without limiting the generality of Part D of Chapter 2 -</p> <p>(a) a listed corporation or its directors must give the Exchange any information, document or explanation that the Exchange requests for in relation to moneylending operations in accordance with the instructions or requests of the Exchange, including but not limited to the following information in relation to the 20 debtors of each moneylending company having the highest amount of outstanding loans and/or advances ("Loans") (with aggregation of Loans granted to persons connected with each other):</p> <p>(i) the names of the debtors and, in relation to each debtor, a statement as to whether the debtor is a related party;</p> <p>(ii) the outstanding Loan amounts with aggregation of Loans granted to persons connected to each other, and the breakdown into principal and interest owing;</p> <p>(iii) the salient terms of the outstanding Loans including the interest rate, terms as to the repayment of interest and principal and the security provided; and</p> |
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| | <p>(iv) the length of default on interest and/or principal, if applicable; and</p> <p>(b) the Exchange may, at its absolute discretion, forward such information, document or explanation to the relevant authorities including the SC.</p> <p>(4) Sub-Rules (1), (2) and (3) above do not apply to -</p> <p>(a) any provision of financial assistance provided to or in favour of the listed corporation or wholly owned subsidiaries of the listed corporation;</p> <p>(b) a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate</u>;</p> <p>(c) a corporation which is registered as a scheduled institution with and supervised by Bank Negara Malaysia under the Banking and Financial Institutions Act 1989; or</p> <p>(d) share financing or share margin financing carried out by a listed corporation or its unlisted subsidiary <u>not listed on any stock exchange</u> which is a Participating Organisation.</p> <p><i>[Cross reference: Guidance Note 4]</i></p> |
| CHAPTER 12 – SHARE BUY-BACKS | |
| Rule 12.02 | <p>Definitions</p> <p>For the purpose of this Chapter, unless the context otherwise requires -</p> <p>(a) “Direct Business Transaction” means a transaction in securities entered into outside the Automated Trading System of the Exchange (“ATS”) in accordance with the Rules of the Exchange;</p> <p>(b) “odd lot” in relation to any securities quoted on the Official List, means any number of such securities which is less than the number of securities prescribed by the Exchange as a board lot; and</p> <p>(c) “On-Market Married Transactions” <u>has the meaning given under the Rules of the Exchange; and</u></p> <p><u>(d) “on the market” transactions</u> means transactions made through the ATS and <u>it</u> excludes Direct Business Transactions, <u>and On-Market Married Transactions.</u></p> |

ENHANCEMENTS TO REQUIREMENTS FOR TRANSACTIONS

CHAPTER 10 - TRANSACTIONS

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| Rule 10.11A | <p>Major Disposal</p> <p>(1) A listed corporation which intends to undertake a Major Disposal must:</p> <p>(a) appoint a Sponsor or Adviser, as the case may be, to be the main adviser, before the terms of the Major Disposal are agreed upon;</p> <p>(b) appoint an independent adviser;</p> <p><u>(bA) ensure that a valuation is conducted on all its material real estate, if the total net book value of all the listed corporation's real estate contributes 50% or more to the total assets of the listed corporation on a consolidated basis;</u></p> <p>(c) include additional information set out in Part I of Appendix 10A and Appendix 10B respectively, in the announcement of the Major Disposal to the Exchange, and the circular issued to the shareholders; and</p> <p>(d) convene a general meeting and obtain shareholder approval of at least 75% in value of the shareholders present and voting either in person or by proxy at the meeting for such Major Disposal.</p> <p>(2) The main adviser must, in relation to the Major Disposal -</p> <p>(a) ensure that the Major Disposal complies with the relevant laws, regulations or guidelines, where applicable; and</p> <p>(b) ensure full disclosure of all information required to be disclosed in the announcement and circular.</p> <p>(3) (a) The independent adviser referred to in sub-Rule 1(b) above must -</p> <p>(i) be a person from the Register of Sponsors; and</p> <p>(ii) if appointed during the Sponsorship Period, be a person other than the listed corporation's Sponsor.</p> <p>(b) The independent adviser must, in relation to the Major Disposal -</p> <p>(i) comment as to whether the Major Disposal and its related proposals (if any) are fair and reasonable in so far as the shareholders are concerned. Such opinion must set out the reasons for, the key</p> |
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| | <p>assumptions made and the factors taken into consideration in forming that opinion. In arriving at such opinion, the independent adviser should comply with the relevant provisions relating to an independent adviser's recommendation in Practice Note 15 – Independent Advice Circular issued by the SC pursuant to the Take-Overs and Mergers Code;</p> <p>(ii) advise the shareholders on whether they should vote in favour of the Major Disposal and its related proposals (if any); and</p> <p>(iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in sub-Rules (i) and (ii) above.</p> <p>(4) If in the Exchange's opinion, an independent adviser is not independent, the Exchange may disallow such independent adviser to be appointed or continue to act as an independent adviser.</p> <p><u>(5) In the event a valuation is required to be conducted on all its material real estate pursuant to sub-Rule (1)(bA) above, the listed corporation or its valuer, or both, as the case may be, must comply with Rules 10.04(3) to 10.04(8), where applicable.</u></p> |
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**CLARIFICATION ON THE EXCHANGE'S POWERS TO
SUSPEND AND DE-LIST LISTED SECURITIES**

CHAPTER 16 – SUSPENSION, DE-LISTING AND ENFORCEMENT

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| <p>Rule 16.02</p> | <p>Suspension of trading imposed by the Exchange</p> <p>(1) The Exchange may at any time suspend the trading of listed securities in any of the following circumstances:</p> <p>(a) in the event of any substantial corporate exercise or capital restructuring of a listed corporation <u>including a scheme of arrangement, compromise, amalgamation or selective capital reduction</u>;</p> <p>(b) where, in the opinion of the Exchange, it is necessary or expedient in the interest of maintaining an orderly and fair market in securities traded on the Exchange;</p> <p>(c) in any circumstances as provided in these Requirements;</p> <p>(d) in the event of any breach of these Requirements by a listed corporation;</p> |
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| | <p>(e) upon notice by the SC to the Exchange that in its opinion a listed corporation has breached or has failed to comply with any provision of the CMSA, the Securities Industry (Central Depositories) Act 1991, the Securities Commission Act 1993 or any guidelines issued by the SC for the ACE Market, or that it is necessary or expedient in the public interest and where it would be for the protection of investors;</p> <p>(f) in the event of maturity of a listed debt security or convertible security;</p> <p>(g) upon the suspension of the trading of such securities listed on another stock exchange;</p> <p>(h) upon the commencement of a voluntary winding-up of a listed corporation in accordance with the Companies Act 1965; or</p> <p>(i) where the Exchange deems it appropriate for some other reason.</p> <p>(2) Subject to sub-Rule (3) below, where the public shareholding spread of a listed corporation is 10% or less of its total listed shares (excluding treasury shares), the Exchange shall suspend trading of the securities of the listed corporation upon expiry of 30 market days from the date of immediate announcement by the listed corporation pursuant to -</p> <p>(a) Rule 8.02(3); or</p> <p>(b) Rule 9.19(48) where the listed corporation has announced that the offeror intends to maintain the listed corporation's listing status.</p> <p>In this regard, the suspension will only be uplifted upon the listed corporation's full compliance with the public shareholding spread requirements under Rule 8.02(1) or as may be determined by the Exchange.</p> <p>(3) In a take-over offer for the acquisition of the listed shares of a listed corporation pursuant to the Take-Overs and Mergers Code or a corporate proposal undertaken by or in relation to a listed corporation, <u>The Exchange shall suspend trading of the securities of the listed corporation in relation to a take-over offer under the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction, upon expiry of 5 market days from close of the offer period the date of immediate announcement by if</u> the listed corporation <u>has made an announcement</u> that the offeror does not intend to maintain the listed corporation's listing status pursuant to Rule 9.19(48).</p> |
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| | <p>(4) The Exchange will notify the SC of any decision to suspend the trading of any class of the listed securities of a listed corporation pursuant to sub-Rules (1)(b), (d) or (g) above.</p> <p><i>[Cross reference: Guidance Notes 2 and 3]</i></p> |
| CHAPTER 9 – CONTINUING DISCLOSURE | |
| <p>Appendix 9A, Part J</p> | <p>Contents of announcement in relation to a take-over offer (Rule 9.19(48))</p> <p>(1) In relation to a take-over offer, whether it is the offeror's intention to maintain the listed corporation's listing status.</p> <p>(2) A statement containing either (a) or (b) below.</p> <p>(a) <u>if</u> the offeror's intention is to maintain the listed corporation's listing status –</p> <ul style="list-style-type: none"> (i) the percentage of public shareholding spread; (ii) a statement that the trading of the securities of the listed corporation will be suspended immediately upon the expiry of 30 market days from the date of immediate announcement by the listed corporation. The suspension will only be uplifted by the Exchange upon the listed corporation's full compliance with the public shareholding spread requirements under Rule 8.02(1) or as may be determined by the Exchange; (iii) the steps taken or proposed to be taken by the listed corporation (if any) to increase its public shareholding spread to above 10% before the date suspension is to be effected; (iv) an explanation of the rectification plan (if any); (v) the tentative timeline for the steps referred to in subparagraph (iii) above and the rectification plan; and (vi) where neither the steps referred to in subparagraph (iii) above nor a rectification plan have been formulated or if no endeavours have been taken to formulate such steps or rectification plan, an appropriate negative statement to such effect; <u>and/or</u> <p>(b) <u>if</u> the offeror's intention is to de-list the listed corporation, that trading in the listed corporation's securities will be suspended immediately upon the expiry of 5 market days from the date of the immediate announcement <u>the close of the offer period</u>.</p> |

| OTHER ANCILLARY ENHANCEMENTS | |
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| CHAPTER 1 – DEFINITIONS AND INTERPRETATION | |
| Rule 1.01 | <p>Definitions</p> <p>In these Requirements, unless the context otherwise requires:-</p> <p>partner in relation to a director, major shareholder or a person connected with the director or major shareholder, means such person who falls within any one of the following categories:</p> <p>(a) a person with whom the director, major shareholder or person connected with the director or major shareholder, is in or proposes to enter into partnership with. “Partnership” for this purpose has the meaning given refers to a “partnership” as defined in section 3 of the Partnership Act 1961 or “limited liability partnership” as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; and</p> <p>(b) a person with whom the director, major shareholder or person connected with a director or major shareholder has entered or proposes to enter into a joint venture, whether incorporated or not.</p> |
| CHAPTER 2 - GENERAL | |
| <u>Rule 2.28A</u> | <p><u>Validity of actions</u></p> <p><u>Unless otherwise specified by the Exchange, any amendment to these Requirements will not affect any action proposed to be taken, or is in the process of being taken, or has been taken by the Exchange in relation to the provision which is effective prior to the amendments.</u></p> |
| CHAPTER 6 – NEW ISSUES OF SECURITIES | |
| Rule 6.57 | <p>Consequential securities</p> <p>(1) Where a listed corporation intends to issue convertible securities arising from adjustments due to an issue of securities or a subdivision or consolidation of shares (referred to as “consequential securities” and “principal securities” respectively) -</p> <p>(a) the consequential securities must be listed and quoted simultaneously with the principal securities; and</p> |

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| | <p>(b) a-the listed corporation must ensure that the period from the date it announces the books closing date for the consequential securities to the books closing date is not less than 10 market days; and</p> <p><u>(c) the listed corporation must submit the additional listing application pursuant to Guidance Note 17.</u></p> |
| CHAPTER 8 – CONTINUING LISTING OBLIGATIONS | |
| Rule 8.28 | <p>Declaration of dividend</p> <p>(1) Once the dividend has been declared <u>or proposed to shareholders</u>, a listed corporation must not make any subsequent alteration to the dividend entitlement.</p> <p>(2) A listed corporation must ensure that all dividends are paid not later than 3 months from the date of declaration or the date on which approval is obtained in a general meeting, whichever is applicable.</p> |
| Appendix 8A, paragraph 2 | <p>Contents of statement accompanying notices of annual general meetings (Rule 8.29)</p> <p><u>1.</u> Further details of individuals who are standing for election as directors (excluding directors standing for a re-election), namely the following:</p> <p>(a) the name, age, nationality, qualification, and whether the position is an executive or non-executive one and whether such director is an independent director;</p> <p>(b) the working experience and occupation;</p> <p>(c) any other directorships of public companies;</p> <p>(d) the details of any interest in the securities of the listed corporation and its subsidiaries;</p> <p>(e) the family relationship with any director and/or major shareholder of the listed corporation;</p> <p>(f) any conflict of interests that they have with the listed corporation; and</p> <p>(g) the list of convictions for offences within the past 10 years other than traffic offences, if any.</p> <p><u>2. A statement relating to general mandate for issue of securities in accordance with rule 6.04(3) of these Requirements.</u></p> |

CHAPTER 9 – CONTINUING DISCLOSURE

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| <p>Rule 9.20</p> | <p>Dealings in quoted securities</p> <p>(1) A listed corporation must immediately announce to the Exchange any purchase or sale of securities quoted on the Exchange or any other stock exchange (“quoted securities”), entered into by the listed corporation or any of its subsidiaries, resulting in the purchase or sale consideration when aggregated with any other purchase or sale, respectively within the preceding 12 months (excluding such purchase or sale which has been previously announced by the listed corporation pursuant to this Rule), being 5% or more of the listed corporation’s latest audited consolidated net assets. The listed corporation must include the following in the announcement to the Exchange:</p> <ul style="list-style-type: none"> (a) the aggregate purchase or sale consideration within the preceding 12 months which have not been previously announced and such amount as a percentage of the latest audited consolidated net assets of the listed corporation; (b) the total cost, book value and market value of all investments in quoted securities as at the date of the announcement; and (c) any profit or loss arising from the sales in quoted securities during the current financial year. <p>(2) Sub-Rule (1) above does not apply to –</p> <ul style="list-style-type: none"> (a) a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate</u>; (b) purchases or sales <u>of quoted securities</u> in an existing subsidiary or associated company of the listed corporation; and (c) a Participating Organisation. |
| <p>Rule 9.32</p> | <p>Issuance of circular or document</p> <p>Where a listed corporation announces a corporate proposal (including a transaction), and pursuant to these Requirements a circular or document is required to be issued to its securities holders in relation to such corporate proposal -</p> <ul style="list-style-type: none"> (a) the said listed corporation must submit the circular or document to the Exchange or issue the circular or document as the case may be, in accordance with these Requirements as soon as possible and in any event not later than 2 months from the date of the announcement or the date the last approval necessary for the corporate proposal is obtained from the relevant authority, whichever is the later; and |

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| | <p>(b) <u>the said listed corporation must issue the circular or document within 14 market days after receipt of –</u></p> <p>(i) <u>where a draft circular or document is submitted to the Exchange pursuant to Rule 10.11, Rule 8.03 and Rule 8.04, or under such exceptional circumstances required by the Exchange, the circular or document must be issued immediately upon receipt of the Exchange's confirmation that it has no further comments and in any event no later than 14 market days after receipt of such confirmation; or</u></p> <p>(ii) <u>the approval from other relevant authorities in respect of the corporate proposal, where such approval is required,</u></p> <p><u>whichever is the later.</u></p> |
| CHAPTER 10 - TRANSACTIONS | |
| Rule 10.02(g) | <p>Definitions</p> <p>For the purpose of this Chapter, unless the context otherwise requires –</p> <p>(g) “percentage ratios” means the figures, expressed as a percentage, resulting from each of the following calculations:</p> <p>(i) the value of the assets which are the subject matter of the transaction, compared with the net assets of the listed corporation;</p> <p>(ii) net profits (after deducting all charges and taxation and excluding extraordinary items) <u>attributable to</u> of the assets which are the subject matter of the transaction, compared with the net profits <u>attributable to the owners</u> of the listed corporation <u>(before other comprehensive income or loss)</u>;</p> <p>(iii) the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of the listed corporation;</p> <p>(iv) the equity share capital issued by the listed corporation as consideration for an acquisition, compared with the equity share capital previously in issue (excluding treasury shares);</p> <p>(v) the aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of the listed corporation (excluding treasury shares);</p> <p>(vi) the total assets which are the subject matter of the transaction compared with the total assets of the listed corporation;</p> |

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| | <p>(vii) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the listed corporation compared with the total assets of the listed corporation or in the case where a joint venture corporation is incorporated as a result of the joint venture, the total equity participation of the listed corporation in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net assets of the listed corporation. The value of the transaction should include shareholders' loans and guarantees to be given by the listed corporation; or</p> <p>(viii) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the listed corporation, in the case of a disposal and where the acquisition of the subject matter took place within the last 5 years;</p> |
| <p>Rule 10.03</p> | <p>Basis of valuation</p> <p>(1) For the purpose of determining the value of the assets referred to in Rule 10.02(g)(i), the following applies:</p> <p>(a) in an acquisition of equity interest in a corporation which would not result in such equity interest being accounted for using the equity method, the value is to be assessed by reference to the cost of investment;</p> <p>(b) in an acquisition of equity interest in a corporation which would result in -</p> <p>(i) such equity interest being accounted for using the equity method; or</p> <p>(ii) such corporation being consolidated into the group accounts financial statements (“consolidation”)</p> <p>the value is to be assessed by reference to the book value of the net assets represented by such equity interest;</p> <p>(c) in a disposal of equity interest in a corporation where before the disposal such equity interest was not accounted for using the equity method, the value is to be assessed by reference to the carrying amount of the investment;</p> <p>(d) in a disposal of equity interest in a corporation where before the disposal -</p> <p>(i) such equity interest was accounted for using the equity method; or</p> <p>(ii) such corporation was included in consolidation;</p> |

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| | <p>the value is to be assessed by reference to the book value of the net assets represented by such equity interest; or</p> <p>(e) in any acquisition of assets other than equity interest, the value of such assets is to be assessed by reference to the consideration. In the case of any disposal of assets other than equity interest, the value of such assets must be assessed by the consideration or the net book value of those assets, whichever is the greater.</p> <p>(2) For the purposes of determining the net profits attributable to the assets <u>which are the subject matter of the transaction</u> referred to in Rule 10.02(g)(ii) in relation to -</p> <p>(a) <u>an acquisition of equity interest in a corporation which would result in –</u></p> <p>(i) <u>such equity interest being accounted for using the equity method; or</u></p> <p>(ii) <u>such corporation being included in consolidation,</u></p> <p><u>the net profits refer to the profits after tax attributable to the owners of the corporation (before other comprehensive income or loss) represented by such equity interest being acquired;</u></p> <p>(b) <u>a disposal of equity interest of a corporation where, before the disposal –</u></p> <p>(i) <u>such equity interest was accounted for using the equity method; or</u></p> <p>(ii) <u>such corporation was included in consolidation,</u></p> <p><u>the net profits refer to the profits after tax attributable to the owners of the corporation (before other comprehensive income or loss) represented by such equity interest being disposed;</u></p> <p>(ac) an acquisition of equity interest in a corporation which would not result in such equity interest being accounted for using the equity method, the net profits are to be assessed by reference to the dividend income derived from such investment based on the last financial year end of such corporation; and</p> <p>(bd) a disposal of equity interest of a corporation where, before the disposal, such equity interest was not accounted for using the equity method, the net profits are to be assessed by reference to the dividend income derived from such investment based on the last financial year end of such corporation.</p> |
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| | <p>(3) The market value of the equity share capital of the corporation will be determined as the weighted average market price for the equity share capital for the 5 market days before the date on which the terms of the transaction were agreed upon.</p> <p>(4) For the purpose of computation of indicators of materiality (including the percentage ratios) in this Chapter, the following applies:</p> <p>(a) the figures used must, in the case of total assets, net assets, net book value of assets and net profits, be figures shown in the latest published or announced audited financial statements of the listed corporation or audited consolidated financial statements of the listed corporation, if the listed corporation has subsidiaries;</p> <p>(b) the total assets, net assets and net book value of assets may be adjusted to take into account subsequent completed transactions in respect of which adequate information has already been issued to shareholders and where the adjustments have been reviewed by the listed corporation's external auditors and a copy of the external auditors' review report is furnished to the Exchange;</p> <p>(c) the listed corporation may use the total assets, net assets, net book value of assets included in the statement of financial position in its latest published or announced interim financial report provided that the report has been reviewed by the listed corporation's external auditors and a copy of the external auditors' review report is furnished to the Exchange;</p> <p>(d) the listed corporation may use the net profits based on the unaudited 12 months results provided that the results have been reviewed by the listed corporation's external auditors and a copy of the external auditors' review report is furnished to the Exchange; and</p> <p>(e) the figures used must, in the case of cost of investment or carrying amount of the investment referred to in sub-Rule (1) above, be based on -</p> <p>(i) the latest published or announced audited financial statements of the listed corporation or audited consolidated financial statements of the listed corporation, if the listed corporation has subsidiaries; or</p> <p>(ii) the latest published or announced interim financial report of the listed corporation provided that the report has been reviewed by the listed corporation's external auditors and a copy of the external auditors' review report is furnished to the Exchange.</p> |
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| | <p>(5) In the case of an acquisition or disposal by the grant or exercise of an option, the consideration for the acquisition or disposal is the total of the issue price of the option and its exercise price.</p> <p>(6) If deferred consideration is or may be payable or receivable by a listed corporation or its subsidiary in the future, the consideration to be taken into account is the maximum total consideration payable or receivable under the transaction.</p> <p>(7) In circumstances where any one of the percentage ratios produces an anomalous result or where the percentage ratios are inappropriate to the sphere of the activity of the listed corporation, or for any other reason that the Exchange deems fit, the Exchange may -</p> <ul style="list-style-type: none">(a) disregard the results or percentage ratio; and/or(b) substitute or apply other relevant indicators of size. <p>(8) The calculation set out in sub-Rule 10.02(g)(v) is only applicable in respect of -</p> <ul style="list-style-type: none">(a) transactions involving consideration in the form of listed equity shares; or(b) transactions where all the other percentage ratios produce anomalous results or are inapplicable. <p>(9) In relation to any acquisition or disposal of equity interest in a corporation, the calculation set out in sub-Rule 10.02(g)(vi) is only applicable where -</p> <ul style="list-style-type: none">(a) the acquisition would result in such corporation being included in consolidation; or(b) before the disposal, such corporation was included in consolidation. <p>(10) For the purposes of this Rule, unless the context otherwise requires, the following words or expressions have the meanings given under the approved accounting standards of the Malaysian Accounting Standards Board:</p> <ul style="list-style-type: none">(a) equity method;(b) carrying amount; and(c) consolidation. |
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| <p>Rule 10.08(11)</p> | <p>The following transactions are not normally regarded as related party transactions:</p> <p>(e) the provision or receipt of financial assistance or services, upon normal commercial terms and in the ordinary course of business, from a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate;</p> <p>(m) a transaction between the listed corporation or any of its subsidiaries and another person where there are no other interested relationships except for –</p> <p>(i) common major shareholders; or</p> <p>(ii) a person connected with a major shareholder being a major shareholder of the other person,</p> <p>provided that the following conditions are satisfied:</p> <p>(aa) the major shareholder and/or the person connected with the major shareholder is/are not the largest shareholder of the listed corporation;</p> <p>(bb) the major shareholder and/or the person connected with the major shareholder is/are not a party to the said transaction, initiator, agent or involved in any other manner in the said transaction;</p> <p>(cc) the major shareholder does not have any representative in an executive capacity on the board of directors of the listed corporation or any of its subsidiaries; and</p> <p>(dd) the major shareholder is -</p> <p>(A) a statutory institution who is managing funds belonging to the general public;</p> <p>(B) a closed end fund, unit trust or investment fund (but excluding an investment holding corporation); or</p> <p>(C) an insurance corporation whose activities are regulated by any written law relating to insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate, and the said insurance corporation is managing its insurance funds (together with its own shareholders' funds or otherwise). For the purposes of this sub-Rule, "insurance funds" has the meaning given in section 2 of the Insurance Act 1996;</p> |
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| | <p>(p) subscription to or acquisition by a listed corporation or its unlisted subsidiaries <u>not listed on any stock exchange</u>, of debt securities and/or redeemable preference shares issued <u>or guaranteed</u> by or on behalf of the Government of Malaysia, Bank Negara Malaysia, and/or a State Government, <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate</u>; or</p> |
| Rule 10.11 | <p>Significant change in the business direction or policy of a listed corporation</p> <p>(1) Where a transaction will result in a significant change in the business direction or policy of the listed corporation, the listed corporation and its Sponsor or Adviser, as the case may be, must include additional information set out in Part H of Appendices 10A and 10B respectively, in the announcement of the transaction to the Exchange and the circular issued to the shareholders, as the case may be.</p> <p>(2) A listed corporation must submit to the Exchange for perusal, a draft copy of all circulars and other documents in relation to a transaction which will result in a significant change in the business direction or policy of the listed corporation, proposed to be sent to the holders of listed securities, within a reasonable time before printing together with a checklist showing compliance with the relevant parts of these Requirements.</p> <p>(3) A listed corporation must ensure that the draft circular or other draft documents submitted to the Exchange pursuant to sub-Rule (2) above are precise and complete. The Exchange reserves the right to return such documents which are incomplete or deemed unsatisfactory in the opinion of the Exchange.</p> <p>(4) A listed corporation must not issue any of the circulars and such documents referred to in sub-Rule (2) above until the Exchange has confirmed in writing that it has no further comments on the circulars or documents. Upon receipt of confirmation by the Exchange that it has no further comments on the draft circulars or documents, the circular or document must be issued immediately and in any event, no later than 7 market days after receipt of such confirmation.[Deleted]</p> |
| Appendix 10B, paragraph 3, Part G | <p>Additional specific information to be included in relation to very substantial transactions (Rule 10.10)</p> <p>(1) The proforma consolidated statement of financial position together with the notes and the auditors' letter showing effects before and after the transaction based on the listed corporation's -</p> <p>(a) published or announced audited financial statements for the latest financial period ended; or</p> |

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| | <p>(b) latest published or announced interim financial report which must be reviewed by external auditors.</p> <p>Where an interim report referred to in subparagraph 1(b) above is used, a statement that the interim report has been reviewed by external auditors.</p> <p>(2) A summary of the key audited financial data of the assets of business or interests to be acquired for the past 3 financial years or since the date of incorporation or commencement of operations, whichever is the later. The financial data must include, but not be limited to, shareholders' funds and total borrowings.</p> <p>(3) An accountant's report on the unlisted corporation to be acquired must include the following:</p> <p>(a) the statement of profit and loss and other comprehensive income (or its equivalent) in respect of each of the 3 financial years immediately preceding the last date to which the financial statements were made up; and</p> <p>(b) the statement of financial position (or its equivalent) for each of the past 3 financial years immediately preceding the last date to which the financial statements were made up.</p> <p><u>The report will not be required if the percentage ratio for the very substantial transaction is triggered due to aggregation of the transactions of the unlisted corporation under Rule 10.12, but where individually, the percentage ratio of each transaction is less than 100%.</u></p> <p>(4) For assets or interests to be acquired which do not have any profitability track record (as in certain privatisation cases), the information must include, but not be limited to, the total cost needed to put on-stream the operation of the assets or interests and the proportion to be assumed or guaranteed by the listed corporation, the expected date on which the profit contribution will accrue to the listed corporation and the expected returns to be derived, together with the appropriate assumptions used. The listed corporation must ensure that information provided is verified and confirmed by independent experts.</p> <p>(5) In the case of a disposal, a statement of the listed corporation's future activities and direction after the disposal of the asset.</p> |
| <p>Appendix 10B paragraph 7(a), Part H</p> | <p>Additional specific information to be included in relation to significant change in business direction or policy of a listed corporation (Rule 10.11(1))</p> <p>(1) – (6) [No change].</p> |

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| | <p>(7) The proforma consolidated statement of financial position together with the notes and the auditors' letter showing effects before and after the transaction based on the listed corporation's –</p> <p>(a) published or announced audited accounts/financial statements for the latest financial period ended; or</p> <p>(b) latest published or announced interim financial report which must be reviewed by external auditors.</p> <p>Where an interim report referred to in subparagraph (b) above is used, a statement that the interim report has been reviewed by external auditors.</p> <p>(8) – (11) [No change].</p> |
| CHAPTER 15 – CORPORATE GOVERNANCE | |
| Rule 15.05 | <p>Qualification, vacation of office and removal of directors</p> <p>(1) A listed corporation must ensure that no person is appointed or allowed to act as a director of the corporation or be involved whether directly or indirectly in the management of the corporation, including acting in an advisory capacity in relation to the corporation, if he –</p> <p>(a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;</p> <p>(b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or</p> <p>(c) has been convicted by a court of law of an offence under the securities laws or the Companies Act 1965,</p> <p>within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.</p> <p>(2) For the purpose of sub-Rule (1) above, “securities laws” means the CMSA, the Securities Industry (Central Depositories) Act 1991, and the Securities Commission Act 1993, <u>or in the case of a foreign listed corporation, the equivalent securities and corporation legislation of the foreign listed corporation's place of incorporation.</u></p> <p>(3) The office of a director will become vacant if the director –</p> <p>(a) becomes of unsound mind;</p> <p>(b) becomes bankrupt;</p> |

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| | <p>(c) is absent from more than 50% of the total board of directors' meetings held during a financial year; or</p> <p>(d) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in sub-Rules (1)(a), (b) or (c) above.</p> <p>(4) For purposes of sub-Rule (3)(c) above, if a director is appointed after the commencement of a financial year, then only the remaining board of directors' meetings held after his appointment will be taken into account.</p> <p>(5) Where a director is removed from office, the listed corporation must forward to the Exchange a copy of any written representations made by the director in question at the same time as copies of such representations are sent to members of the listed corporation under section 128(3)(b) of the Companies Act 1965, unless copies of such representations need not be sent out by reason of the circumstances specified in section 128(4) of the Companies Act 1965.</p> |
| <p>Rule 15.17</p> | <p>A listed corporation must ensure that wherever necessary and reasonable for the performance of its duties, an audit committee must, in accordance with a procedure to be determined by the board of directors and at the cost of the listed corporation -</p> <p>(a) have authority to investigate any matter within its terms of reference;</p> <p>(b) have the resources which are required to perform its duties;</p> <p>(c) have full and unrestricted access to any information pertaining to the listed corporation;</p> <p>(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;</p> <p>(e) be able to obtain independent professional or other advice; and</p> <p>(f) be able to convene meetings with the external auditors, the internal auditors person(s) carrying out the internal audit function or activity, or both, excluding the attendance of other directors and employees of the listed corporation, whenever deemed necessary.</p> |
| <p>CHAPTER 16 – SUSPENSION, DE-LISTING AND ENFORCEMENT</p> | |
| <p>Rule 16.07</p> | <p>Withdrawal in a take-over offer or a corporate proposal</p> <p>Notwithstanding Rule 16.06, a listed corporation may withdraw its listing from the Official List in the following circumstances:</p> |

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| | <p>(a) in <u>relation to</u> a take-over offer <u>pursuant to the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction</u>, upon 90% or more of its listed shares (excluding treasury shares) being held by a shareholder either individually or jointly with associates of the said shareholder; or</p> <p>(b) in relation to a corporate proposal undertaken by or in relation to the listed corporation, upon 100% of the listed shares of the listed corporation being held by a shareholder either individually or jointly with the associated of the said shareholder,</p> <p>and the listed corporation has announced the offeror's intention not to maintain the listed corporation's listing status <u>pursuant to Rule 9.19(48)</u>.</p> |
| <p>Rule 9.19(48)</p> | <p>Immediate announcements to the Exchange</p> <p>A listed corporation must immediately announce to the Exchange the events set out below. This requirement is in addition to the other announcement requirements which are imposed under this Chapter and other parts of these Requirements, and are not exhaustive:</p> <p>(48) in relation to a take-over offer for the acquisition of the listed shares of a listed corporation pursuant to the Take-Overs and Mergers Code or corporate proposal undertaken by or in relation to a listed corporation, upon 90% or more of the listed shares (excluding treasury shares) of the said listed corporation being held by a shareholder either individually or jointly with associates of the said shareholder. In relation to a take-over offer, the listed corporation must include the information contained in Part J of Appendix 9A in the announcement to the Exchange;</p> |
| <p>GUIDANCE NOTE 4 – PROVISION OF FINANCIAL ASSISTANCE</p> | |
| <p>Guidance Note 4, paragraph 1.1</p> | <p>Introduction</p> <p>1.1 Rule 8.25 of the Listing Requirements provides that a listed corporation or its unlisted subsidiaries <u>not listed on any stock exchange</u> may lend or advance any money, or guarantee, indemnify or provide collateral for a debt ("provision of financial assistance") to categories of persons set out in Rule 8.25(1)(i) to (iii). One of the categories of persons is the following:</p> <p>“(ii) persons to whom the provision of financial assistance -</p> <p>(aa) is necessary to facilitate the ordinary course of business of the listed corporation or its subsidiaries; or</p> <p>(bb) pursuant to the ordinary course of business of the listed corporation or its subsidiaries,</p> |

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| | such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its moneylending business;” |
| Guidance Note 4, paragraph 2.2 | <p>Clarification on Requirements</p> <p>Subscription to or acquisition of debt securities and/or redeemable preference shares which are regulated by any written law and are subject to supervision by the SC, or Bank Negara Malaysia <u>or an equivalent foreign regulatory authority as the Exchange deems appropriate</u>, by a listed corporation or its unlisted subsidiaries <u>not listed on any stock exchange</u>, are not considered as provision of financial assistance within Rule 8.25 of the Listing Requirements. However, where such subscription or acquisition is a related party transaction, the listed corporation must comply with Rule 10.08 of the Listing Requirements.</p> |
| Guidance Note 4, paragraph 3.0 | <p>Disclosure obligations</p> <p>3.1 A listed corporation must announce the financial assistance rendered or made by the said listed corporation or its unlisted subsidiaries <u>not listed on any stock exchange</u> pursuant to Rule 8.25(1)(ii) of the Listing Requirements for each quarter of its financial year, if any, simultaneously with its quarterly report pursuant to Rule 9.22 of the Listing Requirements and in any event not later than 2 months after the end of each quarter of a financial year. The listed corporation must include in its announcement the information set out in Annexure GN4-A.</p> <p>3.2 Paragraph 3.1 above does not apply to provision of financial assistance in respect of the business of leasing, factoring, share financing, share margin financing or hire purchase carried out by a listed corporation or its unlisted subsidiaries <u>not listed on any stock exchange</u> in the ordinary course of business, or such other similar business that may be determined by the Exchange.</p> |
| GUIDANCE NOTE 8 – RECURRENT RELATED PARTY TRANSACTIONS | |
| Guidance Note 8, paragraphs 3.4(a) and (c) | <p>3.4 Notwithstanding paragraph 3.2(d) above and subject to Rule 10.09 of the Listing Requirements and the other provisions of this Guidance Note, a listed corporation may obtain a Mandate in respect of the following Recurrent Related Party Transactions:</p> <p>(a) the pooling of funds within the listed corporation's group of companies via a centralised treasury management function or such similar arrangements which entails the provision of financial assistance by the listed corporation, its unlisted subsidiaries <u>not listed on any stock exchange</u> or both, on a short or medium term basis provided that -</p> |

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| | <ul style="list-style-type: none"> (i) the listed corporation in seeking such a mandate in accordance with Rules 8.25 and 10.09 of the Listing Requirements, must include in its circular, in addition to such other information as prescribed under the Listing Requirements, the estimated amounts or value of financial assistance ("Estimate"); and (ii) notwithstanding Rule 10.09(2)(e) of the Listing Requirements, if the actual amount of financial assistance provided or rendered exceeds the Estimate, the listed corporation must immediately announce the same to the Exchange. If the percentage ratio of the amount of financial assistance provided or rendered in excess of the Estimate is 5% or more, the listed corporation must comply with Rule 10.08 of the Listing Requirements. <p>(b) [no change].</p> <p>(c) provision of financial assistance in respect of the business of-</p> <ul style="list-style-type: none"> (i) leasing, factoring or hire purchase carried out by a listed corporation or its unlisted-subsidiaries <u>not listed on any stock exchange</u>; or (ii) share financing or share margin financing carried out by a listed corporation or its unlisted-subsidiaries <u>not listed on any stock exchange</u> which is a Participating Organisation; or (iii) such other similar business that may be determined by the Exchange. |
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GUIDANCE NOTE 17 – LISTING PROCEDURES FOR NEW ISSUES OF SECURITIES

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| <p>Guidance Note 17, Annexure GN17-B paragraph 12, Part A</p> | <table border="1"> <tr> <td style="width: 5%; text-align: center;">12.</td> <td style="width: 20%;">*Directorships and/or substantial shareholdings of the controlling shareholder</td> <td style="width: 55%;">A list setting out directorships and/or substantial shareholdings of the controlling shareholder(s) in all other listed corporations in Malaysia for the past 3 years, is attached.</td> <td style="width: 20%; text-align: center;"><input type="checkbox"/></td> </tr> </table> | 12. | *Directorships and/or substantial shareholdings of the controlling shareholder | A list setting out directorships and/or substantial shareholdings of the controlling shareholder(s) in all other listed corporations in Malaysia for the past 3 years, is attached. | <input type="checkbox"/> |
| 12. | *Directorships and/or substantial shareholdings of the controlling shareholder | A list setting out directorships and/or substantial shareholdings of the controlling shareholder(s) in all other listed corporations in Malaysia for the past 3 years, is attached. | <input type="checkbox"/> | | |
| | <p><u>*Not applicable to controlling shareholders which are statutory institutions managing funds belonging to the public.</u></p> | | | | |

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| <p>Guidance Note 17, Annexure GN17-B paragraph 19, Part A</p> | <p>19.</p> | <p>CORPORATE PROPOSALS WHICH FALL UNDER PARAGRAPHS 4.1 AND 4.2 OF GUIDANCE NOTE 17</p> | |
| | <p>19A.</p> | <p>Undertakings for corporate proposals which apply the procedure under paragraphs 4.1 and 4.2</p> | <p>We undertake the following:</p> <ul style="list-style-type: none"> (a) the return of allotment will be filed with the Registrar of Companies pursuant to the Companies Act, 1965 or in relation to a foreign corporation, the relevant document showing its latest issued and paid-up capital will be filed with the relevant authority pursuant to the laws of the place of incorporation; (b) all notices of allotment will be issued and despatched to the entitled holders as expeditiously as possible and in any event, not later than 4 market days after the date of listing and quotation; (c) the new securities will be listed and quoted as the existing listed securities of the same class; (d) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities will be met; (e) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law; (f) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the listed corporation has failed to meet any of the above undertakings referred to in paragraphs (a) to (d) or of any circumstances or facts referred to in paragraph (e) above; and (g) to announce to the Exchange the relevant information in accordance with paragraph 12.2 of Guidance Note 17. |

[End of Appendix 6]

MAIN MARKET LISTING REQUIREMENTS

PART A

NEW QUESTIONS AND ANSWERS RELATING TO THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS IN VARIOUS AREAS (Issued on 26 January 2015)

CHAPTER 4A – FOREIGN LISTING

External auditors of foreign issuers – accounting firms with international affiliation

1. Paragraph 4A.09(a) of the Main LR requires a foreign issuer with a primary listing to appoint an external auditor from an international accounting firm or an accounting firm with international affiliation. What are the criteria which the foreign issuer should consider in determining whether an accounting firm has “international affiliation”?

In determining whether an accounting firm is affiliated with an international firm, the foreign issuer may consider whether the accounting firm -

- is associated with an international firm;
- pays royalties or annual fees to the international firm;
- has shared services with the international firm such as the accounting firm may deploy services of the international firm for its overseas clients; and
- is able to provide all relevant accounting and auditing services akin to an international auditing firm.

[New Question & Answer 4A.4]

CHAPTER 5 - STRUCTURED WARRANTS***Listing of structured warrants pending listing of underlying financial instrument***

2. **Can an issuer submit a listing application to Bursa Securities for the issuance and listing of structured warrants where the underlying corporation or exchange-traded fund has not been listed but is seeking listing either on Bursa Securities or on a securities exchange outside Malaysia?**

Yes, the issuer may do so provided that it complies with the requirements set out in paragraph 5.03(1A)¹ of the Main LR (if the underlying corporation or exchange-traded fund is seeking listing on Bursa Securities) or paragraph 5.04(2)² of the Main LR (if the underlying corporation or exchange-traded fund is seeking listing on a securities exchange which is a member of the World Federation of Exchanges or is approved by Bursa Securities).

[New Question & Answer 5.2]

3. **Paragraph 5.03(1A) of the Main LR now allows the listing of structured warrants where the underlying corporation or exchange-traded fund is seeking listing on Bursa Securities. When can the structured warrants be listed on Bursa Securities?**

Generally, the listing of structured warrants shall only take place 5 market days after the date of the listing of the underlying shares in a corporation or units of an exchange-traded fund on Bursa Securities ("**5 Market Day Requirement**").

[New Question & Answer 5.3]

4. **Is the 5 Market Day Requirement applicable to a listing of structured warrants on Bursa Securities where the underlying corporation or exchange-traded fund is seeking listing on a securities exchange outside Malaysia?**

No, the 5 Market Day Requirement does not apply to such listing of structured warrants on Bursa Securities.

[New Question & Answer 5.4]

¹ The underlying corporation or exchange-traded fund must have a market capitalization (excluding treasury shares) of at least RM3 billion based on the issue price of the shares in the corporation or units in the exchange-traded fund as set out in the prospectus.

² The underlying corporation or exchange-traded fund must have a market capitalization equivalent to at least RM5 billion based on the issue price of the shares in the corporation or units in the exchange-traded fund as set out in the prospectus, and upon listing, the corporation or exchange-traded fund must comply with the other requirements set out in paragraph 5.04 of the Main LR.

CHAPTER 6 – NEW ISSUES OF SECURITIES

5. A controlling shareholder which is a statutory institution managing funds belonging to the public is no longer required to list down its directorships or substantial shareholdings in all other listed issuers in Malaysia for the past 3 years, in the additional listing application for new issue of securities under paragraph 12, Part A of Annexure PN28-B. What are some examples of “statutory institutions managing funds belonging to the public”?

Examples of statutory institutions managing funds belonging to the public include the Employees Provident Fund (“**EPF**”), Lembaga Tabung Angkatan Tentera (“**LTAT**”), Kumpulan Wang Persaraan (Diperbadankan) (“**KWAP**”) and Lembaga Tabung Haji.

[New Question & Answer 6.7]

General requirements for new issue of securities

6. The facts are as follows:
- On 31 July 2014, *PLC A* obtained a general mandate from its shareholders under paragraph 6.03(1) of the Main LR to issue shares at any time until the conclusion of its next annual general meeting provided that the aggregate number of shares to be issued does not exceed 10% of its issued and paid-up capital for the time being.
 - The nominal value of *PLC A*'s issued and paid-up capital as at 31 July 2014 was RM95 million.
 - On 1 September 2014, the nominal value of *PLC A*'s issued and paid-up capital increased to RM100 million shares pursuant to a private placement exercise of 5 million shares of RM1.00 each issued under the general mandate.
 - On 31 December 2014, *PLC A* issued another 50 million shares of RM1.00 each pursuant to a rights issue exercise which has been approved under a specific shareholders' approval.
 - *PLC A* intends to undertake another private placement exercise by 30 June 2015.

What is the maximum amount of shares that *PLC A* can issue for the private placement exercise under the general mandate?

As at 30 June 2015, the nominal value of *PLC A*'s issued and paid-up capital is RM150 million. Therefore, the maximum amount that *PLC A* can issue under the general mandate is 15 million shares of RM1.00 each. Since *PLC A* has issued 5 million shares under the general mandate in the preceding 12 months, the maximum number of shares that can be issued under the general mandate as at 30 June 2015 is 10 million shares.

[New Question & Answer 6.10]

**Appendix 7 (Part A)
New Questions & Answers
Amendments in Various Areas**

Requirements in relation to bonus issue

7. What are the circumstances where the listed issuer, or the external auditors/reporting accountants, is required to provide confirmations that the available reserves for capitalization are adequate to cover the entire bonus issue under paragraph 6.30(3)³ of the Main LR and paragraph 1(dA) in Part B, Annexure PN28-B⁴ of Practice Note 28?

The following table clarifies the obligations of the listed issuer and the external auditors/reporting accountants in providing the relevant confirmations required for purposes of complying with paragraph 6.30(3) of the Main LR and paragraph 1(dA) in Part B, Annexure PN28-B of Practice Note 28:

| | SCENARIO | FINANCIAL STATEMENTS RELIED UPON | | | OBLIGATIONS | |
|---|------------|-------------------------------------|--|---------------------------------------|---|---|
| | | Latest audited financial statements | Latest audited financial statements adjusted for subsequent events | Latest unaudited financial statements | Must the listed issuer confirm the adequacy of reserves for capitalization? | Must the reserves for capitalization be verified and confirmed by the external auditors (or reporting accountants) and the report be submitted to Bursa Securities? |
| Are the available reserves for capitalization adequate? | Scenario 1 | Yes | N/A | Yes | Yes | No |
| | Scenario 2 | Yes | N/A | No | Cannot undertake bonus issue | N/A |

³ Paragraph 6.30(3) stipulates that a listed issuer must ensure that the available reserves for capitalisation are adequate to cover the entire bonus issue of securities. If the reserves for capitalisation are not based on the annual audited financial statements of the listed issuer such reserves must be verified and confirmed by the external auditors or reporting accountants of the listed issuer. Where a confirmation by the external auditors or reporting accountants is required, the reserves for capitalisation, which may be adjusted for subsequent events, must be based on the latest audited financial statements or the latest quarterly report, whichever is the later.

⁴ Paragraph 1(dA) of Part B, Annexure PN28-B provides that a listed issuer must file the following documents in support of the listing application for a bonus issue:

- (a) confirmation from the listed issuer on the adequacy of the reserves for capitalization; and
- (b) where the confirmation from the external auditors or reporting accountants is required, the report from the external auditors or reporting accountants.

**Appendix 7 (Part A)
New Questions & Answers
Amendments in Various Areas**

| | SCENARIO | FINANCIAL STATEMENTS RELIED UPON | | | OBLIGATIONS | |
|---|------------|-------------------------------------|--|--|---|---|
| | | Latest audited financial statements | Latest audited financial statements adjusted for subsequent events | Latest unaudited financial statements | Must the listed issuer confirm the adequacy of reserves for capitalization? | Must the reserves for capitalization be verified and confirmed by the external auditors (or reporting accountants) and the report be submitted to Bursa Securities? |
| Are the available reserves for capitalization adequate? | Scenario 3 | No | Yes | N/A (Latest quarterly financial statements subsequent to the audited financial statements is not due for release) | Yes | Yes |
| | Scenario 4 | No | N/A | Yes | Yes | Yes |

[New Question & Answer 6.29]

8. **In circumstances where the reserves for capitalization are based on the latest unaudited financial statements and such reserves must be verified and confirmed by the external auditors or reporting accountants, what is the required scope of the such audit verification or confirmation?**

The audit verification or confirmation must be made in accordance with the approved auditing standards applied in Malaysia for review of interim financial statements.

In relation to a foreign issuer with primary listing on Bursa Securities, the audit verification or confirmation may also be made in accordance with the International Standards on Auditing.

[New Question & Answer 6.30]

Share Issuance Scheme by subsidiary**9. Is a Share Issuance Scheme undertaken by a subsidiary of a listed issuer subject to the approval of the listed issuer's shareholders?**

Generally, any Share Issuance Scheme implemented by a subsidiary of a listed issuer is no longer subjected to the approval of the listed issuer's shareholders under paragraph 6.44 of the Main LR. The Share Issuance Scheme implemented by the subsidiary will only require the approval of the listed issuer's shareholders if such Share Issuance Scheme is –

- (a) undertaken by a principal subsidiary⁵ and results in, or could potentially result in, a dilution amounting to 25% or more of the listed issuer's equity interest in the principal subsidiary under paragraph 8.21 of the Main LR; or
- (b) very material and triggers the percentage ratio of 25% or more under paragraph 10.07 of the Main LR where it will be considered as a "disposal of asset" by the listed issuer, due to dilution of its equity interest in the subsidiary.

In determining whether the obligations under paragraphs 8.21 or 10.07 of the Main LR are triggered, the listed issuer must compute the relevant thresholds prior to implementation of the Share Issuance Scheme of the subsidiary based on the assumption that the Share Issuance Scheme is implemented in full.

[New Question & Answer 6.39]

⁵ A "principal subsidiary" is defined in paragraph 1.01 of the Main LR as a subsidiary which accounts for 25% or more of the profit after tax or total assets employed of the listed issuer based on the latest published or announced audited financial statements of the listed issuer or audited consolidated financial statements of the listed issuer, as the case may be.

CHAPTER 8 – CONTINUING LISTING OBLIGATIONS***Listed issuers with inadequate level of operations***

10. Is there any difference in the obligations of an affected listed issuer⁶ under the previous framework set out in Practice Note 17 and the new framework in paragraph 8.03A of the Main LR?

Under the new framework in paragraph 8.03A of the Main LR, generally the obligations of the affected listed issuer remain the same as that of a PN17 Issuer including the requirement to submit and implement a regularisation plan within the prescribed timeframe. However, taking into consideration that there are differences between these listed issuers (an affected listed issuer vis-a-vis a PN17 Issuer), under the new framework -

- (a) an affected listed issuer will not be tagged or classified as a “PN17” Issuer;
- (b) if the affected listed issuer fails to regularise its condition, Bursa Securities has the discretion to suspend and delist its securities, whilst in the case of a PN17 Issuer, the suspension and delisting is automatic; and
- (c) there is an express provision in paragraph 8.03A for the affected listed issuer to apply not to undertake any regularisation plan if it is able to demonstrate to Bursa Securities’ satisfaction that its remaining business is viable, sustainable and has growth prospects with appropriate justifications, and its level of operations remains suitable for continued listing.

[New Question & Answer 8.13]

⁶ As stipulated in paragraph 8.03A(3) of the Main LR, an affected listed issuer refers to a listed issuer which has triggered the criteria of inadequate level of operations under paragraph 8.03A(2) of the Main LR namely that the listed issuer has –

- (a) suspended or ceased all of its business or its major business; or
- (b) suspended or ceased its entire or major operations; or
- (c) an insignificant business or operations.

-
11. Which regularisation obligation must a listed issuer comply with in the following scenarios:

Scenario 1

The listed issuer first triggers the criteria for inadequate level of operations set out in paragraph 8.03A of the Main LR and subsequently triggers the Prescribed Criteria set out in Practice Note 17.

Scenario 2

The listed issuer first triggers the criteria for inadequate level of operations set out in paragraph 8.03A of the Main LR and subsequently triggers the Cash Criterion in paragraph 8.03 of the Main LR.

The general principle is that the listed issuer must comply with the stricter obligations.

Hence in Scenario 1, the listed issuer must comply with the obligations imposed on a PN17 Issuer under paragraph 8.04 and Practice Note 17 of the Main LR.

In Scenario 2, the listed issuer must comply with the obligations imposed on a Cash Company under paragraph 8.03 and Practice Note 16 of the Main LR.

In both the Scenarios, the timeframe for the listed issuer to regularize its condition commences 12 months from the date the listed issuer announces that it triggers the criteria for inadequate level of operations under paragraph 8.03A of the Main LR.

[New Question & Answer 8.14]

Compliance with enhanced regularisation plan requirements

12. ***X Bhd triggers the Prescribed Criteria under Practice Note 17 on 29 December 2014 but has not submitted its regularisation plan to Bursa Securities. Is X Bhd required to comply with the enhanced requirements on regularisation plan in paragraphs 5.5, 5.6 and 5.7 of Practice Note 17 which takes effect on 27 January 2015?***

X Bhd must comply with the enhance requirements on regularisation plan in paragraphs 5.5, 5.6 and 5.7 of Practice Note 17 if it submits its regularisation plan to Bursa Securities on or after 27 January 2015.

[New Question & Answer 8.24]

Financial assistance

13. Paragraph 8.23(1) of the Main LR stipulates that the requirements relating to the provision of financial assistance in the Main LR are applicable to a listed issuer and its subsidiaries which are not listed on any stock exchange. Does this mean that a subsidiary listed on a stock exchange outside Malaysia is not required to comply with paragraph 8.23 of the Main LR if such subsidiary provides financial assistance?

Yes, the subsidiary listed on a stock exchange outside Malaysia is not subjected to the requirements under paragraph 8.23 of the Main LR. Instead, such subsidiary, in giving financial assistance, will be required to comply with its home exchange rules.

[New Question & Answer 8.31]

CHAPTER 9 – CONTINUING DISCLOSURE

Prescribed events which require immediate announcement

14. Paragraph 9.19(14B) of the Main LR requires a listed issuer to announce any appointment or change in the legal representative(s) with sole powers to represent, exercise rights or enter into binding obligations, on behalf of the listed issuer or its foreign principal subsidiary pursuant to any relevant law applicable to the listed issuer or its foreign principal subsidiary. Who is a legal representative for purposes of paragraph 9.19(14B) of the Main LR?

As expressly stated in paragraph 9.19A(14B) of the Main LR, a legal representative is a person with sole powers to represent, exercise rights or enter into binding obligations, on behalf of the listed issuer or its foreign principal subsidiary. It is a requirement imposed under the law of the relevant country like China for example which permits the appointment of a legal person who has the sole power to manage and direct the corporation, holds the corporation's common seal and is authorized to perform all acts regarding the general administration of the corporation including executing powers of attorney and any legal transaction on the corporation's behalf. The legal representative however, is separate from the director or senior officers of the listed issuer or its foreign principal subsidiary.

[New Question & Answer 9.16]

Others – Default in Payment

15. Paragraph 9.19A(1) of the Main LR among others, requires a listed issuer to immediately announce any default in payment of either interest or principal sums, or both, in respect of debt securities (whether listed or unlisted on Bursa Securities) by the listed issuer. In this regard, what would constitute a default in payment in respect of debt securities?

Default in payments in respect of debt securities includes -

- (a) default in payments of the interest or principal sum or both in respect of loan stocks or bonds;
- (b) default in payments under a debenture.

[New Question & Answer 9.57]

16. With effect from 27 January 2015, Practice Note 1 will be deleted from the Main LR and the requirements relating to default in payment will be set out in paragraph 9.19A of the Main LR instead.

- (a) **DEF Bhd**, a listed issuer, triggers the criteria for default in payment on 30 January 2015. Which template under Bursa LINK should **DEF Bhd** use to make the immediate announcement and monthly status updates required under paragraph 9.19A of the Main LR?

DEF Bhd must make the required immediate announcement and monthly status updates in the “**General Announcement**” template under the main keyword “**Others**” in the “Subject” column. There will no longer be any sub keyword in the “Subject” column for a default in payment announcement.

- (b) If **DEF Bhd** triggered the criteria for default in payment under Practice Note 1 on 15 January 2015 which was announced by **DEF Bhd** on the same date, which template under Bursa LINK should **DEF Bhd** use to make the announcement of the default in payment as well as the monthly status updates?

DEF Bhd must make the required immediate announcement and monthly status updates in the following manner:

- (i) the announcement of the default in payment on 15 January 2015 should be made in the “**General Announcement**” template under the main keyword “**Practice Note 1/Guidance Note 5**” and sub keyword “**New Default**” in the “Subject” column; and

Appendix 7 (Part A)
New Questions & Answers
Amendments in Various Areas

- (ii) the announcement of the monthly status update in February 2015 and thereafter should be made in the “**General Announcement**” template under the main keyword “**Others**” in the “Subject” column. There will no longer be any sub keyword in the “Subject” column for the monthly status update announcement.

[New Question & Answer 9.59]

17. The facts of the matter are as follows:

- *X Berhad* has a financial year end on 31 December.
- *X Berhad's* net assets as at 30 June 2015, based on its latest financial statements published on 30 July 2015 is RM250 million.
- In 2015, *X Berhad* had defaulted in the following payments of its credit facilities/debt securities:

| Date | Default in payments | Total Amount Outstanding (RM'000) |
|----------------|--|-----------------------------------|
| 31 July 2015 | Default in repayment of loan instalments to <i>Bank A</i> (“Default 1”) | 10,000 |
| 21 August 2015 | Default in payment of interests due to bond holders which had become due and payable (“Default 2”) | 4,000 |

Based on the facts above, is *X Berhad* required to immediately announce each default in payment pursuant to paragraph 9.19A of the Main LR?

Under paragraph 9.19A(1)(a) of the Main LR, a listed issuer must immediately announce any default in payment where the total amount outstanding either **singlely or collectively** is 5% or more of the net assets of the listed issuer based on the latest published or announced financial statements. In this regard, the table below clarifies the immediate announcement obligation of *X Berhad* as required under paragraph 9.19A(1)(a) of the Main LR:

| Date | Default in Payments | Total Amount Outstanding (RM'000) | Immediate Announcement Required? |
|--------------|---------------------|-----------------------------------|--|
| 31 July 2015 | Default 1 | 10,000 | No as total amount outstanding of Default 1 is only 4% of the net assets. |

Appendix 7 (Part A)
New Questions & Answers
Amendments in Various Areas

| Date | Default in Payments | Total Amount Outstanding (RM'000) | Immediate Announcement Required? |
|----------------|--|-----------------------------------|--|
| 21 August 2015 | Default 1 (which is still outstanding) and Default 2 | 14,000 | Yes as the total amount outstanding of Default 1 and Default 2 are collectively 5.6% of the net assets. |

[New Question & Answer 9.61]

18. The facts of the matter are as follows:

- *X Berhad* has a financial year end on 31 December.
- *X Berhad's* net assets as at 30 June 2015, based on its latest financial statements published on 30 July 2015 is RM250 million.
- *X Berhad's* net assets as at 30 September 2015, based on its latest financial statements published on 23 November 2015 is RM200 million.
- In 2015, *X Berhad* had defaulted in the following payments of its credit facilities/debt securities:

| Date | Default in payments | Total Amount Outstanding (RM'000) |
|----------------|--|-----------------------------------|
| 31 July 2015 | Default in repayment of loan instalments to <i>Bank A</i> ("Default 1") | 10,000 |
| 21 August 2015 | Default in payment of interests due to bond holders which had become due and payable ("Default 2") | 1,500 |

Based on the facts above, is *X Berhad* required to immediately announce each default in payment pursuant to paragraph 9.19A of the Main LR?

The table below clarifies the immediate announcement obligation of *X Berhad* as required under paragraph 9.19A(1)(a) of the Main LR:

Appendix 7 (Part A)
New Questions & Answers
Amendments in Various Areas

| Date | Default in Payments | Total Amount Outstanding (RM'000) | Immediate Announcement Required? |
|------------------|---|-----------------------------------|--|
| 31 July 2015 | Default 1 | 10,000 | No as total amount outstanding of Default 1 is only 4% of the net assets as at 30 July 2015. |
| 21 August 2015 | Default 1 (which is still outstanding) and Default 2 | 11,500 | No as the total amount outstanding of Default 1 and Default 2 are collectively only 4.6% of the net assets as at 30 July 2015. |
| 23 November 2015 | Default 1 and Default 2 (which are still outstanding) | 11,500 | Yes as the total amount outstanding of Default 1 and Default 2 are collectively 5.75% of the net assets as at 23 November 2015. |

[New Question & Answer 9.62]

CHAPTER 10 - TRANSACTIONS

Recurrent related party transaction of a revenue or trading nature and necessary for its day to day operations ("RRPT")

19. **Must a listed issuer appoint a main adviser for a RRPT, where such transaction triggers the percentage ratio of 25% or more and specific shareholders' approval (instead of a general mandate) is sought for the RRPT?**

Under paragraph 10.08(4) of the Main LR, the listed issuer is no longer required to appoint a main adviser for such RRPT. This however, does not restrict the listed issuer from appointing a Principal Adviser for the RRPT if it wishes to do so.

Notwithstanding the above, the listed issuer must still appoint an independent adviser for the RRPT where specific shareholder approval is sought.

[New Question & Answer 10.47]

Major Disposal

20. Under paragraph 10.11A(1)(bA) of the Main LR, a listed issuer undertaking a Major Disposal is required to conduct a valuation on all its material real estate if the total net book value of all the listed issuer's real estate contributes 50% or more to the total assets of the listed issuer on a consolidated basis. What constitutes material real estate for the purpose of paragraph 10.11A(1)(bA) of the Main LR?

Bursa Securities does not prescribe a definition or threshold for material real estate under paragraph 10.11A(1)(bA) of the Main LR. Generally, material real estate is real estate owned by the listed issuer that will reflect a close estimate of the total real estate value of the listed issuer.

[New Question & Answer 10.56]

CHAPTER 16 – SUSPENSION, DE-LISTING AND ENFORCEMENT

21. What are the types of corporate proposals envisaged in paragraph 16.07(b) of the Main LR where a listed issuer may withdraw its listing upon 100% of its listed shares or listed units being held by a shareholder or unit holder either individually or jointly with the associates, and the listed issuer has announced the offeror's intention not to maintain the listed issuer's listing status?

The corporate proposals in paragraph 16.07(b) of the Main LR include, among others, a scheme of arrangement, compromise, amalgamation or selective capital reduction under the Take-Overs and Mergers Code, and a Major Disposal.

[New Question & Answer 16.3]

[End of Part A]

PART B
REVISED AND UPDATED QUESTIONS AND ANSWERS
BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS
(Issued on 26 January 2015)

CHAPTER 2 – GENERAL

Qualification of directors, chief executive and chief financial officer

- 2.10 A listed issuer must ensure that each of its directors, chief executive and chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, chief executive or chief financial officer, of the listed issuer. How does the listed issuer comply with this requirement as set out in paragraph 2.20A of the Main LR?**

In ensuring that its directors, chief executive and chief financial officer meet the requirements set out in paragraph 2.20A of the Main LR, a listed issuer should, as a minimum, be guided by the [principles, recommendations and best practices commentaries](#) set out in [Part 2\(AA\)](#) of the Malaysian Code of Corporate Governance [2012](#), particularly [paragraph VIII Principle 2 and Principle 4](#). ~~In addition, the listed issuer should also take into account time commitment of the candidate in discharging his duty.~~ This assessment should be undertaken whenever –

- (i) the listed issuer appoints, elects or re-elects its directors, chief executive or chief financial officer, as the case may be; or
- (ii) the listed issuer conducts its yearly assessment on the performance of its directors, chief executive or chief financial officer, as the case may be; or
- (iii) material information involving the said persons comes to the knowledge of the listed issuer.

CHAPTER 4 - ADMISSION FOR SPECIFIC APPLICANTS

- 4.5** Based on the examples given in Questions 4.2 and 4.4 above, what are the initial listing fee and additional listing fee payable by the management company respectively?

Based on the [Scale Schedule](#) of Fees prescribed under the Main LR, in relation to an ETF, a management company must pay the listing fee on the size of the fund that has been approved for listing by Bursa Securities. As such, for Question 4.2 above, the initial listing fee payable by the management company will be based on the Approved Fund Size of 300 million ETF units, i.e. RM50,000.00. This fee is payable to Bursa Securities upon the submission of application for listing by the management company to Bursa Securities pursuant to paragraph 7.0 of Practice Note 23. As for Question 4.4 above, the additional listing fee payable will be based on the additional 200 million ETF units, which amounts to RM50,000.00. This additional listing fee is payable upon submission of the application for listing and quotation of the 200 million new ETF units by the management company to Bursa Securities pursuant to paragraph 6.60 of the Main LR.

CHAPTER 4A – FOREIGN LISTING***Continuing obligations of a ~~listed corporation~~ foreign issuer⁷***

- 4A.3** In the event *Y Ltd* has a primary listing on the Main Market, are the continuing listing obligations imposed on *Y Ltd* the same compared with those imposed on other Malaysian listed corporations under the Main LR?

Yes, once *Y Ltd* is listed on the Main Market, *Y Ltd* is required to comply with all the other relevant requirements under the Main LR. However, *Y Ltd* must also comply with some additional requirements imposed under Part C of Chapter 4A in the Main LR such as the obligations to –

- (a) have directors [or independent directors](#) with place of residence in Malaysia;
- (b) [ensure that the audit committee has at least 1 independent director with a place of residence in Malaysia;](#)
- (c) [appoint an external auditor from an international accounting firm or an accounting firm with international affiliation, which is duly registered or recognised by the Audit Oversight Board pursuant to section 31O of the Securities Commission Act 1993;](#)
- (d) comply with relevant auditing standards;
- (e) [obtain prior shareholder approval in a general meeting to appoint or remove its external auditor;](#)

⁷ Paragraph 4A.01(2)(a) of the Main LR defines “foreign issuer” as a foreign corporation or foreign collective investment scheme listed on the Main Market.

- (ef) distribute notices, documents or information which it is required to distribute in its place of incorporation, to its Malaysian shareholders; Chapter 4A Foreign Listing
- (dg) announce to Bursa Securities any change in interest(s) of its substantial shareholders;
- (eh) prepare financial statements on consolidated basis and in accordance with approved accounting standards; ~~and~~
- (fi) immediately notify Bursa Securities of any suspension in trading or de-listing of its securities listed on other stock exchange(s);
- (j) immediately announce to Bursa Securities any change in the laws of its country of incorporation or the laws in the country of incorporation of its foreign principal subsidiaries, which may affect the rights of shareholders; and
- (k) ensure that it has in place a system of internal control.

Admission requirements for secondary listing

4A.45 Are all the provisions of the Main LR applicable to an corporation issuer which has secondary listing on the Main Market?

Apart from Chapters 1, 2, 4A and 16, where applicable, the other Chapters of the Main LR are not applicable to an corporation issuer which has secondary listing on the Main Market.

CHAPTER 4B - LISTING OF SUKUK AND DEBT SECURITIES

Exchange traded bonds

4B.7 With reference to Question 4B.84B.6 above, what if the ETB is convertible or exchangeable into listed shares?

An issuer of ETB which is convertible or exchangeable into listed shares must issue a notice of the maturity or expiry of such ETB to its sukuk or debt securities holders and advertise a summary of the same in at least one nationally circulated Bahasa Malaysia or English daily newspaper not less than 1 month before the last conversion/exercise date or maturity date, whichever is the earlier.

Exempt regime

4B.15 Is it mandatory for an issuer to issue and announce its half-yearly financial statement to Bursa Securities?

No, paragraph 4B.197 of the Main LR does not mandate an issuer to prepare or issue a half-yearly financial statement. However, an issuer which has prepared or issued a half yearly financial statement, must announce the same to Bursa Securities within 2 months after the close of the half year of the issuer's financial year.

CHAPTER 5 – STRUCTURED WARRANTS

Continuing listing obligations

- 5.203 What is the rationale for requiring an issuer to announce the number and percentage of SW not held by the issuer or its market maker on a ~~quarterly~~ monthly basis under paragraph 5.35(5) of the Main LR?

Such reporting requirement is to ensure transparency of all pertinent information related to the SW to investors earlier and on a more frequent basis.

CHAPTER 6 – NEW ISSUES OF SECURITIES

Listing procedures

- 6.5 Please elaborate further on the type of proposals to which the procedures under paragraph 4.0 of Practice Note 28 apply.

This procedure is applicable to the additional securities which will be listed and quoted as the existing listed securities of the same type and class.

Examples where paragraph 4.0 is applicable

Example 1

PLC A proposes to issue additional new ordinary shares pursuant to the exercise of ~~employees share options~~ Share Issuance Scheme where the new ordinary shares arising from the ~~employees share options~~ Share Issuance Scheme will be listed and quoted as the existing listed ordinary shares.

In this instance, PLC A will adhere to the procedures under paragraph 4.0 for the listing and quotation of the new ordinary shares issued pursuant to the ~~employees share options~~ Share Issuance Scheme as it involves the same class of securities.

Example 2

PLC B has existing ordinary shares and warrants listed on Bursa Securities. PLC B proposes to undertake a rights issue of 100 million new ordinary shares on the basis of 1 new ordinary share for every 2 existing ordinary shares held (“**Rights Issue**”). Pursuant to the provision in the deed poll, additional warrants will be issued arising from the adjustment pursuant to the Rights Issue (“**Additional Warrants**”).

In this instance, PLC B will adhere to the procedures under paragraph 4.0 provided that the additional 100 million new ordinary shares and the Additional Warrants will be listed and quoted as the existing listed ordinary shares and warrants respectively.

Example 3

PLC E undertakes a corporate exercise which entails the following:

- (a) Proposed acquisition of *ABC company* for a purchase consideration of RM100 million to be satisfied by the issuance of 50 million new ordinary shares at RM2.00 per share (“**Acquisition**”).
- (b) Rights issue of 80 million new ordinary shares on the basis of 1 new ordinary share for every 1 share held (“**Rights Issue**”).

Facts

- (i) The Acquisition shares and Rights Issue will be listed and quoted as the existing listed ordinary shares; and
- (ii) The Acquisition and Rights Issue are inter-conditional upon each other and hence, the new ordinary shares arising from both the Rights Issue and Acquisition must be listed and quoted at the same time.

In this instance, *PLC E* will adhere to the procedures under paragraph 4.0 of Practice Note 28 because both the new shares arising from the Acquisition and Rights Issue will be listed and quoted as the existing listed shares.

Examples where paragraph 4.0 of Practice Note 28 is NOT applicable**Example 4**

PLC C proposes to undertake a private placement of new ordinary shares and these new ordinary shares will not be entitled to the final dividend for the financial year ended 30 March 2009.

As the new ordinary shares to be issued pursuant to the private placement will not be listed and quoted as the existing listed ordinary shares to which the procedures under paragraph 4.0 apply, *PLC C* must follow the procedure under paragraph 2.0 of Practice Note 28.

Example 5

PLC D has existing ordinary shares and warrants listed on Bursa Securities and proposes to undertake a rights issue of 80 million new ordinary shares and 80 million nominal value of Irredeemable Convertible Loan Stocks (“**ICULS**”) to its shareholders.

As the rights issue involves the issuance of a new type of securities i.e. ICULS, which is not currently listed, *PLC D* must follow the listing procedures under paragraph 2.0 of Practice Note 28 similar to Example 3 above.

Example 6

PLC F undertakes a corporate exercise which entails the following:

- (a) Proposed acquisition of *DEF company* for a purchase consideration of RM100 million to be satisfied by the issuance of 50 million new ordinary shares at RM2.00 per share (“**Acquisition**”).
- (b) Rights issue of 80 million new ordinary shares on the basis of 1 new ordinary share for every 1 share held (“**Rights Issue**”).

Facts

- (i) The new ordinary shares arising from the Acquisition will not be entitled to the Rights Issue;
- (ii) The Rights Issue shares will be listed and quoted as the existing listed ordinary shares; and
- (iii) The Acquisition is not conditional upon the Rights Issue.

In this instance, *PLC F* will adhere to the following procedures:

- Procedures under paragraph 2.0 of Practice Note 28 for new ordinary shares arising from Acquisition as it involves the issuance of a new class of securities i.e. “A” shares; and
- Procedures under paragraph 4.0 of Practice Note 28 for Rights Issue because the new shares arising from the Rights Issue will be listed and quoted as the existing listed shares.

Please refer to Annexure PN4528-A of Practice Note 28 for a better understanding on the application of each additional listing procedure set out under paragraphs 2.0, 3.0 and 4.0 of Practice Note 28.

6.78 Paragraph 1(c) of Part C Annexure PN4528-B of Practice Note 28 requires a listed issuer to enclose among others, a confirmation from the listed issuer that Bursa Depository is ready to credit the new securities to the accounts of the entitled holders. Are there any specific requirements to be complied with by a listed issuer with regard to providing this confirmation?

In order to provide the confirmation that Bursa Depository is ready to credit the new securities to the accounts of the entitled holders, a listed issuer must procure a confirmation from Bursa Depository as set out below when the listed issuer submits the new scrip in respect of new securities to Bursa Depository. The listed issuer must include the following confirmation in its cover letter to Bursa Depository when submitting the said new scrip:

"(To be completed by Bursa Malaysia Depository Sdn Bhd)

We hereby confirm that Bursa Malaysia Depository Sdn Bhd has received all the relevant documents from the share registrar/ issuer to facilitate the crediting of the above allotment. The above securities will be credited into the designated CDS accounts one (1) market day prior to the listing/quotation of the above securities.

.....
Name : (Authorised signatory)

Date : "

Bursa Depository will then acknowledge on the said cover letter. The listed issuer must submit a copy of the cover letter duly acknowledged by Bursa Depository to Bursa Securities as the confirmation required under paragraph 1(c) of Part C, Annexure PN4528-B, together with the other documents as required under Part C of Annexure PN4528-B in support of an application for quotation of new issue of securities.

CHAPTER 8 – CONTINUING LISTING OBLIGATIONS

PN17 Issuers

~~8.14 — What must be contained in a regularisation plan submitted to Bursa Securities under paragraph 8.04(3)(a)(i)(bb) of the Main LR?~~

~~Pursuant to paragraph 3.1 of Practice Note 17, such regularisation plan must contain details of the regularisation plan and sufficient information to demonstrate that the PN17 Issuer is able to comply with all the requirements set out under paragraph 3.1 of Practice Note 17 after implementation of the regularisation plan. This, among others includes a timeline for the complete implementation of the regularisation plan and the manner in which the plan will —~~

- ~~(a) — resolve all problems, financial or otherwise that had caused the PN17 Issuer to trigger the Prescribed Criteria;~~
- ~~(b) — enable the PN17 Issuer to regularise its financial condition and level of operations, such that the PN17 Issuer no longer triggers any of the Prescribed Criteria; and~~
- ~~(c) — increase shareholder value.~~

~~The information above must be disclosed in the circular issued to shareholders which must be submitted to Bursa Securities together with the regularisation plan.~~

8.1920 The auditors of *XYZ Bhd* express ~~a modified opinion~~ an emphasis of matter on *XYZ Bhd's ability to continue as a going concern in its latest audited financial statements for the financial year ended 30 June 2009 ("Financial Statement"). *XYZ Bhd's* shareholders' equity on a consolidated basis based on the Financial Statement was 60% of its issued and paid up capital (excluding treasury shares).*

However, *XYZ Bhd's* subsequent quarterly results for the period ended 30 September 2009 ("quarterly results") shows that its shareholders' equity has reduced to 35% of its issued and paid up capital (excluding treasury shares).

Will *XYZ Bhd* trigger the Prescribed Criteria upon the release of its quarterly results?

Yes, since *XYZ Bhd's* auditors have expressed ~~a modified opinion~~ an emphasis of matter on its ability to continue as a going concern in its latest Financial Statement and based on *XYZ Bhd's* latest available results which is the quarterly results, its shareholders' equity is less than 50% of its issued and paid up capital (excluding treasury shares), *XYZ Bhd* will trigger the Prescribed Criteria pursuant to paragraph 2.1(e) of Practice Note 17. In this event, *XYZ Bhd* must immediately make the First Announcement under paragraph 4.1(a) of Practice Note 17 upon the release of its quarterly results.

8.242 On 3 February 2010, *X Bhd* triggers the Cash Criterion and announces that it is a Cash Company. On 2 June 2010, *X Bhd* also triggers one of the Prescribed Criteria and announces that it is a PN17 Issuer.

(a) Must *X Bhd* comply with the regularisation obligations set out in paragraph 8.03 (as a Cash Company) or 8.04 (as a PN17 Issuer) of the Main LR?

X Bhd must comply with the stricter obligations i.e. those imposed on a Cash Company under paragraph 8.03 and Practice Note 16 of the Main LR. Among others, the listed issuer must place at least 90% of its cash and short-dated securities in an account opened with a financial institution licensed by Bank Negara Malaysia and operated by a custodian.

(b) What is the applicable timeframe for *X Bhd* to submit its proposal to regularise its condition as a Cash Company and PN17 Issuer?

X Bhd must regularise its condition by submitting a proposal to SC within 12 months from the date *X Bhd* announces that it is a Cash Company, i.e. by 2 February 2011.

(c) Must *X Bhd* regularise its condition by undertaking a regularisation proposal/plan under paragraph 8.03(5)(a) or that under paragraph 8.04(3)(a)(i) of the Main LR?

X Bhd must undertake a regularisation proposal under paragraph 8.03(5)(a) of the Main LR. This proposal must be able to regularise *X Bhd's* condition as a Cash Company and PN17 Issuer. In this regard, the proposal must be one to acquire a new core business as required under paragraph 8.03(5)(a)(i) of the

Main LR, and which will also fulfill the conditions set out in paragraphs [3-15.4](#) and [5.5](#) of Practice Note 17.

8.223 What are the measures that will be taken by Bursa Securities to assist investors in identifying listed issuers which are PN17 Issuers?

~~The PN17 Issuers will be flagged on the MASA screen so as to assist easy identification by an investor via the caption "Investor Alert". Further, t~~The full list of PN17 Issuers and announcements relating to them are available on Bursa Malaysia's website. Hence, investors may access Bursa Malaysia's website to be kept informed and updated on the status of the financial condition of the PN17 Issuers.

Financial assistance

8.2932 What are the disclosure requirements of a listed issuer in respect of financial assistance provided by the listed issuer or its ~~unlisted~~ subsidiaries not listed on any stock exchange pursuant to paragraph 8.23(1)(ii) of the Main LR?

Pursuant to paragraph 3.1 of Practice Note 11, the listed issuer must announce any financial assistance provided by such listed issuer or its ~~unlisted~~ subsidiaries not listed on any stock exchange pursuant to paragraph 8.23(1)(ii) of the Main LR for each quarter of its financial year, simultaneously with its quarterly results pursuant to paragraph 9.22 of the Main LR and in any event no later than 2 months after the end of each quarter of its financial year. In this respect, the listed issuer must ensure that the announcement includes such information as set out in Annexure PN11-A of Practice Note 11 and Appendix 8D (if applicable) of the Main LR.

8.303 Will a listed issuer (other than a listed issuer whose activities are regulated by any written law relating to banking, finance companies or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as Bursa Securities deems appropriate) which lends money pursuant to a moneylending licence ("Moneylending") be exempted from compliance with paragraph 8.23 of the Main LR?

No, a listed issuer which is involved in Moneylending is subject to and hence, must ensure compliance with paragraph 8.23 of the Main LR notwithstanding that it has a valid moneylending licence.

8.347 What is a moneylending company under paragraph 8.23 of the Main LR? Are corporate guarantees or loans granted to non-wholly owned subsidiaries and contractors regarded as moneylending under the Main LR?

A moneylending company is defined under paragraph 8.23(2)(a)(ii) of the Main LR as a listed issuer or its subsidiary that lends or advances money in the ordinary course of business as a moneylender pursuant to the Moneylenders Act 1951 ~~or otherwise~~. As such, provision of corporate guarantees or advances necessary to facilitate the ordinary course of business of the listed issuer or its subsidiary (i.e. for purposes of getting a contract or to enable a sub-contractor to commence work) would not be regarded as moneylending operations.

8.358 Under paragraph 8.23(2)(c) of the Main LR, a listed issuer must procure its shareholders' prior approval for any provision of financial assistance to an associated company or joint arrangement where the aggregate amount provided compared to the net tangible assets of the group is 5% or more. In such circumstances, what is the prescribed content of the circular to be issued to the shareholders?

The minimum content of a circular for purposes of seeking shareholder approval for provision of financial assistance which is not a related party transaction is not specifically prescribed under the Main LR. However, a listed issuer can seek guidance from the minimum content prescribed for circulars in relation to transactions as set out under Appendix 10B of the Main LR.

Continuing obligation of a special purpose acquisition company ("SPAC")

8.536 Pursuant to paragraph 8.423 of the Main LR, a SPAC is not subject to certain continuing listing obligations. Will this still be applicable to a SPAC which has completed a qualifying acquisition?

No, once a SPAC completes a qualifying acquisition⁸, it is regarded as a listed issuer and has to comply with all the requirements in the Main LR like any other listed issuer.

CHAPTER 9 – CONTINUING DISCLOSURE

Immediate disclosure of material information

~~9.07 — Does a listed issuer have to make an immediate announcement when its 49% associated company defaults in payment of either interest or principal sums but the associated company's bankers do not issue any notices/demand letter?~~

~~Pursuant to paragraph 9.03 and 9.04(l) of the Main LR and Practice Note 1, any such default of payments (as envisaged in the loan/credit facility agreement) including by an associated company of a listed issuer which is material (i.e. vis-à-vis the group) would require immediate announcement irrespective of whether a notice or demand has been issued by the bankers.~~

⁸ Pursuant to paragraph 1.01 of the Main LR, a SPAC is considered to have completed a qualifying acquisition at the point of time where all conditions precedent set out in the sale and purchase agreement governing the qualifying acquisition have been fulfilled, and "complete the qualifying acquisition" will be construed accordingly.

Prescribed events which require immediate announcement

- 9.25** Paragraph 9.19(47) of the Main LR requires a listed issuer to make an immediate announcement of any material development to corporate proposals previously announced. What will be considered “corporate proposals” under paragraph 9.19(47) of the Main LR?

“**Corporate proposals**” for purposes of paragraph 9.19(47) of the Main LR refers to any proposals, transactions, arrangements or exercises by a listed issuer. Corporate proposals include but are not limited to capital raising exercises, transactions, rights issue, bonus issue, capital consolidation, scheme of arrangement, compromise, amalgamation capital reduction, capital repayment and employee share ~~option~~-schemes.

Immediate disclosure requirements – dealings in quoted securities

- 9.27** For the purpose of paragraph 9.20 of the Main LR, is a listed issuer only required to aggregate the purchases or sales of the quoted securities of a particular corporation?

No. Pursuant to paragraph 9.20 of the Main LR, a listed issuer is required to aggregate all purchases or sales of quoted securities respectively within the preceding 12 months excluding such purchases or sale which has been previously announced. ~~In this respect, it is to be noted that the purchases or sales of quoted securities as disclosed in the quarterly report would still need to be aggregated unless such purchases or sales have been previously announced in a separate announcement pursuant to paragraph 9.20 of the Main LR.~~

Timeframe for issuance of annual report

- 9.40** Paragraph 9.23 of the Main LR in relation to the timeframe for issuance of annual reports has been amended to be implemented in phases in the following manner:

- annual reports for financial years ending on or after 31 December 2014 must be issued to Bursa Securities and shareholders within 5 months from the close of the financial year end (“Phase 1 Requirements”); and
- annual reports for financial years ending on or after 31 December 2015 must be issued to Bursa Securities and shareholders within 4 months from the close of the financial year end, and the separate announcement of the annual audited financial statements can be dispensed with (“Phase 2 Requirements”).

ABC Berhad’s financial year end (“FYE”) falls on 31 December. Is ABC Berhad still required to announce its annual audited financial statements to the Bursa Securities?

ABC Berhad is still required to announce its annual audited financial statements for FYE 31 December 2014 by 30 April 2015 under the Phase 1 Requirements. However, it is not required to announce its annual audited financial statements for FYE 31 December 2015 and the subsequent financial years after 31 December 2015 when the Phase 2 Requirements become effective as its annual reports issued within 4 months for those

[financial years would already include its annual audited financial statements, directors' and auditors' reports.](#)

Others – Default in Payment

- 9.0758** Does a listed issuer have to make an immediate announcement when its 49% associated company defaults in payment of either interest or principal sums but the associated company's bankers do not issue any notices/demand letter?

Pursuant to paragraph [9.03 and 9.04\(l\) of the Main LR and Practice Note 19.19A\(1\)\(b\) of the Main LR](#), any such default ~~of~~ payments (as envisaged in the loan/credit facility agreement) including by an associated company of a listed issuer which is material (i.e. vis-à-vis the group) would require immediate announcement irrespective of whether a notice or demand has been issued by the bankers.

- 9.5660** A *Berhad's* net assets based on the latest published or announced financial statements is RM100 million. A *Berhad* has procured a credit facility of RM8 million from a bank and has withdrawn RM5 million from the facility as at 30 August 2009. On 30 August 2009, A *Berhad* defaults in the repayment of a monthly installment of RM100,000. As a result, the bank recalls the credit facility and demanded that A *Berhad* repays the bank the total outstanding sum due and owing under the credit facility amounting to RM5 million.

In this case, what is the “total amount outstanding of the defaulted credit facility” referred to in paragraph [2.1\(d\) of Practice Note 19.19A\(1\)\(a\) of the Main LR](#) in determining whether A *Berhad* is required to announce the default under [Practice Note 19.19A of the Main LR](#)?

The “total amount outstanding of the defaulted credit facility” referred to in paragraph [2.1\(d\) of Practice Note 19.19A\(1\)\(a\) of the Main LR](#) is the total outstanding sum due and owing under the credit facility when the bank issued the demand, i.e. RM5 million.

- 9.5763** If a listed issuer, its major subsidiary or major associated company commits a default in payment pursuant to [Practice Note 19.19A of the Main LR](#), when does the listed issuer have to furnish a statement of solvency declaration to Bursa Securities?

The statement of solvency declaration duly executed by the board of directors of the listed issuer must be submitted via fax and mail to the Head of Listing, Bursa Securities within 3 market days from the date of the announcement on the default in payment pursuant to [Practice Note 19.19A of the Main LR](#).

- 9.5864** If a listed issuer has negative net assets, how should the listed issuer determine how material a default in payment is for the purpose of making an announcement under the Main LR?

Where a listed issuer has negative net assets, any amount in default will be considered as material pursuant to paragraph [2.1\(e\) of Practice Note 19.19A\(2\) of the Main LR](#) and the listed issuer must announce any amount in default.

CHAPTER 10 – TRANSACTIONS**Definition of “transaction”**

10.5 What amounts to an “interest” as referred to in the definition of related party transaction set out in paragraph 10.02(mk) of the Main LR?

Interest includes directorships, shareholdings (direct or deemed), ~~and~~ commissions or such other / benefits received or derived from the transaction.

Related party transactions

10.22 Must a listed issuer immediately announce all related party transactions?

A listed issuer must immediately announce all the following related party transaction:

- (a) related party transactions which do not fall within the category of recurrent related party transaction of a revenue or trading nature and necessary for its day to day operations (“RRPT”) and -
 - (i) the value of the consideration of the transaction is RM~~250~~500,000 or more ; and
 - (ii) the percentage ratio of such related party transaction is 0.25% or more; and
- (b) RRPTs which are not comprised in a valid mandate from its shareholders (“Mandate”) and -
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more,
 whichever is the lower (“Prescribed Limit”).

10.28 What is meant by “investee corporation” as used in paragraph ~~10.08(11)(b)~~ and 10.08(11)(q) of the Main LR?

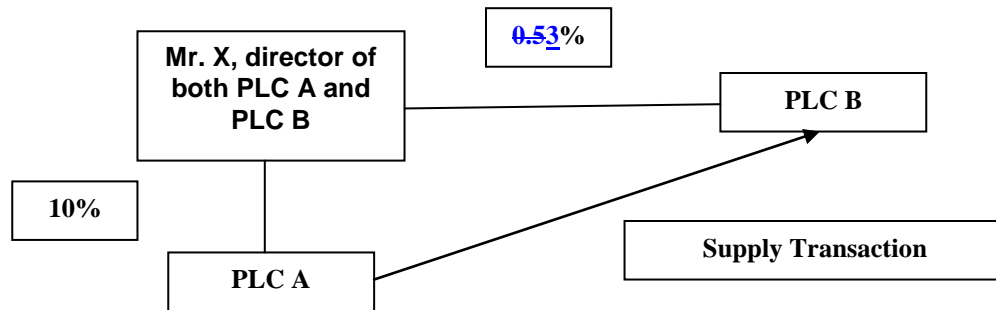
“Investee corporation” as used in paragraph ~~10.08(11)(b)~~ and 10.08(11)(q) refers to any corporation in which the listed issuer has direct or indirect shareholdings.

10.39 Referring to the facts as set out in Question 10.38 above, *D Sdn Bhd*, is entering into a transaction with *Y Sdn Bhd*. *Mr Z* who is a director and a substantial shareholder of *D Sdn Bhd* is also a director and a substantial shareholder of *Y Sdn Bhd*. *A Bhd* has no holding company. Assuming that *Mr Z* has no interest in *A Bhd*, the listed issuer, is this a related party transaction?

Yes, this situation is considered a related party transaction. However, pursuant to paragraph 10.08(9) of the Main LR, *A Bhd* does not need to obtain shareholder approval, issue a circular or appoint an independent adviser. *A Bhd* must however make an

announcement which contains the prescribed information under paragraph 10.08(1) of the Main LR. In addition, the board of directors of *A Bhd* must approve the [transaction before the terms of the transaction are agreed upon and ensure that the transaction is fair and reasonable to *A Bhd* and is in the best interests of *A Bhd*.](#)

- 10.41 *PLC A* and *PLC B* are listed issuers. *Mr. X* is the common director of *PLC A* and *PLC B*. *Mr. X* has shareholdings of 10% in *PLC A* and 0.53% in *PLC B* respectively. *PLC A* enters into a supply transaction with *PLC B*. What is the nature of the supply transaction vis-à-vis *PLC A* and *PLC B*?



In so far as *PLC A* is concerned, the supply transaction would not be regarded as a related party transaction pursuant to paragraph 10.08(11)(c) of the Main LR provided that *Mr. X* does not receive or derive any benefits from *PLC A* and *PLC B* in relation to the said transaction. The transaction would however be regarded as a related party transaction vis-à-vis *PLC B*.

- 10.42 *ABC Berhad* and/or its subsidiaries propose(s) to enter into the following transactions:

| No. | Details of transactions | Party(ies) | Highest percentage ratio triggered | Value of consideration given or received |
|-----|---------------------------------|--|------------------------------------|--|
| 1. | Transaction 1 in September 2009 | <i>ABC Berhad</i> and <i>Mr. X</i> , a major shareholder of <i>ABC Berhad</i> | 5% | RM100,000 |
| 2. | Transaction 2 in October 2009 | <i>ABC Berhad</i> and <i>Syarikat 123 Sdn Bhd</i> , a joint venture company of <i>ABC Berhad</i> and <i>Mr. Z</i> , a major shareholder of <i>ABC Berhad</i> . | 0.22% | RM500,000 |

What are the obligations of *ABC Berhad* in relation to the above transactions?

The obligations of *ABC Berhad* are as follows:

Transaction 1

Pursuant to paragraph 10.08(1)(a) of the Main LR, no obligation is triggered by *ABC Berhad* in relation to the related party transaction as even though the highest percentage ratio triggered is 5% (i.e. threshold for shareholder approval for related party transactions), the value of consideration given is less than RM~~250~~500,000.

Transaction 2

Pursuant to paragraph 10.08(1) of the Main LR, as the highest percentage ratio is less than 0.25%, no requirement is imposed on *ABC Berhad* to immediately announce the related party transaction.

CHAPTER 14 – DEALINGS IN SECURITIES

- 14.1** *ABC Berhad* has fixed the targeted date for announcement of *ABC Berhad's* 1st quarterly results for 2010 on 15 May 2010. *Mr. X*, a director of *ABC Berhad*, intends to deal with the shares of *ABC Berhad*. If the announcement of *ABC Berhad's* 1st quarterly results is made on 15 May 2010, what is the closed period for dealings by *Mr. X*?

Closed period is defined in paragraph 14.02(b) of the [ACEMain](#) LR to mean a period commencing 30 calendar days before the targeted date of announcement of a listed [corporation/issuer's](#) quarterly results up to the date of announcement of the quarterly results.

As the announcement for the 1st quarterly results of *ABC Berhad* is made on 15 May ~~2009~~2010, the closed period for dealings by *Mr. X* will commence from 15 April 2010 until 15 May 2010.

CHAPTER 15 – CORPORATE GOVERNANCE***Directors***

- 15.10** Paragraph 15.06(1) of the Main LR states that a director of an applicant or a listed issuer must not hold more than 5 directorships in listed issuers. Does the restriction apply to directorships held in corporations listed overseas?

No. The restriction is only applicable to directorships held in listed issuers on ~~the~~ [ExchangeBursa Securities](#). Hence, in computing the number of directorships that may be held pursuant to the restriction, a director should take into account his directorships held in –

- (a) listed corporations (which include [locally incorporated companies listed on Bursa Securities](#) or corporations incorporated outside Malaysia but listed on ~~the Exchange~~[Bursa Securities](#));
- (b) management companies of the collective investment schemes which are listed on ~~the Exchange~~[Bursa Securities](#); or
- (c) issuers of any other listed securities on ~~the Exchange~~[Bursa Securities](#).

CHAPTER 16 – SUSPENSION, DE-LISTING & ENFORCEMENT

Withdrawal of listing

16.2 In a take-over offer situation [pursuant to the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction](#) –

- (a) **when can a listed issuer withdraw its listing status?**

In a take-over offer situation [pursuant to the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction](#), a listed issuer may withdraw its listing from the Official List of Bursa Securities when 90% or more of its listed shares (excluding treasury shares) [or listed units](#) are held by one shareholder [or unit holder](#) either individually or jointly with associates of the said shareholder [or unit holder](#) and the listed issuer has announced the offeror's intention not to maintain the listed issuer's listing status ~~pursuant to paragraph 9.19(48) of the Main LR~~.

- (b) **must a listed issuer seek shareholder approval pursuant to paragraph 16.06 of the Main LR to withdraw its listing status?**

No, a withdrawal of listing by a listed issuer in this situation is not subject to paragraph 16.06 of the Main LR and as such, no specific shareholder approval is required for the withdrawal.

ACE MARKET LISTING REQUIREMENTS**PART A****NEW QUESTIONS AND ANSWERS RELATING TO
THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD
ACE MARKET LISTING REQUIREMENTS IN VARIOUS AREAS
(Issued on 26 January 2015)****CHAPTER 5 – FOREIGN LISTING*****External auditors of applicants – accounting firms with international affiliation***

1. Rule 5.11(a) of the ACE LR requires an applicant⁹ to appoint an external auditor from an international accounting firm or an accounting firm with international affiliation. What are the criteria which the applicant should consider in determining whether an accounting firm has “international affiliation”?

In determining whether an accounting firm is affiliated with an international firm, the applicant may consider whether the accounting firm -

- is associated with an international firm;
- pays royalties or annual fees to the international firm;
- has shared services with the international firm such as the accounting firm may deploy services of the international firm for its overseas clients; and
- is able to provide all relevant accounting and auditing services akin to an international auditing firm.

[New Question & Answer 5.4]

⁹ An “**applicant**” is defined in Rule 5.01(2) of the ACE LR to mean a foreign corporation seeking a primary listing on the ACE Market.

CHAPTER 6 – NEW ISSUES OF SECURITIES

2. A controlling shareholder which is a statutory institution managing funds belonging to the public is no longer required to list down its directorships or substantial shareholdings in all other listed corporations in Malaysia for the past 3 years, in the additional listing application for new issue of securities under paragraph 12, Part A of Annexure GN17-B. What are some examples of “statutory institutions managing funds belonging to the public”?

Examples of statutory institutions managing funds belonging to the public include the Employees Provident Fund (“**EPF**”), Lembaga Tabung Angkatan Tentera (“**LTAT**”), Kumpulan Wang Persaraan (Diperbadankan) (“**KWAP**”) and Lembaga Tabung Haji.

[New Question & Answer 6.8]

General requirements for new issue of securities

3. The facts are as follows:
- On 31 July 2014, *PLC A* obtained a general mandate from its shareholders under Rule 6.04(1) of the ACE LR to issue shares at any time until the conclusion of its next annual general meeting provided that the aggregate number of shares to be issued does not exceed 10% of its issued and paid-up capital for the time being.
 - The nominal value of *PLC A*'s issued and paid-up capital as at 31 July 2014 was RM95 million.
 - On 1 September 2014, the nominal value of *PLC A*'s issued and paid-up capital increased to RM100 million shares pursuant to a private placement exercise of 5 million shares of RM1.00 each issued under the general mandate.
 - On 31 December 2014, *PLC A* issued another 50 million shares of RM1.00 each pursuant to a rights issue exercise which has been approved under a specific shareholders' approval.
 - *PLC A* intends to undertake another private placement exercise by 30 June 2015.

What is the maximum amount of shares that *PLC A* can issue for the private placement exercise under the general mandate?

As at 30 June 2015, the nominal value of *PLC A*'s issued and paid-up capital is RM150 million. Therefore, the maximum amount that *PLC A* can issue under the general mandate is 15 million shares of RM1.00 each. Since *PLC A* has issued 5 million shares under the general mandate in the preceding 12 months, the maximum number of shares that can be issued under general mandate as at 30 June 2015 is 10 million shares.

[New Question & Answer 6.11]

**Appendix 7 (Part A)
New Questions & Answers
Amendments in Various Areas**

Requirements in relation to bonus issue

4. What are the circumstances where the listed corporation, or the external auditors/reporting accountants, is required to provide confirmations that the available reserves for capitalization are adequate to cover the entire bonus issue under Rule 6.31(3)¹⁰ of the ACE LR and paragraph 1(dA) in Part B, Annexure GN17-B¹¹ of Guidance Note 17?

The following table clarifies the obligations of the listed corporation and the external auditors/reporting accountants in providing the relevant confirmations required for purposes of complying with Rule 6.31(3) of the ACE LR and paragraph 1(dA) in Part B, Annexure GN17-B of Guidance Note 17:

| | SCENARIO | FINANCIAL STATEMENTS RELIED UPON | | | OBLIGATIONS | |
|---|------------|-------------------------------------|--|---------------------------------------|--|---|
| | | Latest audited financial statements | Latest audited financial statements adjusted for subsequent events | Latest unaudited financial statements | Must the listed corporation confirm the adequacy of reserves for capitalization? | Must the reserves for capitalization be verified and confirmed by the external auditors (or reporting accountants) and the report be submitted to Bursa Securities? |
| Are the available reserves for capitalization adequate? | Scenario 1 | Yes | N/A | Yes | Yes | No |
| | Scenario 2 | Yes | N/A | No | Cannot undertake bonus issue | N/A |

¹⁰ Rule 6.31(3) stipulates that a listed corporation must ensure that the available reserves for capitalisation are adequate to cover the entire bonus issue of securities. If the reserves for capitalisation are not based on the annual audited financial statements of the listed corporation, such reserves must be verified and confirmed by the external auditors or reporting accountants of the listed corporation. Where a confirmation by the external auditors or reporting accountants is required, the reserves for capitalisation, which may be adjusted for subsequent events, must be based on the latest audited financial statements or the latest quarterly report, whichever is the later.

¹¹ Paragraph 1(dA) of Part B, Annexure GN17-B provides that a listed corporation must file the following documents in support of the listing application for a bonus issue:

- (c) confirmation from the listed corporation on the adequacy of the reserves for capitalization; and
- (d) where the confirmation from the external auditors or reporting accountants is required, the report from the external auditors or reporting accountants.

Appendix 7 (Part A)
New Questions & Answers
Amendments in Various Areas

| | SCENARIO | FINANCIAL STATEMENTS RELIED UPON | | | OBLIGATIONS | |
|---|------------|-------------------------------------|--|--|--|---|
| | | Latest audited financial statements | Latest audited financial statements adjusted for subsequent events | Latest unaudited financial statements | Must the listed corporation confirm the adequacy of reserves for capitalization? | Must the reserves for capitalization be verified and confirmed by the external auditors (or reporting accountants) and the report be submitted to Bursa Securities? |
| Are the available reserves for capitalization adequate? | Scenario 3 | No | Yes | N/A (Latest quarterly financial statements subsequent to the audited financial statements is not due for release) | Yes | Yes |
| | Scenario 4 | No | N/A | Yes | Yes | Yes |

[New Question & Answer 6.30]

5. In circumstances where the reserves for capitalization are based on the latest unaudited financial statements and such reserves must be verified and confirmed by the external auditors or reporting accountants, what is the required scope of the such audit verification or confirmation?

The audit verification or confirmation must be made in accordance with the approved auditing standards applied in Malaysia for review of interim financial statements.

In relation to a foreign corporation with primary listing on Bursa Securities, the audit verification or confirmation may also be made in accordance with the International Standards on Auditing.

[New Question & Answer 6.31]

Share Issuance Scheme by subsidiary**6. Is a Share Issuance Scheme undertaken by a subsidiary of a listed corporation subject to the approval of the listed corporation's shareholders?**

Generally, any Share Issuance Scheme implemented by a subsidiary of a listed corporation is no longer subjected to the approval of the listed corporation's shareholders under Rule 6.45 of the ACE LR. The Share Issuance Scheme implemented by the subsidiary will only require the approval of the listed corporation's shareholders if such Share Issuance Scheme is –

- (b) undertaken by a principal subsidiary¹² and results in, or could potentially result in, a dilution amounting to 25% or more of the listed corporation's equity interest in the principal subsidiary under Rule 8.23 of the ACE LR; or
- (b) very material and triggers the percentage ratio of 25% or more under Rule 10.07 of the ACE LR where it will be considered as a "disposal of asset" by the listed corporation, due to dilution of its equity interest in the subsidiary.

In determining whether the obligations under Rules 8.23 or 10.07 of the ACE LR are triggered, the listed corporation must compute the relevant thresholds prior to implementation of the Share Issuance Scheme of the subsidiary based on the assumption that the Share Issuance Scheme is implemented in full.

[New Question & Answer 6.40]

¹² A "principal subsidiary" is defined in Rule 1.01 of the ACE LR as a subsidiary which accounts for 25% or more of the profit after tax or total assets employed of the listed corporation based on the latest published or announced audited financial statements of the listed corporation or audited consolidated financial statements of the listed corporation, as the case may be.

CHAPTER 8 – CONTINUING LISTING OBLIGATIONS***Listed corporations with inadequate level of operations***

7. **Is there any difference in the obligations of an affected listed corporation¹³ under the previous framework set out in Guidance Note 3 and the new framework in Rule 8.03A of the ACE LR?**

Under the new framework in Rule 8.03A of the ACE LR, generally the obligations of the affected listed corporation remain the same as that of a GN3 Company including the requirement to submit and implement a regularisation plan within the prescribed timeframe. However, taking into consideration that there are differences between these listed corporations (an affected listed corporation vis-a-vis a GN3 Company), under the new framework -

- (a) an affected listed corporation will not be tagged or classified as a “GN3” Company;
- (b) if the affected listed corporation fails to regularise its condition, Bursa Securities has the discretion to suspend and delist its securities, whilst in the case of a GN3 Company, the suspension and delisting is automatic; and
- (c) there is an express provision in Rule 8.03A for the affected listed corporation to apply not to undertake any regularisation plan if it is able to demonstrate to Bursa Securities’ satisfaction that its remaining business is sustainable and has growth prospects with appropriate justifications, and its level of operations remains suitable for continued listing.

[New Question & Answer 8.16]

¹³ As stipulated in Rule 8.03A(3) of the ACE LR, an affected listed corporation refers to a listed corporation which has triggered the criteria of inadequate level of operations under Rule 8.03A(2) of the ACE LR namely that the listed corporation has –

- (a) suspended or ceased all of its business or its major business; or
- (b) suspended or ceased its entire or major operations; or
- (c) an insignificant business or operations.

-
8. Which regularisation obligation must a listed corporation comply with in the following scenarios:

Scenario 1

The listed corporation first triggers the criteria for inadequate level of operations set out in Rule 8.03A of the ACE LR and subsequently triggers the Prescribed Criteria set out in Guidance Note 3.

Scenario 2

The listed corporation first triggers the criteria for inadequate level of operations set out in Rule 8.03A of the ACE LR and subsequently triggers the Cash Criterion in Rule 8.03 of the ACE LR.

The general principle is that the listed corporation must comply with the stricter obligations.

Hence in Scenario 1, the listed corporation must comply with the obligations imposed on a GN3 Company under Rule 8.04 and Guidance Note 3 of the ACE LR.

In Scenario 2, the listed corporation must comply with the obligations imposed on a Cash Company under Rule 8.03 and Guidance Note 2 of the ACE LR.

In both the Scenarios, the timeframe for the listed corporation to regularise its condition commences 12 months from the date the listed corporation announces that it triggers the criteria for inadequate level of operations under Rule 8.03A of the ACE LR.

[New Question & Answer 8.17]

Compliance with enhanced regularisation plan requirements

9. ***X Bhd triggers the Prescribed Criteria under Guidance Note 3 on 29 December 2014 but has not submitted its regularisation plan to Bursa Securities. Is X Bhd required to comply with the enhanced requirements on regularisation plan in paragraphs 5.3, 5.4 and 5.5 of Guidance Note 3 which takes effect on 27 January 2015?***

X Bhd must comply with the enhance requirements on regularisation plan in paragraphs 5.3, 5.4 and 5.5 of Guidance Note 3 if it submits its regularisation plan to Bursa Securities on or after 27 January 2015.

[New Question & Answer 8.31]

Financial assistance

10. Rule 8.25(1) of the ACE LR stipulates that the requirements relating to the provision of financial assistance in the ACE LR are applicable to a listed corporation and its subsidiaries which are not listed on any stock exchange. Does this mean that a subsidiary listed on a stock exchange outside Malaysia is not required to comply with Rule 8.25 of the ACE LR if such subsidiary provides financial assistance?

Yes, the subsidiary listed on a stock exchange outside Malaysia is not subjected to the requirements under Rule 8.25 of the ACE LR. Instead, such subsidiary, in giving financial assistance, will be required to comply with its home exchange rules.

[New Question & Answer 8.38]

CHAPTER 9 – CONTINUING DISCLOSURE***Prescribed events which require immediate announcement***

11. Rule 9.19(14B) of the ACE LR requires a listed corporation to announce any appointment or change in the legal representative(s) with sole powers to represent, exercise rights or enter into binding obligations, on behalf of the listed corporation or its foreign principal subsidiary pursuant to any relevant law applicable to the listed corporation or its foreign principal subsidiary. Who is a legal representative for purposes of Rule 9.19(14B) of the ACE LR?

As expressly stated in Rule 9.19A(14B) of the ACE LR, a legal representative is a person with sole powers to represent, exercise rights or enter into binding obligations, on behalf of the listed corporation or its foreign principal subsidiary. It is a requirement imposed under the law of the relevant country like China for example which permits the appointment of a legal person who has the sole power to manage and direct the corporation, holds the corporation's common seal and is authorized to perform all acts regarding the general administration of the corporation including executing powers of attorney and any legal transaction on the corporation's behalf. The legal representative however, is separate from the director or senior officers of the listed corporation or its foreign principal subsidiary.

[New Question & Answer 9.14]

Others – Default in Payment

12. Rule 9.19A(1) of the ACE LR among others, requires a listed corporation to immediately announce any default in payment of either interest or principal sums, or both, in respect of debt securities (whether listed or unlisted on Bursa Securities) by the listed corporation. In this regard, what would constitute a default in payment in respect of debt securities?

Default in payments in respect of debt securities includes -

- (b) default in payments of the interest or principal sum or both in respect of loan stocks or bonds;
- (b) default in payments under a debenture.

[New Question & Answer 9.49]

13. With effect from 27 January 2015, Guidance Note 5 will be deleted from the ACE LR and the requirements relating to default in payment will be set out in Rule 9.19A of the ACE LR instead.

- (a) **DEF Bhd**, a listed corporation, triggers the criteria for default in payment on 30 January 2015. Which template under Bursa LINK should **DEF Bhd** use to make the immediate announcement and monthly status updates required under Rule 9.19A of the ACE LR?

DEF Bhd must make the required immediate announcement and monthly status updates in the “**General Announcement**” template under the main keyword “**Others**” in the “Subject” column. There will no longer be any sub keyword in the “Subject” column for a default in payment announcement.

- (b) If **DEF Bhd** triggered the criteria for default in payment under Guidance Note 5 on 15 January 2015 which was announced by **DEF Bhd** on the same date, which template under Bursa LINK should **DEF Bhd** use to make the announcement of the default in payment as well as the monthly status updates?

DEF Bhd must make the required immediate announcement and monthly status updates in the following manner:

- (i) the announcement of the default in payment on 15 January 2015 should be made in the “**General Announcement**” template under the main keyword “**Practice Note 1/Guidance Note 5**” and sub keyword “**New Default**” in the “Subject” column; and

Appendix 7 (Part A)
New Questions & Answers
Amendments in Various Areas

- (ii) the announcement of the monthly status update in February 2015 and thereafter should be made in the “**General Announcement**” template under the main keyword “**Others**” in the “Subject” column. There will no longer be any sub keyword in the “Subject” column for the monthly status update announcement.

[New Question & Answer 9.51]

14. The facts of the matter are as follows:

- *X Berhad* has a financial year end on 31 December.
- *X Berhad's* net assets as at 30 June 2015, based on its latest financial statements published on 30 July 2015 is RM250 million.
- In 2015, *X Berhad* had defaulted in the following payments of its credit facilities/debt securities:

| Date | Default in payments | Total Amount Outstanding (RM'000) |
|----------------|--|-----------------------------------|
| 31 July 2015 | Default in repayment of loan instalments to <i>Bank A</i> (“Default 1”) | 10,000 |
| 21 August 2015 | Default in payment of interests due to bond holders which had become due and payable (“Default 2”) | 4,000 |

Based on the facts above, is *X Berhad* required to immediately announce each default in payment pursuant to Rule 9.19A of the ACE LR?

Under Rule 9.19A(1)(a) of the ACE LR, a listed issuer must immediately announce any default in payment where the total amount outstanding either singly or collectively is 5% or more of the net assets of the listed corporation based on the latest published or announced financial statements. In this regard, the table below clarifies the immediate announcement obligation of *X Berhad* as required under Rule 9.19A(1)(a) of the ACE LR:

| Date | Default in Payments | Total Amount Outstanding (RM'000) | Immediate Announcement Required? |
|--------------|---------------------|-----------------------------------|--|
| 31 July 2015 | Default 1 | 10,000 | No as total amount outstanding of Default 1 is only 4% of the net assets. |

Appendix 7 (Part A)
New Questions & Answers
Amendments in Various Areas

| Date | Default in Payments | Total Amount Outstanding (RM'000) | Immediate Announcement Required? |
|----------------|--|-----------------------------------|--|
| 21 August 2015 | Default 1 (which is still outstanding) and Default 2 | 14,000 | Yes as the total amount outstanding of Default 1 and Default 2 are collectively 5.6% of the net assets. |

[New Question & Answer 9.53]

15. The facts of the matter are as follows:

- *X Berhad* has a financial year end on 31 December.
- *X Berhad's* net assets as at 30 June 2015, based on its latest financial statements published on 30 July 2015 is RM250 million.
- *X Berhad's* net assets as at 30 September 2015, based on its latest financial statements published on 23 November 2015 is RM200 million.
- In 2015, *X Berhad* had defaulted in the following payments of its credit facilities/debt securities:

| Date | Default in payments | Total Amount Outstanding (RM'000) |
|----------------|--|-----------------------------------|
| 31 July 2015 | Default in repayment of loan instalments to <i>Bank A</i> ("Default 1") | 10,000 |
| 21 August 2015 | Default in payment of interests due to bond holders which had become due and payable ("Default 2") | 1,500 |

Based on the facts above, is *X Berhad* required to immediately announce each default in payment pursuant to Rule 9.19A of the ACE LR?

The table below clarifies the immediate announcement obligation of *X Berhad* as required under Rule 9.19A(1)(a) of the ACE LR:

Appendix 7 (Part A)
New Questions & Answers
Amendments in Various Areas

| Date | Default in Payments | Total Amount Outstanding (RM'000) | Immediate Announcement Required? |
|------------------|---|-----------------------------------|--|
| 31 July 2015 | Default 1 | 10,000 | No as total amount outstanding of Default 1 is only 4% of the net assets as at 30 July 2015. |
| 21 August 2015 | Default 1 (which is still outstanding) and Default 2 | 11,500 | No as the total amount outstanding of Default 1 and Default 2 are collectively only 4.6% of the net assets as at 30 July 2015. |
| 23 November 2015 | Default 1 and Default 2 (which are still outstanding) | 11,500 | Yes as the total amount outstanding of Default 1 and Default 2 are collectively 5.75% of the net assets as at 23 November 2015. |

[New Question & Answer 9.54]

CHAPTER 10 - TRANSACTIONS

Major Disposal

16. Under Rule 10.11A(1)(bA) of the ACE LR, a listed corporation undertaking a Major Disposal is required to conduct a valuation on all its material real estate if the total net book value of all the listed corporation's real estate contributes 50% or more to the total assets of the listed corporation on a consolidated basis. What constitutes material real estate for the purpose of Rule 10.11A(1)(bA) of the ACE LR?

Bursa Securities does not prescribe a definition or threshold for material real estate under Rule 10.11A(1)(bA) of the ACE LR. Generally, material real estate is real estate owned by the listed corporation that will reflect a close estimate of the total real estate value of the listed corporation.

[New Question & Answer 10.55]

CHAPTER 16 – SUSPENSION, DE-LISTING AND ENFORCEMENT

17. **What are the types of corporate proposals envisaged in Rule 16.07(b) of the ACE LR where a listed corporation may withdraw its listing upon 100% of its listed shares being held by a shareholder either individually or jointly with the associates, and the listed corporation has announced the offeror's intention not to maintain the listed corporation's listing status?**

The corporate proposals in Rule 16.07(b) of the ACE LR include, among others, a scheme of arrangement, compromise, amalgamation or selective capital reduction under the Take-Overs and Mergers Code, and a Major Disposal.

[New Question & Answer 16.3]

[End of Part A]

[

PART B
REVISED AND UPDATED QUESTIONS AND ANSWERS
BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS
(Issued on 26 January 2015)

CHAPTER 2 – GENERAL

Qualification of directors, chief executive and chief financial officer

- 2.6 A listed corporation must ensure that each of its directors, chief executive and chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, chief executive or chief financial officer, of the listed corporation. How does the listed corporation comply with this requirement as set out in Rule 2.20A of the ACE LR¹⁴?**

In ensuring that its directors, chief executive and chief financial officer meet the requirements set out in Rule 2.20A of the ACE LR, a listed corporation should, as a minimum, be guided by the [principles, recommendations and best practices commentaries](#) set out in [Part 2\(AA\)](#) of the Malaysian Code of Corporate Governance [2012](#), particularly [paragraph VIII Principle 2 and Principle 4](#). ~~In addition, the listed corporation should also take into account time commitment of the candidate in discharging his duty.~~ This assessment should be undertaken whenever –

- (a) the listed corporation appoints, elects or re-elects its directors, chief executive or chief financial officer, as the case may be; or
- (b) the listed corporation conducts its yearly assessment on the performance of its directors, chief executive or chief financial officer, as the case may be; or
- (c) material information involving the said persons comes to the knowledge of the listed corporation.

¹⁴ Rule 2.20A of the ACE LR provides that a listed corporation must ensure that each of its directors, chief executive and chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, chief executive or chief financial officer, of the listed corporation.

CHAPTER 5 – FOREIGN LISTING**Admission criteria**

5.2 Based on the same facts as in Question 5.1 above, what are the criteria to be fulfilled by *X Ltd* if it intends to have a primary listing on the ACE Market?

X Ltd must –

- (a) apply for a listing on the ACE Market through a Sponsor. The Sponsor must be one from the Register of Sponsors for the ACE Market;
- (b) be incorporated in a jurisdiction where the corporation laws are at least equivalent to those in Malaysia particularly on corporate governance, shareholders' and minority interest protection and take-overs and mergers;
- (c) be registered as a foreign corporation under the Companies Act 1965;
- (d) have a majority of directors whose principal or only place of residence is within Malaysia if its operations are predominantly Malaysian-based, or at least 42 independent directors whose principal or only place of residence is within Malaysia if its operations are predominantly foreign-based;
- (e) ensure that the audit committee has at least 1 independent director whose principal or only place of residence is within Malaysia;
- (f) appoint an external auditor from an international accounting firm or an accounting firm with international affiliation, which is duly registered or recognised by the Audit Oversight Board pursuant to section 31O of the Securities Commission Act 1993;
- (g) appoint an agent or representative in Malaysia to liaise with Bursa Securities;
- (h) establish a share transfer or share registration office in Malaysia;
- (i) prepare its financial statements in accordance with approved accounting standards (which include International Accounting Standards) and for this purpose, provide Bursa Securities with a confirmation from a professional accountant qualified under the Accountants Act 1967 and from an international accounting firm, that the financial statements comply with the said approved accounting standards; and
- (j) ensure that the auditing standards applied are in accordance with approved auditing standards applied in Malaysia or the International Standards on Auditing.

Continuing obligations of a listed corporation

5.67 Based on the same facts as in Question 5.1 above, in the event *X Ltd* has a primary listing on the ACE Market, are the continuing listing obligations imposed on *X Ltd* the same compared with those imposed on other Malaysian listed corporations under the ACE LR?

Yes, once *X Ltd* is listed on the ACE Market, *X Ltd* is required to comply with all the other relevant requirements under the ACE LR. However, *X Ltd* must also comply with some additional requirements imposed under Part C of Chapter 5 in the ACE LR such as the obligations to –

- (a) have directors or independent directors with place of residence in Malaysia;
- (b) ensure that the audit committee has at least 1 independent director with a place of residence in Malaysia;
- (c) appoint an external auditor from an international accounting firm or an accounting firm with international affiliation, which is duly registered or recognised by the Audit Oversight Board pursuant to section 31O of the Securities Commission Act 1993;
- (bd) comply with relevant accounting and auditing standards;
- (e) obtain prior shareholder approval in a general meeting to appoint or remove its external auditor;
- (ef) distribute notices, documents or information which it is required to distribute in its place of incorporation, to its Malaysian shareholders;
- (dg) announce to Bursa Securities any change in interest(s) of its substantial shareholders;
- (eh) prepare financial statements in accordance with approved accounting standards;
~~and~~
- (fi) immediately notify Bursa Securities of any suspension in trading or de-listing of its securities listed on other stock exchange(s);-
- (j) immediately announce to Bursa Securities any change in the laws of its country of incorporation or the laws in the country of incorporation of its foreign principal subsidiaries, which may affect the rights of shareholders; and
- (k) ensure that it has in place a system of internal control.

CHAPTER 6 – NEW ISSUES OF SECURITIES**Listing procedures**

- 6.6 Please elaborate further on the type of proposals to which the procedures under paragraph 4.0 of Guidance Note 17 apply.

This procedure is applicable to the additional securities which will be listed and quoted as the existing listed securities of the same type and class.

Examples where paragraph 4.0 is applicable**Example 1**

PLC A proposes to issue additional new ordinary shares pursuant to the exercise of ~~employees share options~~ Share Issuance Scheme where the new ordinary shares arising from the ~~employees share options~~ Share Issuance Scheme will be listed and quoted as the existing listed ordinary shares.

In this instance, PLC A will adhere to the procedures under paragraph 4.0 for the listing and quotation of the new ordinary shares issued pursuant to the ~~employees share options~~ Share Issuance Scheme as it involves the same class of securities.

Example 2

PLC B has existing ordinary shares and warrants listed on Bursa Securities. PLC B proposes to undertake a rights issue of 100 million new ordinary shares on the basis of 1 new ordinary share for every 2 existing ordinary shares held ("**Rights Issue**"). Pursuant to the provision in the deed poll, additional warrants will be issued arising from the adjustment pursuant to the Rights Issue ("**Additional Warrants**").

In this instance, PLC B will adhere to the procedures under paragraph 4.0 provided that the additional 100 million new ordinary shares and the Additional Warrants will be listed and quoted as the existing listed ordinary shares and warrants respectively.

Example 3

PLC E undertakes a corporate exercise which entails the following:

- (a) Proposed acquisition of *ABC company* for a purchase consideration of RM100 million to be satisfied by the issuance of 50 million new ordinary shares at RM2.00 per share ("**Acquisition**").
- (b) Rights issue of 80 million new ordinary shares on the basis of 1 new ordinary share for every 1 share held ("**Rights Issue**").

Facts

- (i) The Acquisition shares and Rights Issue will be listed and quoted as the existing listed ordinary shares; and

- (ii) The Acquisition and Rights Issue are inter-conditional upon each other and hence, the new ordinary shares arising from both the Rights Issue and Acquisition must be listed and quoted at the same time.

In this instance, *PLC E* will adhere to the procedures under paragraph 4.0 of Guidance Note 17 because both the new shares arising from the Acquisition and Rights Issue will be listed and quoted as the existing listed shares.

Examples where paragraph 4.0 of Guidance Note 17 is NOT applicable

Example 4

PLC C proposes to undertake a private placement of new ordinary shares and these new ordinary shares will not be entitled to the final dividend for the financial year ended 30 March 2009.

As the new ordinary shares to be issued pursuant to the private placement will not be listed and quoted as the existing listed ordinary shares to which the procedures under paragraph 4.0 apply, *PLC C* must follow the procedure under paragraph 2.0 of Guidance Note 17.

Example 5

PLC D has existing ordinary shares and warrants listed on Bursa Securities and propose to undertake a rights issue of 80 million new ordinary shares and 80 million nominal value of Irredeemable Convertible Loan Stocks ("**ICULS**") to its shareholders.

As the rights issue involves the issuance of a new type of securities i.e. ICULS, which is not currently listed, *PLC D* must follow the listing procedures under paragraph 2.0 of Guidance Note 17 similar to Example 3 above.

Example 6

PLC F undertakes a corporate exercise which entails the following:

- (a) Proposed acquisition of *DEF company* for a purchase consideration of RM100 million to be satisfied by the issuance of 50 million new ordinary shares at RM2.00 per share ("**Acquisition**").
- (b) Rights issue of 80 million new ordinary shares on the basis of 1 new ordinary share for every 1 share held ("**Rights Issue**").

Facts

- (i) the new ordinary shares arising from the Acquisition will not be entitled to the Rights Issue;
- (ii) the Rights Issue shares will be listed and quoted as the existing listed ordinary shares; and

(iii) the Acquisition is not conditional upon the Rights Issue.

In this instance, *PLC F* will adhere to the following procedures:

- procedures under paragraph 2.0 of Guidance Note 17 for new ordinary shares arising from Acquisition as it involves the issuance of a new class of securities i.e. "A" shares; and
- procedures under paragraph 4.0 of Guidance Note 17 for Rights Issue because the new shares arising from the Rights Issue will be listed and quoted as the existing listed shares.

Please refer to Annexure GN17-A of Guidance Note 17 for a better understanding on the application of each additional listing procedure set out under paragraphs 2.0, 3.0 and 4.0 of Guidance Note 17.

6.89 Paragraph 1(c) of Part C Annexure GN17-B of Guidance Note 17 requires a listed corporation to enclose among others, a confirmation from the listed corporation that Bursa Depository is ready to credit the new securities to the accounts of the entitled holders. Are there any specific requirements to be complied with by a listed corporation with regard to providing this confirmation?

In order to provide the confirmation that Bursa Depository is ready to credit the new securities to the accounts of the entitled holders, a listed corporation must procure a confirmation from Bursa Depository as set out below when the listed corporation submits the new scrip in respect of new securities to Bursa Depository. The listed corporation must include the following confirmation in its cover letter to Bursa Depository when submitting the said new scrip:

"(To be completed by Bursa Malaysia Depository Sdn Bhd)

We hereby confirm that Bursa Malaysia Depository Sdn Bhd has received all the relevant documents from the share registrar/ issuer to facilitate the crediting of the above allotment. The above securities will be credited into the designated CDS accounts one (1) market day prior to the listing/quotation of the above securities.

.....
Name : (Authorised signatory)
Date : "

Bursa Depository will then acknowledge on the said cover letter. The listed corporation must submit a copy of the cover letter duly acknowledged by Bursa Depository to Bursa Securities as the confirmation required under paragraph 1(c) of Part C, Annexure GN17-B, together with the other documents as required under Part C of Annexure GN17-B in support of an application for quotation of new issue of securities.

CHAPTER 8 – CONTINUING LISTING OBLIGATIONS**GN3 Companies****8.19** ~~What must be contained in a regularisation plan submitted to Bursa Securities under Rule 8.04(3)(a)(i) of the ACE LR?~~

~~Pursuant to paragraph 3.1 of Guidance Note 3, such regularisation plan must contain details of the regularisation plan and sufficient information to demonstrate that the GN3 Company is able to comply with all the requirements set out under paragraph 3.1 of Guidance Note 3 after implementation of the regularisation plan. This, among others includes a timeline for the complete implementation of the regularisation plan and the manner in which the plan will –~~

- ~~(d) — resolve all problems, financial or otherwise that had caused the GN3 Company to trigger the Prescribed Criteria;~~
- ~~(e) — enable the GN3 Company to regularise its financial condition and level of operations, such that the GN3 Company no longer triggers any of the Prescribed Criteria; and~~
- ~~(f) — increase shareholder value.~~

~~The information above must be disclosed in the circular issued to shareholders which must be submitted to Bursa Securities together with the regularisation plan.~~

8.256 The auditors of *XYZ Bhd* express ~~a modified opinion~~ an emphasis of matter on *XYZ Bhd's ability to continue as a going concern in its latest audited financial statement for the financial year ended 30 June 2009 ("Financial Statement). *XYZ Bhd's* shareholders' equity on a consolidated basis based on the Financial Statement was 60% of its issued and paid up capital (excluding treasury shares).*

However, *XYZ Bhd's* subsequent quarterly results for the period ended 30 September 2009 ("quarterly results") shows that its shareholders' equity has reduced to 35% of its issued and paid up capital (excluding treasury shares).

Will *XYZ Bhd* trigger the Prescribed Criteria upon the release of its quarterly results?

Yes, since the auditors of *XYZ Bhd* have expressed ~~a modified opinion~~ an emphasis of matter on its ability to continue as a going concern in its latest Financial Statement, based on *XYZ Bhd's* latest available results which is the quarterly results, its shareholders' equity is less than 50% of its issued and paid up capital (excluding treasury shares), *XYZ Bhd* will trigger the Prescribed Criteria pursuant to paragraph 2.1(g) of Guidance Note 3. In this event, *XYZ Bhd* must immediately make the First Announcement under paragraph 4.1(a) of Guidance Note 3 upon the release of its quarterly results.

8.278 On 3 February 2010, *X Bhd* triggers the Cash Criterion and announces that it is a Cash Company. On 2 June 2010, *X Bhd* also triggers one of the Prescribed Criteria and announces that it is a GN3 Company.

- (b) Must *X Bhd* comply with the regularisation obligations set out in Rule 8.03 (as a Cash Company) or 8.04 (as a GN3 Company) of the ACE LR?

X Bhd must comply with the stricter obligations i.e. those imposed on a Cash Company under Rule 8.03 and Guidance Note 2 of the ACE LR. Among others, the listed corporation must place at least 90% of its cash and short-dated securities in an account opened with a financial institution licensed by Bank Negara Malaysia and operated by a custodian.

- (b) What is the applicable timeframe for *X Bhd* to submit its proposal to regularise its condition as a Cash Company and GN3 Company?

X Bhd must regularise its condition by submitting a proposal to Bursa Securities within 12 months from the date *X Bhd* announces that it is a Cash Company, i.e. by 2 February 2011.

- (c) Must *X Bhd* regularise its condition by undertaking a regularisation proposal/plan under Rule 8.03(5)(a) or that under Rule 8.04(3)(a)(i) of the ACE LR?

X Bhd must undertake a regularisation proposal under Rule 8.03(5)(a) of the ACE LR. This proposal must be able to regularise *X Bhd's* condition as a Cash Company and GN3 Company. In this regard, the proposal must be one to acquire a new core business as required under Rule 8.03(5)(a)(i), and which will also fulfill the conditions set out in paragraphs [3.45.2](#) and [5.3](#) of Guidance Note 3.

8.2930 What are the measures that will be taken by Bursa Securities to assist investors in identifying listed corporations which are GN3 Companies?

~~The GN3 Companies will be flagged on the MASA screen so as to assist easy identification by an investor vide the caption "Investor Alert". Further, t~~The full list of GN3 Companies and announcements relating to them are available on Bursa Malaysia's website. Hence, investors may access Bursa Malaysia's website to be kept informed and updated on the status of the financial condition of the GN3 Companies.

Financial assistance

8.369 What are the disclosure requirements of a listed corporation in respect of financial assistance provided by the listed corporation or its ~~unlisted~~ subsidiaries not listed on any stock exchange pursuant to Rule 8.25(1)(ii) of the ACE LR?

Pursuant to paragraph 3.1 of Guidance Note 4, the listed corporation must announce any financial assistance provided by such listed corporation or its ~~unlisted~~ subsidiaries not listed on any stock exchange pursuant to Rule 8.25(1)(ii) of the ACE LR for each quarter of its financial year, simultaneously with its quarterly results pursuant to Rule 9.22 of the

ACE LR and in any event no later than 2 months after the end of each quarter of its financial year. In this respect, the listed corporation must ensure that the announcement includes such information as set out in Annexure GN4-A of Guidance Note 4 and Appendix 8D (if applicable) of the ACE LR.

8.3740 Will a listed corporation (other than a listed corporation whose activities are regulated by any written law relating to banking, finance companies or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as Bursa Securities deems appropriate) which lends money pursuant to a moneylending licence ("Moneylending") be exempted from compliance with Rule 8.25 of the ACE LR?

No, a listed corporation which is involved in Moneylending is subject to and hence, must ensure compliance with Rule 8.25 of the ACE LR notwithstanding that it has a valid moneylending licence.

8.414 What is a moneylending company under Rule 8.25 of the ACE LR? Are corporate guarantees or loans granted to non-wholly owned subsidiaries and contractors regarded as moneylending under the ACE LR?

A moneylending company is defined under Rule 8.25(2)(a)(ii) of the ACE LR as a listed corporation or its subsidiary that lends or advances money in the ordinary course of business as a moneylender pursuant to the Moneylenders Act 1951 ~~or otherwise~~. As such, provision of corporate guarantees or advances necessary to facilitate the ordinary course of business of the listed corporation or its subsidiary (i.e. for purposes of getting a contract or to enable a sub-contractor to commence work) would not be regarded as moneylending operations.

8.425 Under Rule 8.25(2)(c) of the ACE LR, a listed corporation must procure its shareholders' prior approval for any provision of financial assistance to an associated company or joint arrangement where the aggregate amount provided compared to the net tangible assets of the group is 5% or more. In such circumstances, what is the prescribed content of the circular to be issued to the shareholders?

The minimum content of a circular for purposes of seeking shareholder approval for provision of financial assistance which is not a related party transaction is not specifically prescribed under the ACE LR. However, a listed corporation can seek guidance from the minimum content prescribed for circulars in relation to transactions as set out under Appendix 10B of the ACE LR.

~~8.48 — PLC A is a corporation listed on Bursa Securities. It has a subsidiary, Y Ltd, which is listed on a foreign stock exchange. Y Ltd intends to provide financial assistance to its wholly owned subsidiary. Must PLC A ensure that Y Ltd complies with Rule 8.25 of the ACE LR in providing the financial assistance to its wholly owned subsidiary?~~

~~Yes, any provision of financial assistance granted by Y Ltd must comply with Rule 8.25 of the ACE LR because Y Ltd is considered an “unlisted” subsidiary of PLC A even though it may be listed on a foreign stock exchange. For a subsidiary to be considered “listed” it must be listed on Bursa Securities and not a foreign exchange. Rule 8.25 applies to all listed corporations and their subsidiaries. This means that if a listed corporation’s subsidiary is also listed on Bursa Securities it would have to comply with Rule 8.25 anyway in its own capacity as a “listed corporation”. No exception is made under this requirement for any subsidiary of a listed corporation from compliance with Rule 8.25 including a subsidiary that is listed on a foreign stock exchange.~~

CHAPTER 9 – CONTINUING DISCLOSURE

Immediate disclosure of material information

~~9.5 — Does a listed corporation have to make an immediate announcement when its 49% associated company defaults in payment of either interest or principal sums but the associated company’s bankers do not issue any notices/demand letter?~~

~~Pursuant to Rules 9.03 and 9.04(l) of the ACE LR and Guidance Note 5, any such default of payments (as envisaged in the loan/credit facility agreement) including by an associated company of a listed corporation which is material (ie. vis-à-vis the group) would require immediate announcement irrespective of whether a notice or demand has been issued by the bankers.~~

Prescribed events which require immediate announcement

9.23 Rule 9.19(47) of the ACE LR requires a listed corporation to make an immediate announcement of any material development to corporate proposals previously announced. What will be considered “corporate proposals” under Rule 9.19(47) of the ACE LR?

“**Corporate proposals**” for purposes of Rule 9.19(47) of the ACE LR refers to any proposals, transactions, arrangements or exercises by a listed corporation. Corporate proposals include but are not limited to capital raising exercises, transactions, rights issue, bonus issue, capital consolidation, scheme of arrangement, compromise, amalgamation capital reduction, capital repayment and employee share ~~option~~ schemes.

Immediate disclosure requirements – dealings in quoted securities

9.24 For the purpose of Rule 9.20 of the ACE LR, is a listed corporation only required to aggregate the purchases or sales of the quoted securities of a particular corporation?

No. Pursuant to Rule 9.20 of the ACE LR, a listed corporation is required to aggregate all purchases or sales of quoted securities respectively within the preceding 12 months excluding such purchases or sale which has been previously announced. ~~In this respect, it is to be noted that the purchases or sales of quoted securities as disclosed in the quarterly report would still need to be aggregated unless such purchases or sales have been previously announced in a separate announcement pursuant to Rule 9.20 of the ACE LR.~~

Timeframe for issuance of annual report

9.35 Rule 9.23 of the ACE LR in relation to the timeframe for issuance of annual reports has been amended to be implemented in phases in the following manner:

- annual reports for financial years ending on or after 31 December 2014 must be issued to Bursa Securities and shareholders within 5 months from the close of the financial year end (“Phase 1 Requirements”); and
- annual reports for financial years ending on or after 31 December 2015 must be issued to Bursa Securities and shareholders within 4 months from the close of the financial year end, and the separate announcement of the annual audited financial statements can be dispensed with (“Phase 2 Requirements”).

ABC Berhad’s financial year end (“FYE”) falls on 31 December. Is ABC Berhad still required to announce its annual audited financial statements to Bursa Securities?

ABC Berhad is still required to announce its annual audited financial statements for FYE 31 December 2014 by 30 April 2015 under the Phase 1 Requirements. However, it is not required to announce its annual audited financial statements for FYE 31 December 2015 and the subsequent financial years after 31 December 2015 when the Phase 2 Requirements become effective as its annual reports issued within 4 months for those financial years would already include its annual audited financial statements, directors’ and auditors’ reports.

Others – Default in Payment

9.50 Does a listed corporation have to make an immediate announcement when its 49% associated company defaults in payment of either interest or principal sums but the associated company’s bankers do not issue any notices/demand letter?

Pursuant to Rules ~~9.03 and 9.04~~9.19A(1)(b) of the ACE LR ~~and Guidance Note 5~~, any such default ~~of~~fin payments (as envisaged in the loan/credit facility agreement) including by an associated company of a listed corporation which is material (ie. vis-à-vis the group) would require immediate announcement irrespective of whether a notice or demand has been issued by the bankers.

9.4852 *A Berhad's* net assets based on the latest published or announced financial statements is RM100 million. *A Berhad* has procured a credit facility of RM8 million from a bank and has withdrawn RM5 million from the facility as at 30 August 2009. On 30 August 2009, *A Berhad* defaults in the repayment of a monthly installment of RM100,000. As a result, the bank recalls the credit facility and demanded that *A Berhad* repays the bank the total outstanding sum due and owing under the credit facility amounting to RM5 million.

In this case, what is the “total amount outstanding of the defaulted credit facility” referred to in ~~paragraph 2.1(d) of Guidance Note 5~~ [Rule 9.19A\(1\)\(a\) of the ACE LR](#) in determining whether *A Berhad* is required to announce the default under ~~Guidance Note 5~~ [Rule 9.19A of the ACE LR](#)?

The “total amount outstanding of the defaulted credit facility” referred to in ~~paragraph 2.1(d) of Guidance Note 5~~ [Rule 9.19A\(1\)\(a\) of the ACE LR](#) is the total outstanding sum due and owing under the credit facility when the bank issued the demand, i.e. RM5 million.

9.4955 If a listed corporation, its major subsidiary or major associated company commits a default in payment pursuant to ~~Guidance Note 5~~ [Rule 9.19A of the ACE LR](#), when does the listed corporation have to furnish a statement of solvency declaration to Bursa Securities?

The statement of solvency declaration duly executed by the board of directors of the listed corporation must be submitted via fax and mail to the Head of Listing, Bursa Securities within 3 market days from the date of the announcement on the default in payment pursuant to ~~Guidance Note 5~~ [Rule 9.19A of the ACE LR](#).

9.506 If a listed corporation has negative net assets, how should the listed corporation determine how material a default in payment is for the purpose of making an announcement under the ACE LR?

Where a listed corporation has negative net assets, any amount in default will be considered as material pursuant to ~~paragraph 2.1(e) of Guidance Note 5~~ [Rule 9.19A\(2\) of the ACE LR](#) and the listed corporation must announce any amount in default.

CHAPTER 10 – TRANSACTIONS

Definition of “transaction”

10.5 What amounts to an “interest” as referred to in the definition of related party transaction set out in Rule 10.02(i) of the ACE LR?

Interest includes directorships, shareholdings (direct or deemed), ~~and~~ commissions ~~for~~ [such other](#) benefits received [or derived from the transaction](#).

Related party transactions**10.22 Must a listed corporation immediately announce all related party transactions?**

A listed corporation must immediately announce all the following related party transaction:

- (a) related party transactions which do not fall within the category of recurrent related party transaction of a revenue or trading nature and necessary for its day to day operations (“RRPT”) and -
 - (i) the value of the consideration of the transaction is RM4200,000 or more; and
 - (ii) the percentage ratio of such related party transaction is 0.25% or more; and
- (b) RRPTs which are not comprised in a valid mandate from its shareholders (“Mandate”) and -
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more,

whichever is the lower (“Prescribed Limit”).

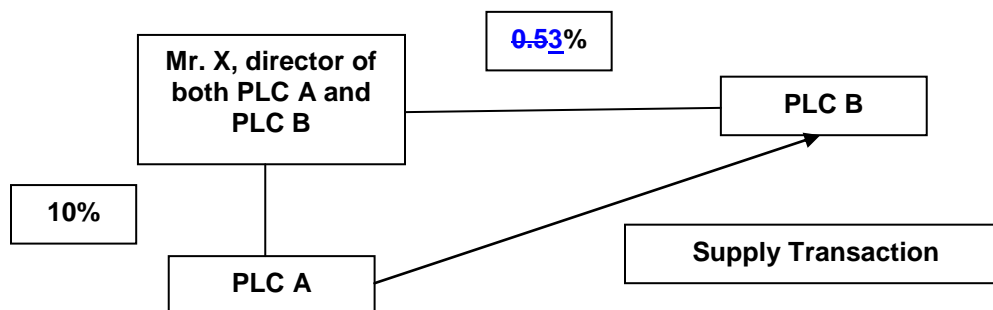
10.28 What is meant by “investee corporation” as used in Rule ~~10.08(11)(b)~~ and 10.08(11)(q) of the ACE LR?

“Investee corporation” as used in Rule ~~10.08(11)(b)~~ and 10.08(11)(q) refers to any corporation in which the listed corporation has direct or indirect shareholdings.

10.39 Referring to the facts as set out in Question 10.38Error! Reference source not found. above, D Sdn Bhd, is entering into a transaction with Y Sdn Bhd. Mr Z who is a director and a substantial shareholder of D Sdn Bhd is also a director and a substantial shareholder of Y Sdn Bhd. A Bhd has no holding company. Assuming that Mr Z has no interest in A Bhd, the listed corporation, is this a related party transaction?

Yes, this situation is considered a related party transaction. However, pursuant to Rule 10.08(9) of the ACE LR, A Bhd does not need to obtain shareholder approval, issue a circular or appoint an independent adviser or engage the service of a Sponsor or Adviser. A Bhd must however make an announcement which contains the prescribed information under Rule 10.08(1) of the ACE LR. In addition, the board of directors of A Bhd must approve the transaction before the terms of the transaction are agreed upon and ensure that the transaction is fair and reasonable to A Bhd and is in the best interests of A Bhd.

10.41 *PLC A* and *PLC B* are listed corporations. *Mr. X* is the common director of *PLC A* and *PLC B*. *Mr. X* has shareholdings of 10% in *PLC A* and 0.53% in *PLC B* respectively. *PLC A* enters into a supply transaction with *PLC B*. What is the nature of the supply transaction vis-à-vis *PLC A* and *PLC B*?



In so far as *PLC A* is concerned, the supply transaction would not be regarded as a related party transaction pursuant to Rule 10.08(11)(c) of the ACE LR provided that *Mr. X* does not receive or derive any benefits from *PLC A* and *PLC B* in relation to the said transaction. The transaction would however be regarded as a related party transaction vis-à-vis *PLC B*.

10.42 *ABC Berhad* and/or its subsidiaries propose(s) to enter into the following transactions:

| No. | Details of transactions | Party(ies) | Highest percentage ratio triggered | Value of consideration given or received |
|-----|---------------------------------|--|------------------------------------|--|
| 1. | Transaction 1 in September 2009 | <i>ABC Berhad</i> and <i>Mr. X</i> , a major shareholder of <i>ABC Berhad</i> | 5% | RM90,000 |
| 2. | Transaction 2 in October 2009 | <i>ABC Berhad</i> and <i>Syarikat 123 Sdn Bhd</i> , a joint venture company of <i>ABC Berhad</i> and <i>Mr. Z</i> , a major shareholder of <i>ABC Berhad</i> . | 0.22% | RM500,000 |

What are the obligations of *ABC Berhad* in relation to the above transactions?

The obligations of *ABC Berhad* are as follows:

Transaction 1

Pursuant to Rule 10.08(1)(a) of the ACE LR, no obligation is triggered by *ABC Berhad* in relation to the related party transaction as even though the highest percentage ratio triggered is 5% (i.e. threshold for shareholder approval for related party transactions), the value of consideration given is less than RM4200,000.

Transaction 2

Pursuant to Rule 10.08(1) of the ACE LR, as the highest percentage ratio is less than 0.25%, no requirement is imposed on *ABC Berhad* to immediately announce the related party transaction.

CHAPTER 14 – DEALINGS IN SECURITIES

- 14.1** *ABC Berhad* has fixed the targeted date for announcement of its 1st quarterly results for 2010 on 15 May 2010. Mr X, a director of *ABC Berhad*, intends to deal with the shares of *ABC Berhad*. If the announcement of *ABC Berhad's* 1st quarterly results is made on 15 May 2010, what is the closed period for dealings by Mr. X?

Closed period is defined in Rule 14.02(b) of the ACE LR to mean a period commencing 30 calendar days before the targeted date of announcement of a listed corporation's quarterly results up to the date of announcement of the quarterly results.

As the targeted and actual date of announcement for *ABC Berhad's* 1st quarterly results falls on 15 May 2010, the closed period for dealings by Mr. X will commence from 15 April 2010 until 15 May 2010.

CHAPTER 15 – CORPORATE GOVERNANCE***Directors***

- 15.11** Rule 15.06(1) of the ACE LR states that a director of an applicant or a listed corporation must not hold more than 5 directorships in listed issuers. Does the restriction apply to directorships held in corporations listed overseas?

No. The restriction is only applicable to directorships held in listed issuers on ~~the~~ [ExchangeBursa Securities](#). Hence, in computing the number of directorships that may be held pursuant to the restriction, a director should take into account his directorships held in -

- (a) listed corporations (which include [locally incorporated companies listed on Bursa Securities](#) or corporations incorporated outside Malaysia but listed on ~~the~~ [ExchangeBursa Securities](#));

- (b) management companies of the collective investment schemes which are listed on ~~the Exchange~~[Bursa Securities](#); or
- (c) issuers of any other listed securities on ~~the Exchange~~[Bursa Securities](#).

CHAPTER 16 – SUSPENSION, DE-LISTING & ENFORCEMENT

Withdrawal of listing

16.2 In a take-over offer situation pursuant to the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction –

- (a) **when can a listed corporation withdraw its listing status?**

In a take-over offer situation pursuant to the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction, a listed corporation may withdraw its listing from the Official List of Bursa Securities when 90% or more of its listed shares (excluding treasury shares) are held by one shareholder either individually or jointly with associates of the said shareholder and the listed corporation has announced the offeror's intention not to maintain the listed corporation's listing status ~~pursuant to Rule 9.19(48) of the ACE LR~~.

- (b) **must a listed corporation seek shareholder approval pursuant to Rule 16.06 of the ACE LR to withdraw its listing status?**

No, a withdrawal of listing by a listed corporation in this situation is not subject to Rule 16.06 of the ACE LR and as such, no specific shareholder approval is required for the withdrawal.

[End of Appendix 7]