

## 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]*

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**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)<sup>1</sup> of the Main LR (if the underlying corporation or exchange-traded fund is seeking listing on Bursa Securities) or paragraph 5.04(2)<sup>2</sup> 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]*

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<sup>1</sup> 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.

<sup>2</sup> 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.

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**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)<sup>3</sup> of the Main LR and paragraph 1(dA) in Part B, Annexure PN28-B<sup>4</sup> 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

<sup>3</sup> 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.

<sup>4</sup> 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]*

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**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 subsidiary<sup>5</sup> 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]*

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<sup>5</sup> 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.

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

10. Is there any difference in the obligations of an affected listed issuer<sup>6</sup> 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]*

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<sup>6</sup> 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.

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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]*



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***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]*

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**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	<b>No</b> 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	<b>Yes</b> 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	<b>No</b> 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	<b>No</b> 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	<b>Yes</b> 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]*

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**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.

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**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 issuer](#)<sup>7</sup>***

- 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;](#)

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<sup>7</sup> [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.~~

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**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

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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 acquisition<sup>8</sup>, 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.~~

<sup>8</sup> 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.



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**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

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[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.

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**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?

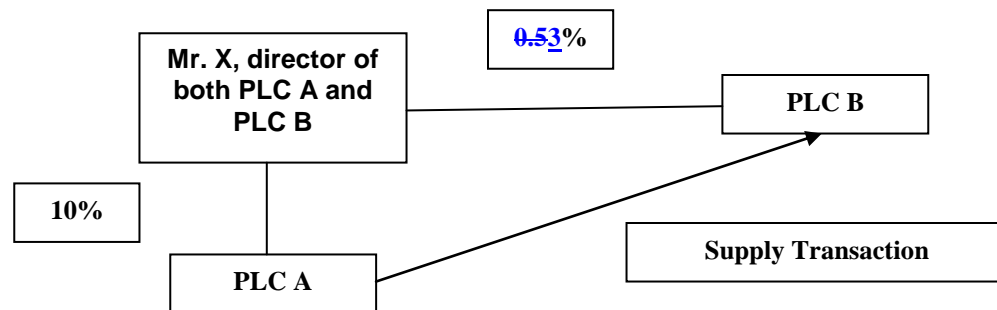
“Investee corporation” as used in paragraph ~~10.08(11)(b)~~ and 10.08(11)(q) refers to any corporation in which the listed issuer has direct or indirect shareholdings.

**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* 1<sup>st</sup> 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.

[End]