

## 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 applicant<sup>1</sup> 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]*

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<sup>1</sup> 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.

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**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)  
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**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)<sup>2</sup> of the ACE LR and paragraph 1(dA) in Part B, Annexure GN17-B<sup>3</sup> 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

<sup>2</sup> 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.

<sup>3</sup> 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:

- (a) confirmation from the listed corporation 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  
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	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]*

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**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 –

- (a) undertaken by a principal subsidiary<sup>4</sup> 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]*

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<sup>4</sup> 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.

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

7. **Is there any difference in the obligations of an affected listed corporation<sup>5</sup> 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]*

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<sup>5</sup> 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.

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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]*

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**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]*



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**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 -

- (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 9.49]*

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

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- (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	<b>No</b> as total amount outstanding of Default 1 is only 4% of the net assets.

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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 9.53]*

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:

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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 9.54]*

## **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]*

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**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]

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**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 LR<sup>6</sup>?**

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.

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<sup>6</sup> 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.

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**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.

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**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.



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**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

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- (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

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(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.

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**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 –~~

- ~~(a) — resolve all problems, financial or otherwise that had caused the GN3 Company to trigger the Prescribed Criteria;~~
- ~~(b) — 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~~
- ~~(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.~~

**8.256** 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.

- (a) 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~~~~(f)~~9.19A(1)(b) of the ACE LR ~~and Guidance Note 5~~, any such default ~~of~~in 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 RM~~4~~200,000 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”).

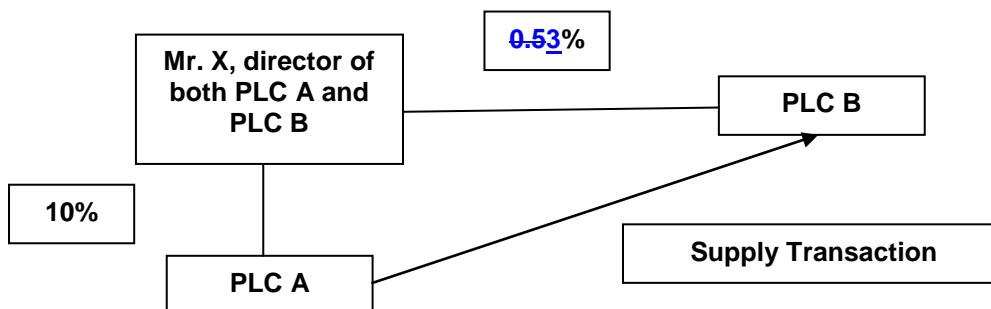
**10.28** What is meant by “investee corporation” as used in Rule ~~10.08(11)(b)~~ and ~~10.08(11)(q)~~ of the ACE LR?

“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*?



**Appendix 7 (Part B)**  
**Revised & Updated Questions & Answers**

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 1<sup>st</sup> 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 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* 1<sup>st</sup> quarterly results falls 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***

- 15.11** 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 ExchangeBursa Securities~~; or
- (c) issuers of any other listed securities on ~~the ExchangeBursa 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]