

ANNEXURE C
 MAIN LR PROPOSED ENHANCEMENTS IN RELATION TO FOREIGN LISTING REQUIREMENTS
 [Draft for Consultation – 10 January 2014]

ANNEXURE C

PROPOSED ENHANCEMENTS IN RELATION TO FOREIGN LISTING REQUIREMENTS
 UNDER PART 3 OF THE CONSULTATION PAPER

MAIN MARKET LISTING REQUIREMENTS

CHAPTER 1 – DEFINITIONS AND INTERPRETATION	
Paragraph 1.01	<p><u>foreign significant subsidiary</u> means a foreign subsidiary which contributes 50% or more of the profit before tax or total assets employed of the listed issuer on a consolidated basis.</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> <p>(2) An applicant whose operations are entirely or predominantly foreign-based must have at least <u>4-2 independent</u> directors 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>
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>

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<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 significant subsidiaries¹, which may affect the rights of its shareholders. This includes –</u></p> <ul style="list-style-type: none"> <u>(a) right to attend, speak, vote at shareholders' meetings and the right to appoint proxies;</u> <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) right to transfer shares;</u> <u>(g) right to appoint and remove directors and auditors;</u> <u>(h) right to requisition a general meeting;</u> <u>(i) right to notice of meetings;</u> <u>(j) right to inspect any register, minute book or document of the foreign issuer or its foreign significant subsidiaries; and</u> <u>(k) 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 significant 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 significant subsidiaries.</u>

¹ Please refer to the proposed definition of foreign significant subsidiary as stated in paragraph 1.01 above of this Annexure C.

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<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> <p><u>(a) assets of the foreign issuer and its subsidiaries are safeguarded against loss from unauthorized use or disposition; and</u></p> <p><u>(b) all transactions are properly authorised and that they are recorded as necessary to enable the preparation of true and fair statement of profit and loss and other comprehensive income as well as statement of financial position (or their equivalent), and to give a proper account of the assets.</u></p>
<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> <p>(a) Paragraph 4A.09(b);</p> <p>(b) Paragraph 4A.10;</p> <p>(c) Paragraph 4A.11;</p> <p>(d) Paragraph 4A.12;</p> <p>(e) Paragraph 4A.13;</p> <p>(f) Paragraph 4A.15;</p> <p>(g) Paragraph 4A.17; and</p> <p>(h) Paragraph 4A.18.</p>
<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 <u>in Malaysia</u> for a period of 3 months from the date of announcement.</p>

ACE MARKET LISTING REQUIREMENTS

CHAPTER 1 – DEFINITIONS AND INTERPRETATION	
Rule 1.01	<p><u>foreign significant subsidiary</u> means a foreign subsidiary which contributes 50% or more of the profit before tax or total assets employed of the listed corporation on a consolidated basis.</p>
CHAPTER 5 – FOREIGN LISTING	
Rule 5.07	<p>Appointment of directors</p> <p>An applicant –</p> <p>(1) <u>An applicant</u> 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) <u>An applicant</u> whose operations are entirely or predominantly foreign-based must have at least one <u>2 independent</u> directors whose principal or only place of residence is within Malaysia.</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) ensure that the auditing standards applied are in accordance with the approved auditing standards applied in Malaysia or the International Standards on Auditing.</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>

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<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 significant subsidiaries², which may affect the rights of its shareholders. This includes –</u></p> <ul style="list-style-type: none"> <u>(a) right to attend, speak, vote at shareholders' meetings and the right to appoint proxies;</u> <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) right to transfer shares;</u> <u>(g) right to appoint and remove directors and auditors;</u> <u>(h) right to requisition a general meeting;</u> <u>(i) right to notice of meetings;</u> <u>(j) right to inspect any register, minute book or document of the listed corporation and its foreign significant subsidiaries;</u> <u>(k) 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 listed corporation and its foreign significant subsidiaries, their directors and senior management; and</u> <u>(iii) distribution of assets arising from a winding-up or liquidation of the listed corporation and its foreign significant subsidiaries.</u>
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² Please refer to the proposed definition of foreign significant subsidiary as stated in Rule 1.01 above of this Annexure C.

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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 true and fair statement of profit and loss and other comprehensive income as well as statement of financial position (or their equivalent), 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 Annexure C]