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**CHAPTER 1 DEFINITIONS AND INTERPRETATION****PART A – DEFINITIONS****1.01 Definitions**

In these Requirements, unless the context otherwise requires:-

admission	means admission of securities to the Official List of the Exchange and “admitted” will be construed accordingly.
adviser	in relation to a listed corporation, means –  (a) an Adviser or Sponsor;  (b) a person who is permitted to carry on the regulated activity of advising corporate finance under the CMSA;  (c) a financial adviser, lawyer, accountant, valuer, or any other person retained by a listed corporation to provide professional advice or services in relation to a matter governed by these Requirements; or  (d) any other person who, acting in the capacity of an adviser, presents, submits or discloses an application, a circular or any other document to the Exchange on behalf of an applicant or a listed corporation.
Adviser	means a person registered on the Register of Sponsors who has been appointed by a listed corporation to undertake a corporate proposal prescribed by the Exchange to require the services of an Adviser.
amendment	in relation to a document or information, includes any addition, deletion, modification or variation of any part of such document or information and “amended” will be construed accordingly.
applicant	means a corporation which is applying for admission of its securities.
approved accounting standards	in relation to the Malaysian Accounting Standards Board (MASB), has the meaning given in section 2 of the Financial Reporting Act 1997.
articles of association	includes any document defining the constitution or governing the activities or conduct of an applicant, a listed corporation or its members.
associate	in relation to a director, shareholder, substantial shareholder of an applicant or a listed corporation (individually and collectively referred to as “ <b>Associated Party</b> ”) means a person who falls under any one of the following categories:  (i) a family member of the Associated Party;

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(ii)	a trustee of a trust (other than a trustee for an <a href="#">share scheme for employees</a> <del>employee share scheme</del> or pension scheme) under which the Associated Party or a family member of the Associated Party is the sole beneficiary;
(iii)	a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Associated Party;
(iv)	a person in accordance with whose directions, instructions or wishes the Associated Party is accustomed or is under an obligation, whether formal or informal, to act;
(v)	a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Associated Party;
(vi)	a body corporate or its directors whose directions, instructions, or wishes of which, the Associated Party is accustomed or under an obligation, whether formal or informal to act;
(vii)	a body corporate in which the director, shareholder or a family member of the Associated Party is entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
(viii)	a body corporate which is a related corporation.
associated company	has the meaning given to “ <b>associate</b> ” under the accounting standards issued or adopted by the Malaysian Accounting Standards Board.
<a href="#">auditor</a>	<a href="#">means an auditor who is registered under section 310 of the Securities Commission Act 1993.</a>
Board	in relation to the Exchange, means the board of directors of the Exchange.
board lot	in relation to any securities quoted on the Official List, means a parcel of securities comprising 100 units or any other number of securities permitted by the Exchange to be traded on the stock market.
books closing date	means the specified time and date set by a listed corporation for the purpose of determining entitlements to dividends, interests, new securities or other distributions or rights of holders of its securities.

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Cash Company	means a listed corporation whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both, who has been considered by the Exchange as a Cash Company under Rule 8.03.
change in the board of directors of a listed corporation	<p>in relation to a listed corporation, means a change within a 12-month period from the date of the acquisition in -</p> <p>(a) at least one-half of the membership of the board of directors of the listed corporation; or</p> <p>(b) at least one-third of the membership of the board of directors of the listed corporation, including the chief executive.</p>
chief executive	in relation to a corporation, means the principal executive officer of the corporation for the time being, by whatever name called, and whether or not he is a director.
<u>chief financial officer</u>	<u>in relation to a corporation, means the person primarily responsible for the management of the financial affairs of the corporation (such as record keeping, financial planning and financial reporting), by whatever name called.</u>
controlling shareholder	means any person who is or a group of persons who together are entitled to exercise or control the exercise of <u>at least more than</u> 33% of the voting shares in a company (or such other percentage as may be prescribed in the Take-Overs and Mergers Code as being the level for triggering a mandatory general offer) or who is or are in a position to control the composition of a majority of the board of directors of such company.
convertible securities	means securities which are convertible or exercisable by their terms of issue, into shares.
core business	means the business which provides the principal source of operating revenue or after-tax profits to a corporation and which comprises the principal activities of the corporation and its subsidiary companies.
corporation	has the meaning given in section 2(1) of the CMSA.
debt securities	means debentures, loan stocks or other similar instruments representing or evidencing indebtedness, whether secured or unsecured, and whether convertible or not.
deposited security	means a security standing to the credit of a securities account and includes a security in a securities account that is in suspense.
depositor	means a holder of a securities account established by the Depository.
Depository	means Bursa Malaysia Depository Sdn. Bhd.

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depository bank	in relation to depository receipts, means the issuer of such depository receipts.
depository receipts	means a security which accords a right to the registered holder to own a prescribed quantity of securities listed on a Recognised Stock Exchange.
director	has the meaning given in section 2(1) of the CMSA.
<a href="#"><u>Dividend Reinvestment Scheme</u></a>	<a href="#"><u>means a scheme which enables shareholders to reinvest cash dividend into new shares.</u></a>
<a href="#"><u>Employee Share Scheme</u></a>	<a href="#"><u>means collectively a Share Issuance Scheme and a Share Grant Scheme.</u></a>
Exchange	means Bursa Malaysia Securities Berhad.
Exchange Holding Company	means Bursa Malaysia Berhad.
expert	includes an engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.
family	<p>in relation to a person means such person who falls within any one of the following categories:</p> <ul style="list-style-type: none"> <li>(a) spouse;</li> <li>(b) parent;</li> <li>(c) child including an adopted child and step-child;</li> <li>(d) brother or sister; and</li> <li>(e) spouse of the person referred to in sub-Rules (c) and (d) above.</li> </ul>
foreign corporation	means an entity that is incorporated outside Malaysia.
GN3 Company	has the meaning given in Rule 8.04.
independent adviser or expert	means an adviser or an expert who is independent of the management and board of directors of the applicant or listed corporation which appoints it and free from any business or other relationship which could interfere with the exercise of independent judgement by such adviser or expert.
independent director	<p>means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of an applicant or listed corporation. Without limiting the generality of the foregoing, an independent director is one who -</p> <ul style="list-style-type: none"> <li>(a) is not an executive director of the applicant, listed corporation or any related corporation of such applicant or listed corporation (each corporation is referred to as the "<b>said Corporation</b>");</li> </ul>

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- (b) has not been within the last 2 years and is not an officer (except as a non-executive director) of the said Corporation. For this purpose, “**officer**” has the meaning given in section 4 of the Companies Act 1965;
- (c) is not a major shareholder of the said Corporation;
- (d) is not a family member of any executive director, officer or major shareholder of the said Corporation;
- (e) is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
- (f) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or
- (g) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or the listed corporation) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange.

*[Cross reference: Guidance Note 9]*

infrastructure project	means a project which creates the basic physical structures or foundations for the delivery of essential public goods and services that are necessary for the economic development of a state, territory or country, such as the construction and operation of roads, bridges, tunnels, railways, mass transit systems, seaports, airports, water and sewage systems, sewerage systems, power plants, gas supply systems and telecommunication systems.
listed	means admitted to the Official List and not removed, and “ <b>listing</b> ” will be construed accordingly.
listed corporation	means a corporation whose securities or any class of its securities have been admitted to the Official List and not removed.
major associated company or major subsidiary	means an associated company or subsidiary, as the case may be, which contributes 70% or more of the profit before tax or total assets employed of the listed corporation on a consolidated basis.

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major shareholder	<p>means a person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is -</p> <p>(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or</p> <p>(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation.</p> <p>For the purpose of this definition, “<b>interest in shares</b>” has the meaning given in section 6A of the Companies Act 1965.</p>
market day	<p>means a day on which the stock market of the Exchange is open for trading in securities.</p>
member	<p>includes a depositor who will be treated as if he were a member pursuant to section 35 of the Securities Industry (Central Depositories) Act 1991 but excludes the Depository in its capacity as a bare trustee.</p>
net assets	<p>refers to the net assets attributable to ordinary equity holders of the listed corporation.</p>
offer for sale	<p>means an invitation by, or on behalf of, an existing securities holder to purchase securities of a corporation already in issue or allotted.</p>
offer for subscription	<p>means an invitation by, or on behalf of, a corporation, to subscribe for securities of the corporation not yet in issue or allotted.</p>
officer	<p>(a) in relation to an applicant, a listed corporation, or its related corporation, means the chief executive, the chief operating officer, the chief financial controller or any other person primarily responsible for the operations or financial management of an applicant, a listed corporation or its related corporation, by whatever name called; and</p> <p>(b) in relation to the Exchange or the Exchange Holding Company, has the meaning given in section 4 of the Companies Act 1965.</p>
Official List	<p>means a list specifying all securities which have been admitted for listing on the ACE Market and not removed.</p>
options	<p>includes options under a share scheme for employees, convertible securities and any other types of options in respect of the issued or unissued securities of a corporation.</p>
Participating Organisation	<p>means a company which carries on the business of dealing in securities and for the time being recognised as a Participating Organisation pursuant to the Rules of the Exchange.</p>

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partner	<p>in relation to a director, major shareholder or a person connected with the director or major shareholder, means such person who falls within any one of the following categories:</p> <ul style="list-style-type: none"><li>(a) a person with whom the director, major shareholder or person connected with the director or major shareholder, is in or proposes to enter into partnership with. “<b>Partnership</b>” for this purpose has the meaning given in section 3 of the Partnership Act 1961; and</li><li>(b) a person with whom the director, major shareholder or person connected with a director or major shareholder has entered or proposes to enter into a joint venture, whether incorporated or not.</li></ul>
person	<p>includes a body of persons, corporate or unincorporate (including a trust).</p>
person connected	<p>in relation to a director or a major shareholder, means such person who falls under any one of the following categories:</p> <ul style="list-style-type: none"><li>(a) a family member of the director or major shareholder;</li><li>(b) a trustee of a trust (other than a trustee for <del>an employee share scheme</del><a href="#">share scheme for employees</a> or pension scheme) under which the director, major shareholder or a family member of the director or major shareholder is the sole beneficiary;</li><li>(c) a partner of the director, major shareholder or a partner of a person connected with that director or major shareholder;</li><li>(d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;</li><li>(e) a person in accordance with whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;</li><li>(f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;</li><li>(g) a body corporate or its directors whose directions, instructions or wishes the director or major shareholder is accustomed or under an obligation, whether formal or informal, to act;</li></ul>

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	(h)	a body corporate in which the director, major shareholder or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
	(i)	a body corporate which is a related corporation.
predominantly foreign-based operations		means a situation where –
	(a)	the after-tax profits of the corporation derived from assets or operations held outside Malaysia are higher than the after-tax profits derived from assets or operations held within Malaysia; or
	(b)	the majority of the infrastructure projects of the corporation are located outside Malaysia.
predominantly Malaysian-based operations		means a situation where –
	(a)	the after-tax profits of the corporation derived from assets or operations held within Malaysia are higher than the after-tax profits derived from assets or operations held outside Malaysia; or
	(b)	the majority of the infrastructure projects of the corporation are located within Malaysia.
promoter		includes a controlling shareholder, a person connected to a controlling shareholder and an executive director who is a substantial shareholder of the listed corporation.
property development corporation		means a corporation whose core business is in –
	(a)	development or redevelopment of real estate; or
	(b)	real estate with development potential,
		and includes those rights to develop pursuant to a joint venture agreement, privatisation agreement or some other forms of joint arrangement.
property investment corporation		means a corporation whose core business is in –
	(a)	the holding of landed or strata properties in the commercial, residential, industrial or agricultural sector (collectively referred to as “ <b>investment properties</b> ”) for letting and retention as investments; or
	(b)	the purchase of investment properties for subsequent sale.
public		means all persons or members of the public but excludes:-
	(a)	directors of an applicant or a listed corporation and its subsidiaries;



- (b) substantial shareholders of an applicant or a listed corporation except where such a shareholder fulfils all the following requirements in which case such shareholder may be included as a “public” shareholder:
- (i) such shareholder’s interest, directly or indirectly is not more than 15% of the total number of shares of the applicant or listed corporation;
  - (ii) such shareholder is not a promoter of the applicant or listed corporation; and
  - (iii) such shareholder is either -
    - (aa) a statutory institution who is managing funds belonging to contributors or investors who are members of the public; or
    - (bb) an entity established as a collective investment scheme, such as closed-end funds, unit trusts or investment funds (but excluding investment holding companies); and
- (c) associates of directors or substantial shareholders of an applicant or a listed corporation.

For the avoidance of doubt, a “public” shareholder also excludes a person who holds or acquires shares through artificial means. This includes, for example, giving away free shares or shares as gifts, or providing financial assistance or loans to acquire shares to nominees of the directors or substantial shareholders.

real estate	means land and all things that are a natural part of the land as well as things attached to the land both below and above the ground, and includes the rights, interests and benefits related to the ownership of the real estate.
Recognised Stock Exchange	means – <ul style="list-style-type: none"> <li>(a) a body corporate which has been approved by the Minister under section 8(2) of the CMSA; or</li> <li>(b) a foreign stock exchange declared by the Exchange to be a recognised stock exchange.</li> </ul>
Record of Depositors	means a record provided by the Depository to a listed corporation under chapter 24.0 of the Rules of the Depository.
register	means the register of members to be kept pursuant to the Companies Act 1965.
Register of Sponsors	means a register maintained by the Exchange for the ACE Market specifying all persons which have been approved to act as Sponsors by the Exchange pursuant to Chapter 4 of these Requirements and such approval has not been revoked or suspended.

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related corporation	means a corporation which is –  (a) the holding company of another corporation;  (b) a subsidiary of another corporation; or  (c) a subsidiary of the holding company of another corporation.
related party	means a director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, “ <b>director</b> ” and “ <b>major shareholder</b> ” have the meanings given in Rule 10.02 of these Requirements.
restricted offer for sale	means an invitation to an identifiable group of investors by, or on behalf of, an existing securities holder to purchase securities of a corporation already in issue or allotted.
restricted offer for subscription	means an invitation to an identifiable group or pool of investors by, or on behalf of a corporation, to subscribe for the securities of the corporation not yet in issue or allotted.
RM and sen	means Ringgit Malaysia and sen respectively.
Rules of the Depository	means the Rules of Bursa Malaysia Depository Sdn. Bhd., including any amendment that may be made from time to time.
Rules of the Exchange	means the Rules of Bursa Malaysia Securities Berhad including any amendment that may be made from time to time.
SC	means the Securities Commission established under section 3 of the Securities Commission Act 1993.
securities	has the meaning given in section 2(1) of the CMSA.
securities account	means an account established by the Depository for a depositor for the recording of deposit of securities and for dealing in such securities by the depositor.
<del>share scheme for employees</del>	<del>means a share scheme involving a new issue of shares to employees.</del>
<u>Share Grant Scheme</u>	<u>means a scheme involving the grant of a listed corporation's existing shares to employees.</u>
<u>Share Issuance Scheme</u>	<u>means a scheme involving a new issuance of shares to the employees.</u>
significant change in the business direction or policy	in relation to a listed corporation means -  (a) an acquisition of assets such that any one of the percentage ratios is 100% or more, except where the assets to be acquired are the same as those of the existing core business of the listed corporation;

- (b) an acquisition of assets which results in a change in the controlling shareholder of the listed corporation;
- (c) an acquisition of assets which results in a change in the board of directors of the listed corporation;
- (d) an acquisition of assets by a Cash Company to regularize its condition pursuant to Rule 8.03(5)(a); or
- (e) a restructuring exercise involving the transfer of the listed corporation's listing status and the introduction of new assets to the other corporation.

For the purpose of this definition, “**percentage ratios**” means the figures, expressed as a percentage, resulting from each of the following computations:

- (i) the net assets value of the assets which are the subject of the acquisition divided by the net assets value of the listed corporation;
- (ii) the revenue attributable to the assets which are the subject of the acquisition divided by the revenue of the listed corporation;
- (iii) the after-tax profits attributable to the assets which are the subject of the acquisition divided by the after-tax profits of the listed corporation;
- (iv) the aggregate value of the consideration for the subject acquisition (including amounts to be assumed by the purchaser, such as the vendor's liabilities) divided by the aggregate market value of all the ordinary shares of the listed corporation; or
- (v) the number of new shares issued by the listed corporation as consideration for the acquisition divided by the number of shares in the listed corporation in issue prior to the acquisition.

Sponsor	means such persons who are registered on the Register of Sponsors.
Sponsored Corporation	means a listed corporation which is sponsored by a Sponsor during the Sponsorship Period.
Sponsorship Period	in relation to a sponsorship means the period referred to in Rule 3.21(1) or (2), as the case may be.
stabilizing action	such action as may be taken by the stabilizing manager under the Capital Markets and Services (Price Stabilization Mechanism) Regulations 2008 for the sole purpose of preventing or minimizing any reduction in the market price of <a href="#">equity</a> securities listed on the Official List.

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stabilizing manager	means a person appointed under the Capital Markets and Services (Price Stabilization Mechanism) Regulations 2008 to undertake a stabilizing action on behalf of the listed corporation.
substantial shareholder	has the meaning given in section 69D of the Companies Act 1965.
Take-Overs and Mergers Code	means the Malaysian Code on Take-Overs and Mergers <a href="#">19982010</a> , including any amendment that may be made from time to time.
these Requirements	means Bursa Malaysia Securities Berhad ACE Market Listing Requirements including any amendment that may be made from time to time.
treasury shares	has the meaning given to it in section 67A(3A) of the Companies Act 1965.

## PART B – INTERPRETATION

### 1.02 Interpretation

- (1) Unless otherwise defined in these Requirements or unless the context otherwise requires, words or expressions defined in the Companies Act 1965, when used in these Requirements, have the same meanings as in the Companies Act 1965.
- (2) Apart from the above, certain other terms and expressions have also been defined in the respective Chapters. Such definitions only apply with respect to the respective Chapters in which they are contained.
- (3) The terms and expressions defined in Rule 1.01 are also applicable to any Guidance Note, unless otherwise defined in the Guidance Note.
- (4) Where an act is required to be done a specified number of “clear market days” before or after a specified date, at least that number of market days must intervene between the day on which the act is done and that date.
- (5) Unless the context requires otherwise, where the securities are listed and quoted in foreign currency, references to Ringgit in regard to the listed securities will be modified to mean its equivalent in foreign currency.

### 1.03 Incidental powers etc of the Exchange

Where any provision of these Requirements empowers, authorises or enables the Exchange to do or enforce the doing of any act or thing, the Exchange has all such powers or rights as may be necessary or reasonably incidental to the Exchange doing or enforcing the doing of the act or thing.

### 1.04 Gender

Unless the context otherwise requires, words importing gender include all genders.

### 1.05 Singular and plural

Unless the context otherwise requires, words importing the singular number includes the plural number and vice versa.

**1.06 Headings**

The headings and sub-headings in these Requirements are inserted for convenience of reference only.

**1.07 Appendices**

- (1) The Appendices are to be taken, read and construed as an essential part of these Requirements.
- (2) Appendices which take the form of forms will not be printed and furnished by the Exchange. Applicants and listed corporations are required to produce their own forms which strictly adhere to the relevant Appendices.

**1.08 Schedules**

The Schedules are to be taken, read and construed as an essential part of these Requirements.

**1.09 References**

- (1) References to Rules, Parts and Chapters unless otherwise stated are to be construed as references to Rules, Parts and Chapters of these Requirements.
- (2) References to Appendices and Schedules unless otherwise stated are to be construed as references to Appendices and Schedules of these Requirements.
- (3) References to the provisions of statutes and subordinate legislation include such provisions as amended or re-enacted from time to time.
- (4) References to statutes and subordinate legislation include any consolidation, replacement or revision of the same.

[ End of Chapter ]

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**CHAPTER 2 GENERAL****PART A – GENERAL****2.01 Introduction**

This Chapter sets out -

- (a) the principles upon which these Requirements are based and applied; and
- (b) the general requirements of the Exchange which apply to all applicants, listed corporations, their directors, officers, advisers or any other person to whom these Requirements are directed.

**2.02 Objective of ACE Market**

The principal objective of the ACE Market is to allow local and foreign corporations from all business sectors to access the capital market under a sponsor-driven framework.

**2.03 Purpose of these Requirements**

The purpose of these Requirements is to set out the requirements that must be complied with by all applicants, listed corporations, their directors, officers, advisers or other persons to whom these Requirements are directed. Failure to comply with any of these Requirements will amount to a breach in respect of which actions may be taken or penalties may be imposed, or both.

**2.04 General principles**

The principles on which these Requirements are based, include the following:

- (1) all applicants will be of a certain quality;
- (2) investors and the public will be kept fully informed by the listed corporations of all facts or information that might affect their interests and in particular, full, accurate and timely disclosure will be made of any information which may reasonably be expected to have a material effect on the price, value or market activity in the securities of the listed corporations;
- (3) all holders of securities will be treated fairly and equitably;
- (4) directors, officers and advisers of listed corporations will maintain the highest standards of integrity, accountability, corporate governance and responsibility; and
- (5) directors of listed corporations will act in the interests of the listed corporation as a whole, particularly where the public represents only a minority of the shareholders or where directors or major shareholders have material interests in transactions entered into by listed corporations.

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**PART B – APPLICATION OF THESE REQUIREMENTS****2.05 Obligation to comply**

- (1) A listed corporation, whether or not admission of its securities has taken place before these Requirements are prescribed, is, by virtue of its admission to the Official List, bound by these Requirements, the Rules of the Exchange and the Rules of the Depository.
- (2) A listed corporation, its directors, officers, advisers or any other person to whom these Requirements are directed must comply with these Requirements for so long as the listed corporation or its securities remain listed on the Official List. This applies even during periods when a listed corporation's securities are suspended from trading.

**2.06 Spirit of these Requirements**

These Requirements will be interpreted -

- (a) in accordance with their spirit, intention and purpose; and
- (b) in a way that best promotes the principles on which they are based.

**2.07 Waivers and modifications**

- (1) The Exchange requires strict compliance with these Requirements.
- (2) Notwithstanding sub-Rule (1) above, the Exchange may at any time, waive or modify compliance with a Requirement or any part of a Requirement. If the Exchange waives or modifies compliance with a Requirement or part of a Requirement subject to a condition, the condition must be complied with for the waiver or modification of compliance to be effective.

**2.08 Varying or revoking decisions**

The Exchange may, at any time, vary or revoke its decision where the circumstances warrant it, subject to any condition it deems fit. An unconditional variation or revocation has effect from the date specified by the Exchange. If a variation or revocation is subject to a condition, the condition must be complied with for the variation or revocation to be effective.

**2.09 Guidance Notes**

- (1) The Exchange may, from time to time, issue Guidance Notes subject to the approval of the SC to provide, amongst others -
  - (a) interpretation of these Requirements; or
  - (b) administrative or operational procedures in relation to these Requirements.
- (2) The Exchange may amend, waive or repeal such Guidance Notes from time to time.
- (3) A listed corporation, its directors, officers, advisers or any other person to whom these Requirements are directed must comply with the Guidance Notes issued pursuant to this Rule in the same manner as these Requirements. For the avoidance of doubt, unless the context otherwise requires, directions and requirements contained in the Guidance Notes are in clarification of and not in derogation of any obligations of persons to whom these Requirements or the Guidance Notes apply.

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- (4) Unless otherwise defined in the Guidance Notes or the context otherwise requires, words or expressions defined in these Requirements, when used in the Guidance Notes, have the same meaning as in these Requirements.

## PART C – DOCUMENTS TO COMPLY WITH THESE REQUIREMENTS

### 2.10 Documents to comply with these Requirements

- (1) An applicant or a listed corporation must ensure that -
- (a) any articles of association, trust deed, deed poll or bylaws of a ~~share scheme for employees~~ [Share Issuance Scheme](#) which is required to be submitted to the Exchange (“**said documents**”); or
  - (b) any amendment to the said documents,
- complies with these Requirements.
- (2) A listed corporation must ensure that no amendment is made to the said documents unless the amendment is made -
- (a) with the prior approval of its securities holders, except where it is otherwise provided in the said documents; and
  - (b) the approvals of the relevant authorities are obtained (where applicable).

### 2.11 Timing of submission

An applicant or a listed corporation must ensure that the said documents or any amendment to the said documents are submitted to the Exchange not later than 5 market days after the effective date of the relevant documents or any amendment to them, as the case may be.

### 2.12 Letters of compliance

- (1) A listed corporation must submit a letter of compliance together with the said documents and any amendment to the said documents.
- (2) A letter of compliance is a letter written to the Exchange which confirms that the provisions of the said documents to which it relates comply with these Requirements and the Rules of the Depository.
- (3) Where the letter of compliance is in relation to an amendment of any of the said documents, it must confirm that the amended document complies with these Requirements and the Rules of the Depository.
- (4) A letter of compliance must be written by a person with legal qualifications, except as provided below, the letter of compliance may be written by the following additional persons:
- (a) in the case of bylaws of a ~~share scheme for employees~~ [Share Issuance Scheme](#) (and any amendment thereto), by the listed corporation’s advisers; and
  - (b) in the case of an amendment to an articles of association, by the listed corporation’s advisers or its company secretary.

*[Cross reference: Guidance Notes 15 and 16]*



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**PART D – INFORMATION****2.13 Form of information**

- (1) If any of these Requirements stipulates that a person is to provide information to the Exchange, that information must be provided in writing unless otherwise specified by the Exchange.
- (2) The Exchange may require any information or document that is to be provided to the Exchange by an applicant, a listed corporation or its advisers to be through an electronic medium as directed by the Exchange and in a manner determined by the Exchange.
- (3) An applicant, a listed corporation or its advisers must pay to the Exchange fees of such amount as may be determined by the Exchange from time to time in relation to the said electronic medium.

**2.14 Giving the Exchange information**

An applicant, a listed corporation, its directors, officers, employees, advisers or any other person to whom these Requirements are directed must give the Exchange any information, document or explanation that the Exchange requests for in accordance with the instructions or request of the Exchange.

**2.15 Submission of information**

Where any document is submitted to the Exchange for public release, an applicant, a listed corporation or its advisers must clearly mark the document with the words "For Immediate Release".

**2.16 Documents forwarded to the Exchange**

All documents forwarded to the Exchange will become and remain the property of the Exchange which may, in its absolute discretion, deal with them as it wishes including copying, storing in a retrieval system, transmitting to the public, publishing or disclosing all or any part of the documents and forwarding copies to any stock exchange, relevant government bodies or authorities or, any expert or consultant acting in a professional capacity for and on behalf of the Exchange.

**2.17 Verification of report or information**

The Exchange may, at its discretion, instruct or direct an applicant or a listed corporation to appoint an independent adviser or expert at the expense of such applicant or listed corporation to verify any report or information referred to in or which forms part of any application, submitted to the Exchange by or on behalf of such applicant or listed corporation and to submit the results of such verification to the Exchange directly.

**2.18 Contents of statement, information or document**

- (1) An applicant, a listed corporation, an adviser or a director of an applicant or a listed corporation must ensure that any application, proposal, statement, information or document presented, submitted or disclosed pursuant to these Requirements -
  - (a) is clear, unambiguous and accurate;
  - (b) does not contain any material omission; and
  - (c) is not false or misleading.

- 
- (2) An applicant, a listed corporation, an adviser or a director of an applicant or a listed corporation does not commit a breach of sub-Rule (1) above if such person proves that -
- (a) he had made all enquiries as were reasonable in the circumstances; and
  - (b) after making such enquiries, he had reasonable grounds to believe and did believe until the time of the presentation, submission or disclosure of the statement, information or document to the Exchange that the statement, information or document did fulfil the requirements of sub-Rule (1) above.
- (3) Where any statement, information or document referred to in sub-Rule (1) above has been presented, submitted or disclosed to the Exchange and the person referred to in sub-Rule (1) above subsequently becomes aware that the statement, information or document may not fulfil the requirements of sub-Rule (1) above, the person must immediately notify the Exchange of the same.
- (4) For the avoidance of doubt, in the case of an announcement to the Exchange or a circular, Rules 9.16 or 9.31 apply respectively, in substitution of sub-Rules (1) to (3) above.

### **2.19 Indemnity**

- (1) Where the Exchange publishes, releases or disseminates any statement, information or document for or on behalf of an applicant or listed corporation pursuant to these Requirements or otherwise, the Exchange will not be responsible to check the accuracy, completeness or adequacy of any of the contents of such statement, information or document, and will not be liable for any loss or damage howsoever arising as a result of publishing, releasing or disseminating the statement, information or document.
- (2) An applicant, a listed corporation or an adviser or director of an applicant or listed corporation must fully indemnify and hold indemnified the Exchange against any loss, damage, liability, cost or expense (including legal costs) suffered or incurred by the Exchange, whether directly or indirectly, as a result of any demand, action or proceeding by any person for, on account of, or in respect of the publication, release or dissemination by the Exchange of any such statement, information or document for or on behalf of an applicant or listed corporation.

## **PART E – LISTING FEES AND OTHER CHARGES**

### **2.20 Fees**

An applicant, a listed corporation, a Sponsor and an Adviser must pay to the Exchange such fees and charges set out in the Schedule of Fees which are applicable to them, in the amount and manner specified in the Schedule of Fees.

## **PART E(A) – DIRECTORS AND OTHER KEY OFFICERS**

### **2.20A Qualification of directors and other key officers**

Every listed corporation must ensure that each of its directors, chief executive or 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, as the case may be, of the listed corporation.

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**PART F – ADVISERS / SHARE REGISTRARS****2.21 Undertaking by adviser**

- (1) An adviser who presents, submits or discloses an application, a circular or any other document to the Exchange on behalf of an applicant or a listed corporation, other than a Sponsor, must have lodged with the Exchange an undertaking duly executed by the adviser in the form of Appendix 2A.
- (2) The Exchange reserves the right to reject or not accept any application, circular or any other document submitted by an adviser on behalf of an applicant or a listed corporation where such adviser has not lodged with the Exchange an undertaking referred to in sub-Rule (1) above.
- (3) The acceptance by the Exchange of the undertaking referred to in sub-Rule (1) above is not an indication of approval or endorsement by the Exchange as to the skill, competency, fitness or capability of such person as an adviser.

**2. 21A Share registrar**

- (1) A listed corporation must appoint and retain a share registrar who -
  - (a) has satisfactory internal control procedures in place and financial and operational capabilities which are needed for the proper performance of its obligations as the listed corporation's share registrar; and
  - (b) acts professionally and in the best interests of the listed corporation and the integrity of the market when providing services for the listed corporation.
- (2) For purposes of sub-Rule (1)(a) above, the listed corporation must consider, amongst others, whether the share registrar:
  - (a) is able to provide its services in a timely and efficient manner;
  - (b) has proper safeguards to protect the listed corporation and its shareholders from financial loss arising from delay in its services, theft, fraud and other dishonest act or professional misconduct of the share registrar;
  - (c) maintains proper records in relation to the services provided to the listed corporation; and
  - (d) complies with all applicable laws and regulations in relation to the business and services it offers, including maintaining confidentiality of information pertaining to the listed corporation and its shareholders.
- (3) The “**share registrar**” referred to in sub-Rule (1) above includes a unit performing the functions of a share registrar within the listed corporation.

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**PART G – OTHER PERSON PRIMARILY RESPONSIBLE FOR LISTED CORPORATIONS****2.22 Undertaking by a person responsible for a listed corporation**

- (1) Where a person, pursuant to a Court order or otherwise, is appointed to take possession or control over all or major assets of, or becomes responsible for the management of a listed corporation (“**Controlling Person**”), the listed corporation must ensure and the Controlling Person must give, the Exchange an undertaking in the form of Appendix 2B to comply with these Requirements.
- (2) A Controlling Person must -
  - (a) provide the Exchange any information, document or explanation that the Exchange requests for in accordance with the instructions or request of the Exchange; and
  - (b) comply with any instruction, directive or condition issued by the Exchange and within such time as may be specified by the Exchange.
- (3) A Controlling Person must not -
  - (a) cause, aid or abet a breach of these Requirements by a listed corporation referred to in sub-Rule (1) above; or
  - (b) permit, either knowingly or where he had reasonable means of obtaining such knowledge, such listed corporation to commit a breach of these Requirements.

**PART H – OTHERS****2.23 Instructions or directives issued by the Exchange**

- (1) The Exchange may, from time to time, issue any instruction or directive to or impose any condition on an applicant, a listed corporation, its directors, officers, employees, advisers or any other person to whom these Requirements are directed and such person as aforesaid must comply with the said instruction, directive or condition and within such time as may be specified by the Exchange.
- (2) Where the Exchange has issued any instruction or directive or imposed any condition referred to in sub-Rule (1) above, the Exchange has all the rights and powers to do all acts necessary to enforce and give effect to the instruction, directive or condition.

**2.24 Special auditor**

- (1) Where the Exchange is of the opinion that a breach of these Requirements may have occurred and the appointment of a special auditor is necessary, the Exchange may instruct the listed corporation to appoint a special auditor to review or investigate the affairs of the listed corporation, any of its subsidiaries, or both as the Exchange may direct. Any cost incurred as a result of the appointment of the special auditor must be borne by the listed corporation.
- (2) For the purpose of this Rule, a special auditor means any auditor other than the statutory auditor of the listed corporation appointed pursuant to the Companies Act 1965 or in relation to a foreign corporation, pursuant to the relevant laws of the place of incorporation.

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**2.25 Conduct**

Any act or omission by a person includes an act or omission caused directly or indirectly by the said person. For the avoidance of doubt, an act or omission caused directly or indirectly by the person includes an act or omission of its employee or agent.

**2.26 Notices by the Exchange**

- (1) All notices or written communications required to be sent by the Exchange to a listed corporation or its adviser under these Requirements will be sent to the registered office or last known address of the listed corporation or its adviser, as the case may be, as contained in the records of the Exchange.
- (2) All notices or written communications required to be sent by the Exchange to a director under these Requirements will be sent to the last known place of residence of the director or the last known address of the director, as contained in the records of the Exchange.
- (3) Where any notice or written communication is required to be sent by the Exchange under these Requirements, such notice or written communication will be deemed received in the following circumstances:
  - (a) if sent by post, on the 3<sup>rd</sup> day after posting;
  - (b) if sent by courier, on the 2<sup>nd</sup> day after despatch; and
  - (c) if sent by facsimile transmission, immediately.
- (4) Notwithstanding sub-Rule (1) above, the Exchange may specify other methods of communication including electronic mail, other electronic medium or advertisement in newspapers, in which event such notice or written communication will be deemed received immediately.

**2.27 Issuance of new securities in foreign currency**

- (1) An issue of securities by a listed corporation will be quoted in Ringgit or such other foreign currency as may be allowed by the Exchange.
- (2) A listed corporation must consult the Exchange and obtain the approval of the Controller of Foreign Exchange if it prefers the securities to be quoted in foreign currency.

**PART I – AMENDMENTS TO THESE REQUIREMENTS****2.28 Amendments to these Requirements**

The Exchange has the right to amend all or any of these Requirements from time to time, pursuant to section 9 of the CMSA and any such amendment will be binding on an applicant, listed corporation, its directors, officers, advisers or any other person to whom these Requirements are directed.

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**PART J – EXCHANGE HOLDING COMPANY AND THE EXCHANGE****2.29 Powers of the Exchange Holding Company**

- (1) Where any provision of these Requirements confers a right or power on the Exchange to do any act or thing, such provision will be deemed to confer the right or power on the Exchange Holding Company to do such act or thing on behalf of the Exchange.
- (2) An applicant, a listed corporation, its directors, officers, advisers or any other persons to whom these Requirements are directed must comply with, observe or give effect to any action of the Exchange Holding Company pursuant to sub-Rule (1) above.

**2.30 Liability of the Exchange, etc.**

Without prejudice to any immunity or defence available to the following persons by statute or in law, none of such persons will be liable in respect of anything done or omitted to be done by such persons in good faith in connection with the discharge or performance or purported discharge or performance of any function or duty, or the exercise or intended exercise of any power under these Requirements or any applicable law or in respect of any decision made or enforcement action taken or notice of publication thereof, whether resulting in any loss of profit, costs, damages or damage to reputation or otherwise:

- (a) the Exchange or the Exchange Holding Company;
- (b) any member of the Board of the Exchange or Exchange Holding Company or any member of any committee of the Exchange or Exchange Holding Company;
- (c) any officer of the Exchange or Exchange Holding Company; or
- (d) any agent of, or any person acting under the direction of the Exchange or Exchange Holding Company.

**PART K – CONCLUSION****2.31 Conclusion**

These Requirements provide that any statement, information or document presented, submitted or disclosed pursuant to these Requirements must be clear, unambiguous, accurate and must not contain any material omission or be false or misleading. Under this full disclosure approach, investors, rather than the Exchange, will have the responsibility for evaluating the merits and risks of investing in a particular security. This approach places the onus of evaluating the disclosed information on the investor.

[ End of Chapter ]

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**APPENDIX 2A****Undertaking by an adviser**  
(Rule 2.21(1))

To

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Compliance with ACE Market Listing Requirements

In consideration of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) allowing us to act as advisers for applicants seeking listing on the Official List of Bursa Securities or listed corporations, WE .....[name of adviser] having a #registered address/place of business at .....  
UNDERTAKE AND AGREE to comply with Bursa Securities ACE Market Listing Requirements, including any amendment as may be made from time to time, insofar as the same apply to us as advisers.

The term “adviser”, “applicant”, “listed corporation” and “Official List” have the meanings given under Bursa Securities ACE Market Listing Requirements.

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

The above Undertaking has been signed by us/me as ..... [title/designation] of .....[name of adviser] pursuant to authority granted to us/me by resolution of the board of directors of the adviser on .....

Date:

Signature:

Name:

# Delete as appropriate

\*\* Applicable to a foreign adviser only.

[ End of Appendix ]

**Appendix 2B**  
**Undertaking by a person responsible for the management of a listed corporation**

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**APPENDIX 2B**

**Undertaking by a person responsible for the management of a listed corporation**  
 (Rule 2.22(1))

To

Bursa Malaysia Securities Berhad  
 Exchange Square  
 Bukit Kewangan  
 50200 Kuala Lumpur

Compliance with ACE Market Listing Requirements

#I/We, ..... [name and NRIC/Company No.], am a  
 .....[position/designation] of .....[name(s) of listed corporation(s)]  
 (“**Company(ies)**”) which # has/have been admitted to and is currently listed on the Official List of  
 Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

In consideration of Bursa Securities allowing the continued listing of the Company(ies) on the Official  
 List, #I/We, UNDERTAKE AND AGREE to comply with Bursa Securities ACE Market Listing  
 Requirements, including any amendment as may be made from time to time, in so far as the same  
 apply to #me/us.

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

Yours faithfully

.....

Name:

Designation:

Date:

# Delete as appropriate

\*\* Applicable to a foreign person who is responsible for the management of a listed corporation only.

[ End of Appendix ]



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**CHAPTER 3 ADMISSION****PART A – GENERAL****3.01 Introduction**

- (1) This Chapter sets out the requirements that must be complied with by an applicant seeking admission to the Official List.
- (2) Where a listed corporation undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed corporation, the Exchange will treat such listed corporation as if it were a new applicant seeking admission to the Official List. In such instance, the listed corporation must comply with the requirements under this Chapter, where applicable.
- (3) For the purposes of this Chapter, unless the context otherwise requires, references to “**applicant**” includes a listed corporation that undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed corporation.

**PART B – ADMISSION****3.02 Admission**

- (1) The Exchange will exercise discretion over the admission and continued listing of securities on its Official List and may approve or reject applications for listing, as it deems fit.
- (2) The Exchange may also approve applications for listing unconditionally or subject to such conditions, as it deems fit.
- (3) An applicant must apply for admission to the Official List through a Sponsor and must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.  
*[Cross reference: Guidance Note 15]*
- (4) The Sponsor appointed by an applicant must assess the suitability of the applicant seeking admission to the Official List.  
*[Cross reference: Guidance Note 18]*
- (5) The applicant, Sponsor or other persons accepting responsibility for all or any part of the information and documents submitted to the Exchange in relation to an initial listing application must exercise due diligence and comply with the SC’s Guidelines on Due Diligence Conduct for Corporate Proposals as if the submission were made to the SC.
- (6) An applicant which is a special purpose acquisition company or an incubator, including a technology incubator must apply for admission to the Main Market only.

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### 3.03 Chain listing

An applicant which is a subsidiary or holding company of a corporation currently listed on the Main Market or ACE Market of the Exchange cannot seek admission to the Official List on its own unless the Sponsor is satisfied that -

- (a) the applicant has a distinct and viable business of its own;
- (b) no intra-group competition or conflict of interests exists between the applicant and all the other corporations within the holding company's group;
- (c) the applicant is independent from the other listed and non-listed corporations within the group in terms of its operations, including purchases and sales of goods, management, management policies and finance; and
- (d) the existing listed corporation within the group must have a separate autonomous business of its own, and is capable of sustaining its listing in the future.

### 3.04 Independence of business

The core business of an applicant must not be the holding of investments in other listed corporations.

### 3.05 Working capital

An applicant must have sufficient working capital available for its present requirements and for at least 12 months from the date of its prospectus for an initial public offering.

### 3.06 Management continuity

An applicant must have continuity of substantially the same management at the level of executive directors and senior management for 3 full financial years before submitting its listing application to the Exchange or since its incorporation (if less than 3 full financial years).

### 3.07 Property investment and property development corporation

- (1) An applicant which is a property investment and property development corporation must -
  - (a) appoint an independent valuer to conduct a valuation of all its material real estate; and
  - (b) submit 2 copies of the valuation report on the real estate concerned to the Exchange and a copy of the valuer's undertaking letter in the form of Appendix 6D together with its listing application.
- (2) The applicant and the valuer must ensure that -
  - (a) the valuation report submitted pursuant to sub-Rule (1) above complies with these Requirements and the SC's Asset Valuation Guidelines, which are in force from time to time; and
  - (b) the date of valuation which forms the basis of the valuer's undertaking letter pursuant to sub-Rule (1)(b) above is current, and in any event, not more than 6 months before the date of submission to the Exchange.
- (3) For the purposes of sub-Rules 1(b) and 2(a) above, a "**valuation report**" includes a valuation certificate.

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**3.08 Independent directors**

- (1) An applicant must ensure that at least 2 directors or 1/3 of the board of directors of the applicant, whichever is the higher, are independent directors.
- (2) If the number of directors of the applicant is not 3 or a multiple of 3, then the number nearest 1/3 must be used.

**3.09 Audit committee**

An applicant must establish an audit committee comprising a majority of independent directors (see also Chapter 15).

**3.10 Shareholding spread**

- (1) An applicant must have at least 25% of the total number of shares for which listing is sought in the hands of a minimum number of 200 public shareholders holding not less than 100 shares each.
- (2) An applicant which has or will be having shares listed on other stock exchange(s) may have these shares included for the purpose of computing the shareholding spread.

**3.11 Articles of association**

- (1) An applicant must incorporate into its articles of association the various provisions set out in Chapter 7.
- (2) An applicant must furnish to the Exchange a letter of compliance pursuant to Rule 2.12 together with its articles of association and a checklist showing compliance with the relevant provisions of Chapter 7.

**3.12 Preference shares, convertible securities and debt securities**

- (1) An applicant may issue and list any securities as part of its listing scheme, including preference shares, convertible securities and debt securities. For issues of convertible securities, the applicant must comply with the requirements set out in Parts H and I of Chapter 6.
- (2) The exercise or conversion price of convertible securities issued before or as part of the listing scheme must not be lower than the applicant's ordinary share price offered to the public under an initial public offering.

**PART C – METHODS OF OFFERING OF SECURITIES****3.13 General**

- (1) Subject to sub-Rules (2) and (3) below, an applicant may offer its securities by way of an offer for sale to general public, placement or book-building. The methods of offering of securities chosen by an applicant must enable the applicant to have a broad base of shareholders and comply with the shareholding spread requirement under Rule 3.10 above.
- (2) An offer for sale is only allowed for an applicant which has generated 1 full financial year of operating profit based on the latest audited financial statements.
- (3) An applicant must ensure that no offer for sale is made by a promoter if it will result in all promoters in aggregate, holding less than 45% of the enlarged issued and paid-up capital of the applicant at the date of admission to the Official List.

- 
- (4) An applicant must ensure that expenses incurred relating to an offer for sale or restricted offer for sale of securities are borne by the offeror.

### 3.14 Offering of securities

- (1) An applicant must ensure that the basis for allocation and allotment of its securities is fair and equitable.
- (2) Where an offer of securities is made to the general public via balloting, the applicant must comply with the balloting procedures disclosed in the listing prospectus.

### 3.15 Placement of securities

- (1) The Sponsor must act as the placement agent (or joint placement agent, where applicable) for any placement of securities under an initial public offering.
- (2) The Sponsor or any other placement agent must not retain any securities being placed for its own account, except where -
- (a) in the event of an under subscription, such securities are taken up following an underwriting agreement; or
  - (b) such securities being retained are over and above the total number of securities required to be in the hands of general public to meet the shareholding spread requirement in Rule 3.10.
- (3) The retention of securities for the purposes of sub-Rule (2)(b) above must not result in the Sponsor or placement agent holding, whether directly or indirectly, 5% or more of the enlarged issued and paid-up capital of the applicant.
- (4) The Sponsor must ensure that securities are not placed with persons connected with the placement agent, except where -
- (a) such persons connected with the placement agent are –
    - (i) statutory institutions managing funds belonging to general public; or
    - (ii) entities established as collective investment schemes which are considered to represent general public; or
  - (b) the placement is made under a book-building exercise, in which case –
    - (i) the placement agent/book-runner must establish internal arrangements to prevent the persons connected with it from accessing the book;
    - (ii) the placement agent/book-runner must keep the applicant fully informed and obtain the applicant's consent before inviting persons connected with it to bid for the securities;
    - (iii) the persons connected with the placement agent/book-runner must disclose to the placement agent/book-runner and the applicant the amount of bids which they have put in for their own/proprietary account or customer account, as may be applicable; and

- 
- (iv) the allocation to the persons connected with the placement agent/book-runner must be consistent with the allocation policy which has been communicated to and agreed upon by the applicant, including the amount of securities to be allocated to a single party.
- (5) The aggregate amount of securities placed with persons connected with the placement agent under sub-Rule (4) above must not be more than 25% of the total amount of securities made available for placement by the placement agent.
- (6) An applicant must not allow placement of securities to be made to –
- (a) directors or existing shareholders of the applicant or persons connected with them (whether in their own names or through nominees), except under [restricted offers for sale or](#) restricted offers for subscription stated in Rule 3.16 below or on a pro rata basis to all shareholders of the applicant; or
- (b) nominee corporations unless the names of the ultimate beneficiaries are disclosed.
- (7) As soon as practicable after the placement and before the listing of the applicant, the Sponsor must submit to the Exchange the following:
- (a) the final list (broken down by each placement agent) setting out the names, home/business addresses, identity card/passport/company registration numbers, occupations/principal activities, securities account numbers of all the placees and the ultimate beneficial owners of the securities placed (where the placees are nominee corporations or funds), and the amount and price of securities placed with each placee; and
- (b) a confirmation from the Sponsor that to the best of its knowledge and belief, after having taken all reasonable steps and made all reasonable enquiries, the details set out in the final list of placees in sub-Rule (a) above are accurate and the placement exercise complies with the requirements on placement as stated in these Requirements.
- (8) The information on the ultimate beneficiaries of the securities as required in sub-Rule (7)(a) above need not be submitted for the following types of placees:
- (a) statutory institutions managing funds belonging to general public;
- (b) unit trust funds or prescribed investment schemes approved by the SC; and
- (c) collective investment schemes which are authorised, approved or registered investment schemes incorporated, constituted or domiciled in a jurisdiction other than Malaysia and regulated by the relevant regulatory authority in that jurisdiction, subject to the Sponsor confirming to the Exchange that such schemes have been duly authorised, approved or registered.
- (9) The Exchange reserves the discretion to require submission of further information on the placement exercise and the placees as the Exchange may consider necessary for the purpose of establishing the propriety of the exercise or the independence of the placees.

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**3.16 Restricted offers for subscription**

Restricted offers for sale or Restricted offers for subscription which are undertaken as part of a listing scheme may only be made to the following groups:

- (a) the directors and employees of the applicant;
- (b) the directors and employees of the subsidiary companies and holding company of the applicant;
- (c) other persons who have contributed to the success of the applicant, such as suppliers, distributors, dealers and customers; and
- (d) the shareholders of the holding company of the applicant, if the holding company is listed.

**3.17 Pricing of securities**

Where securities are offered to related parties in conjunction with the initial public offering, the price of the securities offered to such related parties must be at least the issue price offered to the general public.

**3.18 Underwriting**

- (1) Underwriting arrangements in relation to an offering of securities are at the discretion of the applicant and its Sponsor.
- (2) The Sponsor must be part of the syndicate of underwriters for the securities offered under the initial public offering if there is an underwriting arrangement.
- (3) An applicant must disclose in its listing prospectus –
  - (a) the minimum level of subscription and the basis for determining the minimum level based on factors such as the level of funding required by the applicant; and
  - (b) the level of underwriting that has been arranged, together with justifications for the level arranged.
- (4) Where the minimum level of subscription is not achieved, the offering of securities must be terminated and consideration received must be immediately returned to all subscribers.

**3.19 Moratorium on promoter's shares**

- (1) A moratorium will be imposed on the sale, transfer or assignment of shares held by promoters of an applicant as follows:
  - (a) The moratorium applies to the entire shareholdings of the promoters of an applicant for a period of 6 months from the date of admission to the Exchange.
  - (b) Upon the expiry of the 6-month period stated above, the listed corporation must ensure that the promoters' aggregate shareholdings amounting to at least 45% of the nominal issued and paid-up ordinary share capital of the listed corporation remain under moratorium, for another period of 6 months.
  - (c) Thereafter, subject to sub-Rule (d) below, the promoters may sell, transfer or assign up to a maximum of 1/3rd per annum (on a straight-line basis) of the shares held under moratorium.

- 
- (d) Where a listed corporation has not generated 1 full financial year of operating revenue based on the latest audited financial statements, the promoters may only sell, transfer or assign up to a maximum of 1/3rd per annum (on a straight-line basis) of the shares held under moratorium after the listed corporation has generated 1 full financial year of operating revenue based on its latest audited financial statements.
- (e) Where the promoters also own securities which are convertible or exercisable into ordinary shares of the applicant, the promoters' shareholdings to be placed under moratorium should amount to 45% of the enlarged issued and paid-up ordinary share capital of the applicant assuming full conversion or exercise of such securities owned by the promoters.
- (2) Where the promoter is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation (whether individuals or other unlisted corporations) up to the ultimate individual shareholders must give undertakings to the Exchange that they will comply with the moratorium.
- (3) Notwithstanding sub-Rule (1) above, the promoters are allowed to transfer the shares which are subjected to moratorium, to facilitate the price stabilization mechanism.
- (4) Where the applicant undertakes the price stabilization mechanism as part of the listing scheme and the promoter's shares to be held under moratorium had been borrowed by the stabilising manager, the stabilising manager and the applicant must submit a written confirmation that such shares are returned to the promoter and placed under moratorium within 5 market days after –
- (a) the end of the stabilisation period of 30 calendar days commencing from the first day of trading on the Exchange; or
- (b) the day on which the over-allotment option is exercised in full,
- whichever is the earlier.

### **3.20 Application of monies from subscription of shares paid into a trust account**

Any monies received by an applicant from any persons who has provided consideration for shares pursuant to an issue, offer for subscription or purchase, or an invitation to subscribe for or purchase, securities for which listing has been approved must be applied in accordance with sections 215 or 243 of the CMSA, as may be applicable.

## **PART D – SPONSORS**

### **3.21 Sponsors**

- (1) Subject to sub-Rule (2) below, an applicant must secure and maintain the services of a Sponsor for at least 3 full financial years after its admission to the Official List. The applicant's Sponsor who submitted its application for admission to the Exchange shall act as its Sponsor for at least 1 full financial year following the applicant's admission to the Official List. The applicant shall refer to Rule 4.19 for provisions governing the resignation and termination of Sponsors.
- (2) In relation to an applicant which has yet to generate operating revenue during the period referred to in sub-Rule (1) above, the applicant must extend the services of the Sponsor to at least 1 full financial year after the applicant has generated operating revenue.

- (3) For the avoidance of doubt, sub-Rule (1) above is also applicable to a listed corporation that undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed corporation.

[ End of Chapter ]



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**CHAPTER 6 NEW ISSUES OF SECURITIES****PART A – GENERAL****6.01 Introduction**

- (1) This Chapter sets out the requirements that must be complied with by an applicant or a listed corporation, as the case may be, for any new issue of securities.
- (2) If the new issue of securities is pursuant to or will result in a significant change in the business direction or policy of a listed corporation, the listed corporation must also comply with the requirements under this Chapter 6, where applicable.
- (3) Additional requirements relating to issuance of securities pursuant to acquisitions are set out in Chapter 10.
- (4) For the purpose of this Chapter, unless the context otherwise requires -
  - (a) a “**Specified Bonus Issue**” is a bonus issue of securities which -
    - (i) is not conditional upon any other corporate proposal, or
    - (ii) is conditional upon another corporate proposal but –
      - (aa) that other corporate proposal is a subdivision or consolidation of shares; or
      - (bb) that other corporate proposal has been completed or becomes unconditional;
  - (b) a “**Specified Subdivision**” has the meaning given in Rule 13.04(3); and
  - (c) a “**Specified Consolidation**” has the meaning given in Rule 13.14.

**PART B – ADMISSION****6.02 Admission**

- (1) The Exchange will exercise discretion over the listing of new issues of securities on its Official List and may approve or reject applications for the listing of such new issues of securities, as it deems fit.
- (2) Where the Exchange approves an application for the listing of a new issue of securities, such approval may be unconditional or subject to such conditions, as it deems fit.
- (3) In granting approval for the listing of a new issue of securities by listed corporations, the Exchange considers amongst others, whether -
  - (a) the approvals of the relevant authorities have been obtained, if any;
  - (b) shareholder approval is required under these Requirements;
  - (c) the listed corporation is under consideration for possible de-listing under Chapter 16;

- 
- (d) the listed corporation has satisfactory corporate governance practices;
  - (e) the listed corporation has addressed all situations of conflict of interests satisfactorily;  
or
  - (f) the application by the listed corporation undermines public interest.
- (4) A listed corporation must submit a listing application under this Chapter to the Exchange through a Sponsor or an Adviser, as the case may be.
- [Cross reference: Guidance Note 18]*
- (5) A listed corporation and its Sponsor or Adviser must comply with the relevant listing procedures and requirements relating to a new issue of securities as may be prescribed by the Exchange.
- [Cross reference: Guidance Note 17]*
- (6) The listed corporation, adviser or other persons accepting responsibility for all or any part of the information and documents submitted to the Exchange in relation to any listing application must exercise due diligence and comply with the SC's Guidelines on Due Diligence Conduct for Corporate Proposals as if the submission were made to the SC.

## **PART C – GENERAL REQUIREMENTS FOR NEW ISSUE OF SECURITIES**

### **6.03 Application of monies from subscription of shares paid into a trust account**

A listed corporation must ensure that all monies received from any persons who have provided consideration for shares pursuant to an issue, offer for subscription or purchase, or an invitation to subscribe for or purchase, the new issue of securities must be applied in accordance with sections 215 or 243 of the CMSA, as may be applicable.

### **6.04 General mandate for issue of securities**

- (1) Subject to Rule 6.07 and notwithstanding the existence of a resolution pursuant to section 132D of the Companies Act 1965, or in relation to a foreign corporation, a resolution of a similar nature pursuant to the relevant laws of the place of incorporation, a listed corporation must not issue any shares or convertible securities if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital (excluding treasury shares) of the listed corporation, except where the shares or convertible securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.
- (2) In working out the number of shares or convertible securities that may be issued by a listed corporation, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.
- (3) Where a general mandate for issue of securities is sought, the listed corporation must include in the statement accompanying the proposed resolution the following information:
  - (a) whether such mandate is new or a renewal;

- 
- (b) where such mandate is a renewal or has been sought in the preceding year, to specify the following:
    - (i) the proceeds raised from the previous mandate, if any;
    - (ii) the details and status of the utilisation of proceeds; and
  - (c) the purpose and utilisation of proceeds from the general mandate sought.

#### 6.05 Issue of new securities under a general mandate

Subject to Rule 6.06, where issuance of shares or convertible securities is made pursuant to Rule 6.04(1), the listed corporation must ensure the following:

- (a) shares are not priced at more than 10% discount to the weighted average market price of the shares for the 5 market days immediately before the price-fixing date;
- (b) for issue of convertible securities –
  - (i) if the exercise or conversion price is fixed, such price is not more than 10% discount to the weighted average market price of the underlying shares for the 5 market days immediately before the price-fixing date; and
  - (ii) if the exercise or conversion price is based on a formula, any discount in the price-fixing formula is not more than 10% of the weighted average market price of the underlying shares for the 5 market days immediately before exercise or conversion; and
- (c) securities are not placed to –
  - (i) the interested director, interested major shareholder, interested chief executive or interested person connected with a director, major shareholder or chief executive (all as defined in Rule 6.07); and
  - (ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

#### 6.06 Issue of securities with specific shareholder approval

Where an issue of shares or other convertible securities departs from any of the applicable requirements stipulated in Rule 6.05, the listed corporation must obtain the prior shareholder approval in a general meeting for the precise terms and conditions of the issue, in particular on –

- (a) the issue, exercise or conversion prices of the securities or, in a situation where such prices are to be determined after the date of shareholder approval, the basis or formula of determining such prices; and
- (b) the purposes of the issue and utilisation of proceeds.

#### 6.07 Allotment of shares to directors etc.

- (1) ~~Except in the case of an issue of securities on a pro rata basis to shareholders or pursuant to a back-to-back placement undertaken in compliance with Rule 6.15~~ Subject to sub-Rule (1A) below, a listed corporation must ensure that it or any of its subsidiaries does not issue shares or other convertible securities to the following persons unless shareholders in general meeting have approved the specific allotment to be made to such persons:

- 
- (a) a director, major shareholder or chief executive of the listed corporation or a holding company of the listed corporation (“**interested director**”, “**interested major shareholder**” and “**interested chief executive**”); or
  - (b) a person connected with an interested director, interested major shareholder or interested chief executive (“**interested person connected with a director, major shareholder or chief executive**”).

(1A) Sub-Rule (1) above is not applicable to an issue of securities –

- (a) on a pro rata basis to shareholders;
- (b) pursuant to a back-to-back placement undertaken in compliance with Rule 6.15; or
- (c) pursuant to a Dividend Reinvestment Scheme.

(2) Notwithstanding any provision to the contrary in these Requirements, in a meeting to obtain shareholder approval in respect of the allotment referred to under sub-Rule (1) above -

- (a) the interested director, interested major shareholder, interested chief executive or interested person connected with a director, major shareholder or chief executive; and
- (b) where the allotment is in favour of an interested person connected with a director, major shareholder or chief executive, such director, major shareholder or chief executive,

must not vote on the resolution approving the said allotment. An interested director, interested major shareholder or interested chief executive must ensure that persons connected with him abstain from voting on the resolution approving the said allotment.

(3) A listed corporation must include the following in the notice of meeting:

- (a) the number of securities to be so allotted;
- (b) the purpose of allotment;
- (c) the precise terms and conditions of the allotment; and
- (d) the identity and relationship of the persons connected with the director, major shareholder or chief executive, where applicable.

(4) Except in the case of an issue of securities on a pro rata basis to shareholders and subject to sub-Rule (1) above, a listed corporation must ensure that its subsidiary does not issue shares or other convertible securities to a director, major shareholder or chief executive of the said subsidiary or the holding company of the said subsidiary (other than the listed corporation or a holding company of the listed corporation) or a person connected with such director, major shareholder or chief executive unless -

- (a) the listed corporation has obtained the prior approval of its board of directors for the specific allotment to such persons;
- (b) the board of directors of the listed corporation has ensured that the allotment is fair and reasonable to the listed corporation and in the best interests of the listed corporation; and

- 
- (c) the listed corporation immediately announces the specific allotment to such persons and include the following in the announcement:
    - (i) the information prescribed in sub-Rule (3) above; and
    - (ii) a statement by the board of directors of the listed corporation that the allotment is fair and reasonable to the listed corporation and in the best interests of the listed corporation. Where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.

#### **6.08 Announcement to the Exchange**

- (1) A listed corporation must include the information set out in Part A of Appendix 6A in its announcement to the Exchange relating to a proposed new issue of securities.
- (2) Where a listed corporation is undertaking an issuance and placement of securities in stages over a period of time, the listed corporation must, upon placement of the securities, immediately announce to the Exchange, the number and issue price of the securities.

#### **6.09 Circular**

- (1) A listed corporation must include the information set out in Part A of Appendix 6B in the circular to obtain the securities holder approval in respect of a new issue of securities.
- (2) The circular must be submitted to the Exchange together with a checklist showing compliance with Part A of Appendix 6B.

#### **6.10 Allotment of securities, despatch of notices of allotment and quotation application in respect of a public issue.**

Where a listed corporation issues securities to the public, within 8 market days of the final applications date or such other period as may be prescribed by the Exchange, a listed corporation must -

- (a) issue or allot the securities;
- (b) despatch notices of allotment to the successful applicants; and
- (c) apply for the quotation of such securities, where applicable.

#### **6.11 Document for issue of securities to be made overseas**

Where an issue of securities is to be made overseas and is supported by a prospectus or other public documents, a listed corporation must ensure that the prospectus or other public documents in English are lodged with the Exchange. Such documents must be endorsed with "Specimen - For Information Only."

### **PART D – REQUIREMENTS RELATING TO PLACEMENT**

#### **6.12 Additional Requirement**

A listed corporation which intends to undertake a placement must comply with the provisions in this Part, in addition to those set out in Parts B and C of this Chapter, where applicable.

*[Cross reference: Guidance Note 17]*

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**6.13 Placement agent**

The Sponsor or Adviser of the listed corporation, as the case may be, must act as the placement agent for placements of securities.

**6.14 Payment for securities**

The listed corporation must issue and allot securities as soon as possible after the price-fixing date. In any event, the listed corporation must ensure payments for the securities are made by the placees to the listed corporation within 5 market days from the price-fixing date. For issues of securities under Rule 6.06, the price-fixing date will be taken as the date of shareholder approval, except in instances where the price is determined on a date subsequent to the shareholder approval.

**6.15 Back-to-back placements**

- (1) A listed corporation may undertake a back-to-back placement involving –
  - (a) an existing shareholder selling down existing shares of the listed corporation to a placement agent for subsequent placement to placees; and
  - (b) the listed corporation issuing new shares to the said existing shareholder to replace the shares sold earlier to the placement agent.
- (2) A listed corporation which undertakes a back-to-back placement must comply with the following conditions:
  - (a) the listed corporation has an average daily market capitalisation of at least RM500 million in the 3 months ending on the last business day of the calendar month immediately preceding the date of the placement;
  - (b) the listed corporation complies with the shareholding spread requirements under Rule 8.02(1) of these Requirements; and
  - (c) the listed corporation gives the Exchange a declaration from its existing shareholders involved in the back-to-back placement arrangement to the Exchange that they will not derive any financial benefit from such an arrangement, whether directly or indirectly.

**6.16 Placees' details**

- (1) As soon as practicable after the placement of securities and before the listing of such new issue of securities, the listed corporation's Sponsor or Adviser, as the case may be, must submit to the Exchange the following:
  - (a) the final list (broken down by each placement agent) setting out the names, home or business addresses, identity card/passport/company registration numbers, occupations/principal activities and securities account numbers of all the placees and the ultimate beneficial owners of the securities placed (in the case where the placees are nominee corporations or funds), and the amount and price of securities placed to each placee; and
  - (b) a confirmation from the Sponsor or Adviser, as the case may be, that to the best of its knowledge and belief, after having taken all reasonable steps and made all reasonable inquiries, the details set out in the final list of placees in sub-Rule (a) above are accurate and the issue or placement exercise complies with the requirements as stated in this Chapter.

- 
- (2) The information on the ultimate beneficiaries of the securities as required in sub-Rule (1)(a) above need not be submitted for the following types of placees:
- (a) statutory institutions managing funds belonging to general public;
  - (b) unit trust funds or collective investment schemes approved by the SC; and
  - (c) collective investment schemes which are authorised, approved or registered investment schemes incorporated, constituted or domiciled in a jurisdiction other than Malaysia and regulated by the relevant regulatory authority in that jurisdiction, subject to the listed corporation's Sponsor or Adviser, as the case may be, confirming to the Exchange that such schemes have been duly authorised, approved or registered.

#### **6.17 Exchange's right for further information**

The Exchange reserves the right to require the submission of further information on the issue or placement exercise and the placees if necessary, for establishing the propriety of the exercise and independence of the placees.

### **PART E – REQUIREMENTS RELATING TO A RIGHTS ISSUE**

#### **6.18 Additional requirements**

A listed corporation which intends to make a rights issue of securities must comply with the provisions in this Part in addition to those set out in Parts B and C of this Chapter, where applicable.

*[Cross reference: Guidance Note 17]*

#### **6.19 Underwriting**

- (1) Underwriting arrangements in relation to a rights issue of securities are at the discretion of the listed corporation and its Sponsor or Adviser.
- (2) The Sponsor or Adviser, as the case may be, must be part of the syndicate of underwriters for the securities offered under the rights issue if there is an underwriting arrangement.
- (3) A listed corporation must disclose in its circular to shareholders –
  - (a) the minimum level of subscription and the basis for determining the minimum level based on factors such as the level of funding required by the listed corporation; and
  - (b) the level of underwriting that has been arranged, together with justifications for the level arranged.
- (4) Where the minimum level of subscription is not achieved, the implementation of the rights issue of securities must be terminated and consideration received must be immediately returned to all subscribers.
- (5) If certain shareholders wish to irrevocably undertake to subscribe for the securities offered under the rights issue, the listed corporation must ensure that -
  - (a) the shareholders have sufficient financial resources to take up the securities, as verified by an acceptable independent party, such as the listed corporation's Sponsor or Adviser, as the case may be; and

- 
- (b) the shareholders consider the consequences of the rights issue with regard to the Take-Overs and Mergers Code, if applicable.

### 6.20 Requirements in relation to two-call rights issues

A listed corporation undertaking a two-call rights issue of securities by way of the capitalisation of reserves is subject to and must comply with the requirements set out in Rules 6.31 and 6.32 below (where applicable), subject to such adaptations, where necessary.

### 6.21 A rights issue must be renounceable

A listed corporation must ensure that a rights issue allows for renunciation in part of or in whole in favour of a third party at the option of the entitled security holders.

### 6.22 Fixing of books closing date for a rights issue

- (1) A listed corporation must not fix a books closing date to determine persons entitled to participate in a rights issue until it has -
- (a) obtained the Exchange's approval for the issue and listing of the right issue;
  - (b) obtained shareholder approval in general meeting for the rights issue; and
  - (c) executed the underwriting agreement, where applicable.
- (2) Notwithstanding sub-Rule (1)(b) above, a listed corporation may fix a books closing date before it obtains the shareholder approval provided that -
- (a) the listed corporation's shareholders holding more than 50% of the aggregate of the nominal amounts of all the voting shares in the listed corporation have given their written irrevocable undertaking -
    - (i) to vote in favour of the rights issue during the general meeting; and
    - (ii) that they will not dispose off or otherwise reduce their shareholdings to 50% or below in any manner until after the general meeting to approve the rights issue is duly convened and passed;
  - (b) the listed corporation has submitted to the Exchange its shareholders' irrevocable undertakings referred to in sub-Rule (a) above; and
  - (c) the listed corporation must ensure that the last day of trading on a cum entitlement basis falls at least 1 market day after the date of the general meeting.

### 6.23 Notice of books closing date for a rights issue

A listed corporation must ensure that the period from the date it announces the books closing date for a rights issue to the books closing date is not less than 10 market days.



**6.24 Timetable for a rights issue**

- (1) A listed corporation must fix the closing date for the receipt of applications for and acceptance of the new securities to be issued pursuant to a rights issue ("**Rights Securities**") at least 11 market days after the books closing date.
- (2) Appendix 6C illustrates the timeline for a rights issue.

**6.25 Announcements of important relevant dates of a rights issue**

- (1) A listed corporation must, on the same day of announcing its books closing date for a rights issue, announce all the other important relevant dates relating to such rights issue as follows:
  - (a) date for commencement of trading of the rights;
  - (b) date for despatch of abridged prospectus and subscription forms;
  - (c) date for cessation of trading of the rights;
  - (d) last date of acceptance;
  - (e) date for excess Rights Securities application;
  - (f) date for payment;
  - (g) date for announcement of final subscription result and basis of allotment of excess Rights Securities;
  - (h) listing date of the Rights Securities;
  - (i) whether the Rights Securities will be listed and quoted as the existing securities of the same class or will be separately quoted on the listing date. If the Rights Securities will be separately quoted on the listing date, to specify the entitlement that the holders of the Rights Securities will not be entitled to; and
  - (j) such other important dates as the listed corporation may deem appropriate.
- (2) A listed corporation must undertake due care and diligence when announcing the relevant dates as set out in sub-Rule (1) above. A listed corporation must immediately announce to the Exchange -
  - (a) any change to the important relevant dates as announced pursuant to sub-Rule (1) above; or
  - (b) any event that may result in the listed corporation being unable to comply with the important relevant dates as announced pursuant to sub-Rule (1) above, as soon as it becomes aware of such event,

stating the change and reasons for such change.

**6.26 Abridged Prospectus**

A listed corporation must announce to the Exchange the abridged prospectus in respect of a rights issue duly registered by the SC and lodged with the Registrar of Companies, at least 1 market day before the commencement of trading of the rights.

**6.27 Issue of notices of provisional allotment**

A listed corporation must issue to the persons entitled within 2 market days, or such other period as the Exchange may approve after the books closing date -

- (a) the notices of provisional allotment; and
- (b) the rights subscription forms.

**6.28 Availability of rights subscription forms**

- (1) A listed corporation must make available sufficient copies of the rights subscription form at its registered office and share registrar's office to enable the acceptance of the rights.
- (2) A listed corporation must provide to each Participating Organisation a reasonable number of copies of the rights subscription form upon issue of the notices of provisional allotment and the rights subscription forms to the entitled persons.

**6.29 Allotment of securities, despatch of notices of allotment and quotation application in respect of a rights issue**

Within 8 market days after the final applications closing date for a rights issue or such other period as may be prescribed or allowed by the Exchange, a listed corporation must -

- (a) issue and allot the Rights Securities;
- (b) despatch notices of allotment to the allottees; and
- (c) apply for the quotation of such Rights Securities.

**PART F – REQUIREMENTS IN RELATION TO A BONUS ISSUE****6.30 Additional requirements**

A listed corporation which intends to make a bonus issue of securities must comply with the provisions in this Part, in addition to those set out in Parts B and C of this Chapter, where applicable.

*[Cross reference: Guidance Note 17]*

**6.31 Criteria for bonus issues**

- (1) A listed corporation intending to make a bonus issue of securities must ensure that the necessary reserves required for capitalisation of the bonus issue is unimpaired by losses on a consolidated basis, where applicable, based on the listed corporation's latest audited financial statements as well as its latest quarterly report.
- (2) Where a listed corporation intends to make a bonus issue of securities not from its retained profits, but by way of the capitalisation of reserves arising from revaluation of assets, only the surplus arising from one or more of the following may be capitalised for the purpose of the bonus issue:
  - (a) revaluation of investments in subsidiaries or associated companies. In this respect, surplus arising from the revaluation of plant, machinery and equipment of the listed corporation's subsidiaries or associated companies must not be capitalised; and

- 
- (b) revaluation of real estates. In this instance, at least 20% of the valuation amount of the revalued real estates must be retained in the revaluation reserves after the capitalisation for the bonus issue.
- (3) 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.

### 6.32 Valuation report for revaluation of real estates

- (1) Where the bonus issue is to be made by way of the capitalisation of reserves arising from revaluation of real estates under Rule 6.31(2)(b), a listed corporation must -
- (a) submit 2 copies of the valuation report on the real estate concerned to the Exchange and a copy of the valuer's undertaking letter in the form of Appendix 6D immediately after the listed corporation announces the bonus issue (if available) or as soon as the valuation report is ready. In any event, the listed corporation must submit the valuation report together with the valuer's undertaking letter to the Exchange at least 1 month before it issues its circular in relation to the bonus issue; and
- (b) ensure that the date of valuation which forms the basis of the valuation certificate included in the circular is not more than 6 months before the date of the circular issued to shareholders.
- (2) A listed corporation and its valuer must ensure that the valuation report submitted pursuant to sub-Rule (1) above complies with these Requirements and the SC's Asset Valuation Guidelines.
- (3) If the listed corporation or the valuer becomes aware of any circumstances or significant change which has or will have a material effect on the content, validity or accuracy of its valuation report before the date of issuance of the circular, the valuer and the listed corporation must cause the valuation report to be updated. If the listed corporation fails to do so, the valuer must withdraw its consent to the inclusion of the valuation report in the circular.
- (4) Notwithstanding sub-Rule (1) above, the Exchange may, at its discretion and whenever it deems appropriate, at the cost of the listed corporation -
- (a) obtain a second opinion on the valuation report submitted by the listed corporation from another valuer appointed by the Exchange; or
- (b) require a listed corporation to conduct a valuation on any asset.
- (5) A listed corporation and its valuer must comply with the instruction, directive or condition imposed by the Exchange and within such timeframe as may be specified by the Exchange.
- (6) The Exchange may refer any valuation report received by the Exchange to the SC for review. The listed corporation and its valuer must provide the Exchange or the SC on a timely basis, any information or assistance required in relation to the valuation report.
- (7) For the purposes of sub-Rules 1(a), (2), (3) and (6) above, a "**valuation report**" includes a valuation certificate.

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**6.33 Staggered implementation of a bonus issue**

- (1) A listed corporation may implement a bonus issue in stages over a period of time.
- (2) A listed corporation must include the information set out in Part A of Appendix 6A, in its first announcement on the bonus issue to the Exchange, where applicable.
- (3) A listed corporation must subsequently announce before each books closing date pursuant to Rule 9.19(1) and include a statement that the listed corporation has adequate reserves to implement the bonus issue in the announcements.

**6.34 Ranking of bonus issue securities**

The bonus issue securities must rank *pari passu* in all respects with the existing securities of the same class upon listing.

**6.35 Fixing of books closing date for a bonus issue**

A listed corporation must not fix a books closing date to determine persons entitled to participate in a bonus issue until it has obtained -

- (a) the Exchange's approval for the listing of the bonus issue; and
- (b) the shareholder approval in general meeting for the bonus issue.

**6.36 Announcements in relation to a bonus issue of securities**

- (1) A listed corporation must ensure that the period from the date it announces the books closing date for a bonus issue to the books closing date is not less than 10 market days.
- (2) A listed corporation must include the following when announcing the books closing date:
  - (a) the maximum number of bonus issue securities which may be listed and quoted; and
  - (b) the date of listing and quotation.
- (3) Where the bonus issue is not a Specified Bonus Issue and the date of listing and quotation referred to in sub-Rule (2)(b) above ("**Relevant Date**") cannot be ascertained at the time of announcement of the books closing date, the listed corporation must state that the Relevant Date is dependent upon the other corporate proposal being completed or becoming unconditional.
- (4) Where the bonus issue is a Specified Bonus Issue, a listed corporation, must, on the books closing date, announce the exact number of bonus issue securities which will be listed and quoted.
- (5) Where the bonus issue is not a Specified Bonus Issue, immediately upon the other corporate proposal being completed or becoming unconditional and the listed corporation becoming aware of or ascertaining the Relevant Date, the listed corporation must announce -
  - (a) the exact number of bonus issue securities which will be listed and quoted; and
  - (b) the Relevant Date, if not previously announced.

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**PART G – REQUIREMENTS RELATING TO A ~~SHARE SCHEME FOR EMPLOYEES~~ SHARE ISSUANCE SCHEME****6.37 Additional requirements**

A listed corporation which intends to issue shares pursuant to a ~~share scheme for employees~~ Share Issuance Scheme must comply with the provisions in this Part, in addition to those set out in Parts B and C of this Chapter, where applicable.

*[Cross reference: Guidance Note 17]*

**6.38 Eligibility and allocation**

- (1) Subject to the provisions set out in sub-Rules (2) and (3) below and Rule 6.45, the board of directors of the listed corporation may determine the eligibility and allocation criteria under a ~~share scheme for employees~~ Share Issuance Scheme.
- (2) The listed corporation must ensure that participation in the scheme is restricted to directors and employees of the listed corporation's group.
- (3) The listed corporation must also ensure that -
  - (a) ~~the aggregate allocation to directors and senior management does not exceed 50% of the total number of shares to be issued under the scheme~~ its directors and senior management do not participate in the deliberation or discussion of their own allocation; and
  - (b) the allocation to a director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more of the issued and paid-up capital (excluding treasury shares) of the listed corporation, does not exceed 10% of the total number of shares to be issued under the scheme.
- (4) For the purpose of sub-Rules (2) and (3) above, unless the context otherwise requires -
  - (a) “**group**” means the listed corporation and its subsidiaries which are not dormant; and
  - (b) “**persons connected with an employee**” has the meaning given in relation to persons connected with a director or major shareholder as defined in Rule 1.01.

**6.39 Number of shares**

- (1) The listed corporation must ensure that the total number of shares to be issued under a ~~share scheme for employees~~ Share Issuance Scheme is not more than 30% of its issued and paid-up capital (excluding treasury shares) at any one time.
- (2) For the purpose of sub-Rule (1) above, where a listed corporation purchases its own shares or undertakes any other corporate proposal resulting in the total number of shares to be issued under the scheme exceeding 30% of its issued and paid-up capital (excluding treasury shares), no further options can be offered until the total number of shares to be issued under the scheme falls below 30% of its issued and paid-up capital (excluding treasury shares).

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#### 6.40 Pricing

The price payable for the shares under a [share scheme for employees Share Issuance Scheme](#) must be -

- (a) for an applicant implementing the scheme as part of its listing proposal, not less than the initial public offer price; or
- (b) for a listed corporation, based on the 5-day weighted average market price of the underlying shares at the time the option is offered, with a discount of not more than 10%.

#### 6.41 Duration

A listed corporation must ensure that a [share scheme for employees Share Issuance Scheme](#) is for a duration of not more than 10 years.

#### 6.42 Adjustments

A listed corporation must comply with the following as regards adjustments of price or number of shares to be issued under a [share scheme for employees Share Issuance Scheme](#):

- (a) a scheme may provide for adjustment of the subscription or option price or the number of shares (excluding options already exercised) under the scheme, in the event of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of shares, capital reduction or any other variation of capital;
- (b) any adjustments made must be in compliance with the provisions for adjustment as provided in the bylaws of the scheme.
- (c) the issue of securities as consideration for an acquisition, pursuant to a special issue or private placement must not be regarded as a circumstance requiring such adjustments; and
- (d) adjustments other than on a bonus issue must be confirmed in writing either by the external auditors or the Sponsor or Adviser, as the case may be, of the listed corporation.

#### 6.43 Bylaws

- (1) A listed corporation must include the provisions set out in Appendix 6E in the bylaws of a [share scheme for employees Share Issuance Scheme](#).
- (2) The listed corporation must submit the final copy of the bylaws of the share scheme to the Exchange together with a letter of compliance pursuant to Rule 2.12 and a checklist showing compliance with Appendix 6E.

#### 6.44 Implementation

- (1) The effective date for the implementation of the scheme will be the date of full compliance with all relevant requirements in this Chapter including -
  - (a) submission of the final copy of the bylaws of the scheme to the Exchange pursuant to Rule 6.43;
  - (b) receipt of approval or approval-in-principle, as the case may be, for the issuance and listing of the shares to be issued under the scheme from the Exchange;

- 
- (c) procurement of shareholder approval for the scheme;
  - (d) receipt of approval of any other relevant authorities, where applicable; and
  - (e) fulfilment of any conditions attached to the above approvals, if any.
- (2) The listed corporation's Sponsor or Adviser, as the case may be, must submit a confirmation to the Exchange of full compliance pursuant to sub-Rule (1) above stating the effective date of implementation together with a certified true copy of the relevant resolution passed by shareholders in general meeting.
- (3) The submission of the confirmation must be made not later than 5 market days after the effective date of implementation.

**6.45 ~~Share scheme for employees~~ Share Issuance Scheme after listing**

- (1) A listed corporation must ensure that all schemes, whether implemented by the listed corporation or its subsidiary, involving the issue of shares to its employees comply with the following:
- (a) the scheme is approved by the shareholders of the listed corporation in general meeting;
  - (b) the resolution approves a specific scheme and refers either to the scheme itself or to a summary of its principal terms included in the circular which contains all the provisions set out in Appendix 6E;
  - (c) unless the shares subject to the scheme are identical with other listed shares they are separately designated;
  - (d) where directors of the listed corporation are trustees of the scheme or have an interest, direct or indirect, in the scheme, the circular discloses that interest; and
  - (e) where the scheme is implemented by a subsidiary, the bylaws of such scheme includes the provisions set out in Appendix 6E.
- (2) Sub-Rule (1) does not apply to -
- (a) an applicant that is implementing a ~~share scheme for employees~~ Share Issuance Scheme as part of its listing proposal; and
  - (b) ~~share schemes for employees~~ Share Issuance Scheme implemented by subsidiaries of the listed corporation which are listed on the Main Market of the Exchange or a stock exchange deemed comparable by the Exchange.

**6.46 Allotment of shares, despatch of notices of allotment and quotation application in respect of a ~~share scheme for employees~~ Share Issuance Scheme**

Within 8 market days after the date of receipt of a notice of the exercise of the option together with the requisite payment or such other period as may be prescribed or allowed by the Exchange, a listed corporation must -

- (a) issue and/or allot shares;
- (b) despatch a notice of allotment to the employee of the listed corporation; and
- (c) apply for the quotation of such shares.

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**PART G(A) – DIVIDEND REINVESTMENT SCHEME****6.46A Additional requirements**

- (1) A listed corporation which intends to issue shares pursuant to a Dividend Reinvestment Scheme must comply with the provisions in this Part, in addition to those set out in Parts B and C of this Chapter, where applicable.
- (2) For the avoidance of doubt, this Part is not applicable to a distribution of dividend in specie.

**6.46B Shareholder's approval**

Where a listed corporation intends to undertake a Dividend Reinvestment Scheme, the listed corporation must –

- (a) issue a circular to its shareholders which includes the following:
  - (i) whether there is any tax implication if a shareholder elects to reinvest the cash dividend into new shares, or an appropriate negative statement;
  - (ii) whether a shareholder who elects to reinvest the cash dividend into new shares will receive odd lots; and
  - (iii) a statement that a shareholder who elects to reinvest the cash dividend into new shares under the scheme may be required to comply with the Take-Over and Mergers Code; and
- (b) obtain shareholders' approval for the scheme.

**6.46C Eligibility and election of entitlement**

- (1) Where a listed corporation intends to undertake a Dividend Reinvestment Scheme, it must allow all its shareholders who are entitled to dividend to participate in the Dividend Reinvestment Scheme.
- (2) The listed corporation must allow such shareholders to elect whether to participate in the Dividend Reinvestment Scheme and give them at least 14 days from the dispatch of the election notice to submit the completed election notice.
- (3) The listed corporation must include in the election notice the following statements:
  - (a) that the shareholders must elect positively in order to participate in a Dividend Reinvestment Scheme, and to reinvest their cash dividends into new shares for their dividend entitlement;
  - (b) that if no election is made, the listed corporation will automatically pay the dividends in cash to the shareholders concerned; and
  - (c) that the shareholders can choose to receive the entitlement partly in cash and partly in shares, or wholly in cash or shares.
- (4) The listed corporation must include in the statement accompanying the election notice, the following information:



- (a) a statement of the total number of shares that would be issued if all eligible shareholders were to elect to reinvest their cash dividends into new shares for their entire entitlement, and the percentage which that number represents of the issued and paid-up capital (excluding treasury shares) as at the books closing date; and
- (b) that any fractional entitlements arising from the allotment of new shares pursuant to the scheme will be settled in cash.

#### **6.46D Pricing**

- (1) The listed corporation must ensure that the shares allotted pursuant to a Dividend Reinvestment Scheme are not priced at more than 10% discount to the weighted average market price of the shares for the 5 market days immediately before the price-fixing date.
- (2) The listed corporation must announce the issue price of the shares before or when it announces to the Exchange its intention to fix a books closing date under Rule 9.19(1).

### **PART H – REQUIREMENTS RELATING TO AN ISSUE OF DEBT SECURITIES**

#### **6.47 Requirements relating to debt securities**

- (1) A listed corporation which intends to list debt securities must comply with the provisions in this Part, in addition to those set out in Parts B, C and E of this Chapter, where applicable.

*[Cross reference: Guidance Note 17]*

- (2) The provisions in this Part apply to the listing of redeemable preference shares in the same way as it would apply to debt securities.
- (3) In the case of debt securities which are convertible into shares, the listed corporation must also comply with the provisions in Part I where applicable, in addition to the provisions in this Part.

#### **6.48 Holders of debt securities**

A listed corporation seeking a listing of its debt securities must have at least 100 holders of such debt securities holding not less than 1 board lot of the debt securities each.

#### **6.49 Announcement relating to an issue of debt securities**

In addition to the information set out in Part A of Appendix 6A, a listed corporation must include the information set out in Part B of Appendix 6A in its announcement to the Exchange relating to a proposed issue of debt securities.

### **PART I – REQUIREMENTS RELATING TO AN ISSUE OF CONVERTIBLE SECURITIES**

#### **6.50 Requirements relating to convertible securities**

A listed corporation which intends to issue convertible securities must comply with the provisions in this Part, in addition to those set out in Parts B, C and E of this Chapter, where applicable.

*[Cross reference: Guidance Note 17]*

**6.51 Maximum number of new shares allowed from exercise of warrants**

A listed corporation must ensure that the number of new shares which will arise from all outstanding warrants, when exercised, does not exceed 50% of the issued and paid-up capital of the listed corporation (excluding treasury shares and before the exercise of the warrants) at all times.

**6.52 Holders of convertible securities**

A listed corporation seeking a listing of its convertible securities must have at least 100 holders of such securities holding not less than 1 board lot of the convertible securities each.

**6.53 Announcement relating to an issue of convertible securities**

In addition to the information set out in Part A of Appendix 6A, a listed corporation must include the information set out in Part C of Appendix 6A in its announcement to the Exchange relating to a proposed issue of convertible securities, where applicable.

**6.54 Circular relating to an issue of convertible securities**

- (1) In addition to the information set out in Part A of Appendix 6B, a listed corporation must ensure that the circular to the securities holders of the listed corporation to obtain the securities holders approval in respect of an issue of convertible securities, includes the information set out in Part B of Appendix 6B.
- (2) The circular must be submitted to the Exchange together with a checklist showing compliance with Parts A and B of Appendix 6B.

**6.55 Deed poll and trust deed to comply with Requirements**

- (1) A listed corporation must furnish to the Exchange a letter of compliance pursuant to Rule 2.12 together with the deed poll or trust deed, as the case may be.
- (2) A listed corporation must ensure that the deed poll or trust deed includes the various provisions set out in Appendix 6F.
- (3) A deed poll or trust deed must not include any provision for –
  - (a) the extension or shortening of tenure of the convertible securities; or
  - (b) changes to the number of shares received for the exercise or conversion of each convertible security or changes to the pricing mechanism for the exercise or conversion price of the convertible security, except where these changes are adjustments following capitalisation issues, rights issue, consolidation or subdivision of shares or capital reduction exercises.

**6.56 No alteration or adjustment to the terms**

A listed corporation must ensure that no alteration or adjustment is made to the terms of the convertible securities during the tenure of the securities, unless such alteration or adjustment is provided upfront in the deed poll or trust deed governing the securities.

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**6.57 Consequential securities**

- (1) Where a listed corporation intends to issue convertible securities arising from adjustments due to an issue of securities or a subdivision or consolidation of shares (referred to as “**consequential securities**” and “**principal securities**” respectively) -
- (a) the consequential securities must be listed and quoted simultaneously with the principal securities; and
  - (b) a listed corporation must ensure that the period from the date it announces the books closing date for the consequential securities to the books closing date is not less than 10 market days.
- (2) Where the consequential securities are due to -
- (a) a bonus issue of securities; or
  - (b) a Specified Subdivision or Specified Consolidation;
- the following applies:
- (i) a listed corporation need not submit to the Exchange any quotation application for the consequential securities;
  - (ii) when announcing the books closing date, a listed corporation must include -
    - (aa) the maximum number of consequential securities which may be listed and quoted; and
    - (bb) the date of listing and quotation; and
  - (iii) the listed corporation must, on the books closing date, announce to the Exchange the exact number of consequential securities which will be listed and quoted.
- (3) Where the consequential securities are not due to a Specified Bonus Issue -
- (a) in relation to the announcement referred to in sub-Rule 2(ii) above, if the date of listing and quotation (“**Relevant Date**”) cannot be ascertained at this time, the listed corporation must state that the Relevant Date is dependent upon the other corporate proposal being completed or becoming unconditional;
  - (b) sub-Rule 2(iii) above does not apply; and
  - (c) immediately upon the other corporate proposal being completed or becoming unconditional and the listed corporation becoming aware of or ascertaining the Relevant Date, the listed corporation must announce to the Exchange -
    - (i) the exact number of consequential securities which will be listed and quoted; and
    - (ii) the Relevant Date, if not previously announced.

**6.58 Notices of conversion or exercise**

A listed corporation must include the following in a notice of conversion or exercise in respect of convertible securities:

- (a) the full title of the security;
- (b) the maturity date;
- (c) the conversion or exercise price;
- (d) the conversion or exercise period;
- (e) the mode of payment of the exercise price; and
- (f) the treatment of the security at maturity.

**6.59 Allotment of securities, despatch of notices of allotment and quotation application in respect of conversion or exercise**

Within 8 market days after the date of receipt of a subscription form together with the requisite payment or such other period as may be prescribed or allowed by the Exchange, a listed corporation must -

- (a) issue and/or allot the securities arising from the conversion or exercise of the convertible security; and
- (b) despatch a notice of allotment to the holder of the convertible security; and
- (c) apply for the quotation of such securities.

**PART J – IMPLEMENTATION OF PROPOSAL****6.60 Implementation deadline**

- (1) Subject to sub-Rule (2) below, a listed corporation must complete the implementation of a proposal relating to an issuance of securities ("**Issuance Proposal**") within 6 months from the date the listing application is approved by the Exchange.
- (2) For cases which involve court proceedings, a listed corporation has up to 12 months from the date the listing application is approved by the Exchange to complete the implementation of an Issuance Proposal.
- (3) Where the listed corporation has submitted a request for a review of the Exchange's decision, the time period to complete the implementation of an Issuance Proposal will commence from the date on which the decision on the review is conveyed to the listed corporation.
- (4) If the listed corporation fails to complete the implementation of an Issuance Proposal within the prescribed periods above, the Exchange's approvals given in regard to the Issuance Proposal will lapse.

**6.61 Extension of implementation time**

- (1) The Exchange may, upon a listed corporation's application, in exceptional cases grant an extension of time for a listed corporation to complete an Issuance Proposal. The listed corporation must apply for an extension through its Sponsor or Adviser, as the case may be, no later than 14 days before the Exchange's approval to the listing application expires. The listed corporation must fully justify its application.
- (2) All applications for an extension of time for completion of the Issuance Proposal under this Rule must be accompanied by a confirmation letter by the directors of the listed corporation that, save as disclosed, there has been no material change or development in the circumstances and information relating to the Issuance Proposal.
- (3) Where the Exchange's approval is subject to certain conditions which must be fulfilled within a specified period of time, any application for an extension of time to fulfill the conditions must be fully justified and must be not later than 14 days before the expiry of the specified period.

**6.62 Post-implementation obligations**

- (1) A listed corporation and its Sponsor or Adviser, must inform the Exchange the dates of completion for all approved Issuance Proposal.
- (2) The listed corporation and its Sponsor or Adviser, must furnish the Exchange with a written confirmation of its compliance with terms and conditions of the Exchange's approval once the Issuance Proposal has been completed.
- (3) The listed corporation and its Sponsor or Adviser, must submit the actual figures once determined where an indicative issue price or number of securities to be issued are provided in the listing application for the Issuance Proposal.

[ End of Chapter ]

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**APPENDIX 6A****Part A****Contents of announcement in relation to a new issue of securities**

(Rules 6.08(1), 6.33(2), 6.49 and 6.53)

- (1) The number, type and par value (where applicable) of securities to be issued.
- (2) The ranking of the new issue of securities.
- (3) Whether listing will be sought for the new issue of securities.
- (4) The issue price of the new issue of securities, the basis of determining the issue price and justification for the pricing.
- (5) The basis of allotment, where applicable.
- (6) The persons to whom the new issue of securities will be allotted or issued.
- (7) The gross proceeds from the issue of securities and a detailed statement with regard to the utilisation of such proceeds, where applicable.
- (8) Where the proceeds from the new issue of securities is to be utilised for a new business to be acquired or undertaken, a description of the industry where the new business operates or will be operating.
- (9) The effect of the new issue of securities on -
  - (a) the issued and paid-up capital (to show effect for each proposal);
  - (b) the net assets per share based on the latest audited consolidated financial statements (to show effect for each proposal);
  - (c) the earnings per share of the group;
  - (d) the substantial shareholding structure (to show effect for each proposal);
  - (e) gearing, where applicable; and
  - (f) any existing convertible securities.
- (10) Where applicable, the minimum level of subscription and the basis of determining the minimum level of subscription.
- (11) The approvals required for the new issue and the estimated time frame for submission of the application to the relevant authorities.
- (12) The estimated time frame for completion of the new issue of securities.
- (13) Whether the directors, major shareholders or persons connected with them have any interest, direct or indirect, in the issue.
- (14) The purpose of the new issue of securities.

Appendix 6A  
Contents of announcement for new issue of securities

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- (15) The justification for embarking on the new issuance of securities rather than other available options.
- (16) In the case of a bonus issue or a two-call rights issue -
- (a) the details of the reserves to be capitalised for the bonus issue or the second call of the two-call rights issue; and
  - (b) a statement that the reserves required for capitalisation of the second call of the two-call rights issue or the bonus issue complies with Rules 6.20 and 6.31(1) of these Requirements; and
  - (c) where the bonus issue is to be made in stages over a period of time, relevant details of the same including -
    - (i) the extended implementation period;
    - (ii) the tentative books closing dates;
    - (iii) the effects of the bonus issue on reserves;
    - (iv) a statement that the listed corporation has adequate reserves to cover the entire bonus issue;
    - (v) a statement as to the potential price effects of the staggered implementation; and
    - (vi) the rationale/justification for the implementation of the bonus issue on a staggered basis.
- (17) In the case of issue and placement of securities in stages over a period of time, the relevant details of the same including the rationale or justification.
- (18) In the case of a ~~share scheme for employees~~ Share Issuance Scheme, the duration of the scheme, basis of determining the exercise price and eligibility.
- (18A) Where the listed corporation intends to implement more than 1 Employee Share Scheme, the following information in relation to the Employee Share Schemes:
- (a) the number of schemes currently in existence;
  - (b) the following information in relation to options or shares granted to directors under all the existing schemes:
    - (i) aggregate options or shares granted since commencement of the scheme;
    - (ii) aggregate options exercised or shares vested since commencement of the scheme; and
    - (iii) aggregate options or shares outstanding; and
  - (c) for each existing scheme –
    - (i) brief details of each scheme including its expiry date, eligible grantees, maximum number of percentage of total shares issued or vested under the scheme, total number of shares granted, and total number of options exercised or shares vested; and
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**Appendix 6A**  
**Contents of announcement for new issue of securities**

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(ii) [aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them.](#)

- (19) Where the issuance of securities or proceeds are utilized for acquisition of assets or interests and such acquisition falls within the ambit of Chapter 10 of these Requirements and announcement is required pursuant to Chapter 10, the relevant information on the transaction as required under Appendix 10A of these Requirements.
- (20) Where a mandate for issue of securities is sought, a statement whether such mandate is a renewal and the details of the previous mandate.

**Part B****Additional contents of announcement in relation to an issue of debt securities**

(Rule 6.49)

- (1) The interest rate and interest payment dates.
- (2) The issue and maturity dates.
- (3) The method of redemption.
- (4) Whether guaranteed or secured, and if so, details of such guarantee or security.
- (5) The rating of the issue.
- (6) A summary of other material terms of issue.

**Part C****Additional contents of announcement in relation to an issue of convertible securities**

(Rule 6.53)

- (1) The conversion or exercise price and basis of determining the conversion or exercise price.
- (2) The conversion or exercise period.
- (3) The step-up or step-down pricing mechanism (if any), the amount of step-up or step-down and the time frames for the exercise or conversion price adjustment.
- (4) The number of new securities that will be issued upon full exercise or conversion.
- (5) A summary of material terms of the issue.
- (6) Where applicable, all provisions for changes in the terms of the convertible securities during the tenure of the securities.
- (7) The use of future proceeds arising from the conversion or exercise.

[ End of Appendix ]



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**APPENDIX 6B****Part A****Contents of circular in relation to a new issue of securities**

(Rules 6.09(1) and 6.54(1))

- (1) A heading drawing attention to the importance of the circular and advising holders of securities who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that the circular has been reviewed and approved by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (4) The purpose of the circular.
- (5) The particulars, terms and conditions of the issue and date on which the new issue of securities was announced.
- (6) The number, type and par value of the securities to be issued.
- (7) The issue price of the new issue of securities, the basis of determining the issue price and justification for the pricing.
- (8) The ranking of the new issue of securities and treatment of any fractions.
- (9) Whether listing will be sought for the new issue of securities.
- (10) The details of any other intended corporate exercise/scheme which have been announced but not yet completed before the printing of the circular and whether the new issue of securities is conditional or inter-conditional upon such and/or any other corporate exercise/scheme.
- (11) The basis of allotment, where applicable.
- (12) The persons to whom the new issue of securities will be allotted or issued.
- (13) The purpose of the new issue of securities.
- (14) The justifications for embarking on the new issuance of securities rather than other available options.
- (15) A statement with regard to -
  - (a) the gross proceeds of the new issue of securities;
  - (b) the proposed utilisation of the gross proceeds specifying amongst others -
    - (i) if it is utilised to reduce borrowings, the amount of annual savings in interest payments and the total borrowings of the group as at the latest practicable date;

**Appendix 6B**  
**Contents of circular for new issue of securities**

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- (ii) if it is for expansion, relocation of factory or office premises, the details on the location of the factory or building, total cost of construction, built-up area and production capacity before and after the expansion or relocation (where relevant); or
    - (iii) if it is for investment purposes, the details of the investment or if the investment has not been identified, a statement to that effect;
  - (c) the estimated expenses of the new issue of securities; and
  - (d) the time frame for full utilisation of the proceeds.
- (16) Where the proceeds from the new issue of securities is to be utilised for -
- (a) the listed corporation's group of corporations' existing business; or
  - (b) new business to be acquired or undertaken,
- a description and outlook of the industry where the listed corporation's group of corporations operates or will be operating and the prospects of their business in light of the industry's outlook.
- (17) The effects of the new issue of securities on -
- (a) the issued and paid-up capital (to show effect for each proposal);
  - (b) the net assets per share based on the latest audited consolidated financial statements (to show effect for each proposal);
  - (c) the earnings per share of the group;
  - (d) the substantial shareholding structure (to show effect for each proposal);
  - (e) gearing, where applicable; and
  - (f) any existing convertible securities.
- (18) A statement setting out all material commitments and contingent liabilities incurred or known to be incurred by the listed corporation.
- (19) A statement as to whether the new issue of securities will be underwritten and the number and percentage of securities to be underwritten. Where the underwriting arrangements have been entered into, details of the underwriting arrangements, including -
- (a) the name(s) of the underwriter(s);
  - (b) the underwriting commission and the party that will bear the same; and
  - (c) any provisions which may permit the underwriter(s) to withdraw from obligations pursuant to the underwriting agreement and/or terminate the underwriting agreement.
- (20) Where applicable, the minimum level of subscription and the basis of determining the minimum level of subscription. In the event that the minimum level is not achieved, to state the impact on the proposal and alternative plans (if any).

**Appendix 6B**  
**Contents of circular for new issue of securities**

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- (21) Where applicable, securities holders' undertakings stating the portion of the new issue of securities which the securities holders have given their written irrevocable undertaking to subscribe for their entitlement in full, including -
- (a) the names of securities holders;
  - (b) the number and percentage of the existing issued and paid-up capital held by them in the listed corporation; and
  - (c) the number and percentage of securities entitled to under the new issue of securities.
- (22) Where securities holders have irrevocably undertaken to subscribe for the securities and if applicable, excess application -
- (a) a statement that the securities holders have confirmed that they have sufficient financial resources to take up the securities and such confirmation has been verified by an acceptable independent party such as a Sponsor or Adviser, as the case may be; and
  - (b) a statement as to the consequences of the subscription for the securities on the listed corporation and its securities holders with regard to the Take-Overs and Mergers Code.
- (23) The monthly highest and lowest market prices of the listed securities transacted for the 12 months preceding the date of the circular and the last transacted price immediately before the announcement of the new issue of securities and as at the latest practicable date before the printing of the circular.
- (24) The approvals required for the new issue of securities, dates on which such approvals were obtained, conditions of the approvals, and the status of compliance.
- (25) The estimated time frame for completion of the new issue of securities and in the case of rights issue or bonus issue, the tentative time table for the implementation of the proposal.
- (26)
- (a) Whether the new issue of securities is to a director, major shareholder or person connected with a director or major shareholder.
  - (b) If the answer to (a) is in the affirmative, a statement that such person and also the director or major shareholder concerned, where the issue is to a person connected with a director or major shareholder, must abstain from voting in respect of their direct and/or indirect shareholdings.
  - (c) A statement that such interested director or major shareholder, or both has/have undertaken that he/they will ensure that the persons connected with him/them will abstain from voting on the resolution approving the issue at the general meeting.
  - (d) In the case of an interested director, a statement that the interested director has abstained or will abstain from deliberating and voting on the relevant resolution at the board meeting.
- (27) In the case of a bonus issue or a two-call rights issue -
- (a) (i) the details of the reserves to be capitalised for the bonus issue or the second call of the two-call rights issue including the amount to be capitalised and the amount standing to the credit of such account;

Appendix 6B  
Contents of circular for new issue of securities

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- (ii) a statement that the available reserves have been confirmed by the external auditors or reporting accountants pursuant to Rule 6.31(3), if applicable;
- (b) a statement that the reserves required for capitalisation of the second call of the two-call rights issue or the bonus issue complies with Rules 6.20 and 6.31(1);
- (c) where the reserves to be capitalised arise from a revaluation of real estates, the name of the independent registered valuer, and the date and method of valuation. Incorporate the valuation certificate which must contain all particulars of and information on the property being valued and regard must be had to the SC's Asset Valuation Guidelines as to the contents of the valuation certificate. Make available for inspection the valuation report and valuation certificate;
- (d) where a second opinion valuation has been obtained, the figures for the original valuation and the second opinion valuation;
- (e) where the bonus issue is to be made in stages over a period of time, relevant details of the same including -
- (i) the extended implementation period;
  - (ii) the tentative books closing dates;
  - (iii) the effects of the bonus issue on reserves;
  - (iv) a statement that the listed corporation has adequate reserves to cover the entire bonus issue;
  - (v) a statement drawing securities holders' attention to the staggered implementation of the bonus issue and the potential price effects of the staggered implementation; and
  - (vi) the rationale or justification for the implementation of the bonus issue on a staggered basis.
- (28) In the case of issue and placement of securities in stages over a period of time, the relevant details of the same including the rationale or justification.
- (29) In the case of a ~~share scheme for employees~~ Share Issuance Scheme -
- (a) the information set out in Appendix 6E;
  - (b) where applicable, the rationale for extending participation in the share scheme to non-executive directors;
  - (c) the performance targets, if any, that must be achieved before the options can be exercised or shares can be vested, if none, a negative statement to that effect; ~~and~~
  - (d) the potential cost to the listed corporation arising from the grant of options or shares under the ~~share-scheme for employees~~;
  - (e) the aggregate maximum allocation to directors and senior management in percentage under the scheme;

Appendix 6B  
Contents of circular for new issue of securities

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- (f) where the listed corporation intends to implement more than 1 Employee Share Scheme, the following information in relation to the Employee Share Schemes:
- (i) the number of schemes currently in existence;
  - (ii) the following information in relation to options or shares granted to directors under all the existing schemes:
    - (aa) aggregate options or shares granted since commencement of the scheme;
    - (bb) aggregate options exercised or shares vested since commencement of the scheme; and
    - (cc) aggregate options or shares outstanding; and
  - (iii) for each existing scheme –
    - (aa) brief details of each scheme including its expiry date, eligible grantees, maximum number or percentage of total shares issued or vested under the scheme, total number of shares granted, and total number of options exercised or shares vested; and
    - (bb) aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them;
- (g) where the directors of the listed corporations have a direct or indirect interest in the scheme, the details of the said interest;
- (h) whether the allocation available will be staggered over the duration of the scheme, and –
- (i) if yes, the maximum allocation available for each financial year during the duration of the scheme; or
  - (ii) if no, the reasons why not; and
- (i) whether there is any vesting period for the options or shares granted under the scheme.
- (30) In the case of issues of shares or convertible securities on a non-pro rata basis pursuant to Rule 6.06, particulars on –
- (a) the persons to whom the securities will be issued; and
  - (b) the amount of securities to be placed to each place;
- (31) Where the issuance of securities or proceeds are utilized for acquisition of assets or interests and such acquisition falls within the ambit of Chapter 10 and shareholders' approval is required pursuant to Chapter 10 of these Requirements, the relevant information on the transaction as required under Appendix 10B of these Requirements.
- (32) A statement by the board of directors excluding interested directors stating whether the issue is in the best interest of the listed corporation and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.

**Appendix 6B**  
**Contents of circular for new issue of securities**

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- (33) Where voting is required, a recommendation together with the basis of such recommendation from the board of directors excluding interested directors as to the voting action that securities holders should take.
- (34) In the case of a ~~share scheme for employees~~ Share Issuance Scheme, as an appendix, the bylaws of the scheme.
- (35) An appendix containing the following information:
- (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the circular misleading;
  - (b) where a person is named in the circular as having advised the listed corporation or its directors, a statement -
    - (i) that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name or letter, or both (if applicable) in the form and context in which it is included; and
    - (ii) by the adviser as to whether a conflict of interests exists or is likely to exist in relation to its role as an adviser. If a conflict of interests exists or likely to exist in relation to its role as an adviser, to provide full disclosure of the nature and extent of the conflict of interests or potential conflict of interests, the parties to the conflict; and measures taken for resolving, eliminating, or mitigating the situations of conflict of interests.

For this purpose, "conflict of interests" means circumstances or relationships which affect or may affect the ability of the adviser to act independently or objectively or where the adviser has an interest in the outcome of the proposal which interferes or is likely to interfere with its independence and objectivity;
  - (c) a statement of all material litigation, claims or arbitration involving the listed corporation and/or any of its subsidiaries, including those pending or threatened against such corporations. The following particulars must be disclosed:
    - (i) the background;
    - (ii) the date of the suit;
    - (iii) the names of the plaintiff(s) and defendant(s);
    - (iv) the estimate of the maximum exposure to liabilities;
    - (v) the directors'/solicitors' opinion of the outcome; and
    - (vi) the status;

**Appendix 6B**  
**Contents of circular for new issue of securities**

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- (d) a statement that from the date of the circular until the date of the general meeting the following documents (or copies of the documents) may be inspected at the registered office of the listed corporation:
- (i) the memorandum and articles of association;
  - (ii) the audited financial statements of the listed corporation or group, or both for the past 2 financial years and the latest unaudited results since the last audited financial statements;
  - (iii) all reports, letters or other documents, ~~balance sheets~~[statement of financial position](#), valuations and statements by any expert, any part of which is extracted or referred to in the circular;
  - (iv) the letters of consent referred to in subparagraph (b) above;
  - (v) the relevant cause papers in respect of the material litigation referred to in subparagraph (c) above;
  - (vi) the trust deed and/or deed poll (where applicable);
  - (vii) the profit estimate and/or forecast together with the auditors' letter (if provided);
  - (viii) the pro forma consolidated ~~balance sheet~~[statement of financial position](#) together with the auditors' letter (if provided); and
  - (ix) bylaws of the scheme, in the case of a ~~share scheme for employees~~ [Share Issuance Scheme](#).
- (36) Any other information which the securities holders and their Sponsor or Adviser, as the case may be, would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

**Part B****Additional contents of circular in relation to convertible securities**

(Rule 6.54)(1))

- (1) The maximum number of the underlying securities which would be issued on the exercise of the convertible securities.
- (2) The ranking of the securities arising from the exercise or conversion.
- (3) Whether listing will be sought for the securities that will be issued upon exercise or conversion.
- (4) The period during which the convertible securities may be exercised and the date when this right commences and expires.
- (5) The amount payable on the exercise of the convertible securities and the basis of determining the exercise or conversion price.
- (6) The step-up or step-down pricing mechanism (if any), the amount of step-up or step-down and the time frames for the adjustment of the exercise or conversion price.

**Appendix 6B**  
**Contents of circular for new issue of securities**

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- (7) The rights of the holders on the liquidation of the listed corporation.
- (8) The arrangement for the adjustment in the subscription or purchase price and in the number of convertible securities in the event of alteration to the share capital of the listed corporation.
- (9) The rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the listed corporation.
- (10) Where the convertible securities have debt features -
  - (a) the interest rate and interest payment date(s);
  - (b) the method of redemption;
  - (c) whether guaranteed or secured; and if so, details of such guarantee or security; and
  - (d) the rating of the issue.
- (11) A summary of the material terms of the convertible securities.
- (12) Where applicable, all provisions for changes in the terms of the convertible securities during the tenure of the securities.
- (13) The proposed utilisation of proceeds arising from the exercise or conversion of convertible securities.

[ End of Appendix ]



## APPENDIX 6C

## Timeline for a rights issue

(Rule 6.24)

	Timeline for a rights issue	Time limits	Market days*
1	Books closing date (B) to determine persons entitled to participate in the rights issue		B
2	Public release of the abridged prospectus in respect of the rights issue	1 market day before trading of rights commences	B
3	Trading of rights commences	1 market day after books closing date	B+1
4	Listed corporation issues - (a) the Provisional Allotment Letter (PAL) to the Depository and where applicable, entitled persons of securities which have been exempted from deposit with the Depository; and  (b) the following to the entitled persons of deposited securities:  (i) the notices of provisional allotment; and  (ii) the rights subscription forms.	Within 2 market days after books closing date	B + 2
5	Cessation of trading of rights	5 market days before the last date of acceptance	B + 6
6	Closing date for receipt of applications for and acceptance of the rights	At least 11 market days after the books closing date	B + 11

## Note:

\* The number of market days from the books closing date (B) is stated based on minimum or maximum periods allowed, as the case may be.

[ End of Appendix ]

**APPENDIX 6D**

**Undertaking by a valuer of a listed corporation**  
(Rules 3.07(1)(b), 6.32(1) and 10.04)

To

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Dear Sirs,

Compliance with ACE Market Listing Requirements

In consideration of Bursa Malaysia Securities Berhad ("**Bursa Securities**") accepting the valuation report and such other documents prepared by us as required under Bursa Securities ACE Market Listing Requirements ("**Listing Requirements**"), WE .....[name & company no. of the valuer] having a #registered address/place of business at..... UNDERTAKE AND AGREE to comply with the Listing Requirements, including any amendment as may be made from time to time and insofar as the same is applicable to us as a valuer.

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

The above Undertaking has been signed by us/me as..... [title/designation] of .....[name of valuer] pursuant to authority granted to us/me by resolution of the board of directors of the valuer on.....

Yours faithfully,

.....  
Name:  
Designation:  
Date:

# Delete as appropriate

\*\* Applicable to a foreign valuer only.

[ End of Appendix ]

**Contents of bylaws of a ~~share scheme for employees~~ Share Issuance Scheme**

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**APPENDIX 6E****Contents of bylaws of a ~~share scheme for employees~~ Share Issuance Scheme**

(Rules 6.43 and 6.45)

- (1) The persons to whom shares may be issued under the scheme (“**participants**”) and the basis of determining the eligibility of participants.
- (2) The maximum number of options to be offered under the scheme.
- (3) The maximum entitlement for each class or category of participant (where applicable) and the maximum entitlement for any one participant (where applicable).
- (4) The amount payable on application or acceptance and the basis for determining the subscription or sale, or option price, the period in or after which payments or calls, or loans to provide the same, may be paid or called upon.
- (5) The time limit for the scheme.
- (6) The minimum period, if any, for which an option must be held before it can be exercised.
- (7) The voting, dividend, transfer and other rights, including those arising on a liquidation of the listed corporation or the subsidiary, as the case may be, attaching to the shares.
- (8) Formulas for adjustments to the subscription or option price or the number of shares (excluding options already exercised) under the scheme, in the event of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of shares, capital reduction and/or any other variation of capital.
- (9) A provision that the matters relating to paragraphs (1) to (8) above cannot be altered to the advantage of participants without prior shareholder approval.

[ End of Appendix ]

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**APPENDIX 6F****Contents of a trust deed/deed poll**  
(Rule 6.55(2))

1. The step-up or step-down pricing mechanism (if any) which must be on a fixed basis, i.e. stated in absolute amounts or terms and must not be made conditional upon the occurrence of certain events.
2. The amount of step-up or step-down and the time frames for the exercise or conversion price adjustment.
3. Provisions for changes in the terms of the convertible securities during the tenure of the securities.

[ End of Appendix ]

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**CHAPTER 7 ARTICLES OF ASSOCIATION****PART A – GENERAL****7.01 Introduction**

Parts B to N of this Chapter set out the provisions which an applicant or a listed corporation must ensure are contained in its articles of association.

**PART B – DEFINITIONS****7.02 Definitions**

For the purpose of this Chapter, unless the context otherwise requires, “**company**” means a company which is seeking a listing on the Official List or a listed corporation.

**PART C – CAPITAL****7.03 Issue of shares to directors**

No director shall participate in a ~~share scheme for employees~~ Share Issuance Scheme unless shareholders in general meeting have approved the specific allotment to be made to such director.

**7.04 Rights of other classes of shares**

The rights attaching to shares of a class other than ordinary shares shall be expressed.

**7.05 Power to issue further preference shares**

Whether the company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

**7.06 Rights of preference shareholders**

- (1) The holder of a preference share must be entitled to a right to vote in each of the following circumstances:
- (a) when the dividend or part of the dividend on the share is in arrears for more than 6 months;
  - (b) on a proposal to reduce the company’s share capital;
  - (c) on a proposal for the disposal of the whole of the company’s property, business and undertaking;
  - (d) on a proposal that affects rights attached to the share;
  - (e) on a proposal to wind up the company; and
  - (f) during the winding up of the company.

- 
- (2) A holder of a preference share must be entitled to the same rights as a holder of an ordinary share in relation to receiving notices, reports and audited financial statements, and attending meetings.

#### **7.07 Capital paid on shares in advance of calls**

Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits.

#### **7.08 Issue of new shares to members**

Subject to any direction to the contrary that may be given by the company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the directors may dispose of those shares or securities in such manner as they think most beneficial to the company. The directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the directors, be conveniently offered under this article.

### **PART D – FORFEITURE AND LIEN**

#### **7.09 Companies' lien on shares and dividends**

The company's lien on shares and dividends from time to time declared in respect of such shares shall be restricted to -

- (a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid;
- (b) if the shares were acquired under an employee share option scheme, amounts which are owed to the company for acquiring them; and
- (c) such amounts as the company is required by law to pay, and has paid, in respect of the shares of a holder or deceased former holder.

In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.

#### **7.10 Sale of shares forfeited**

If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.

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**PART E – TRANSFER AND TRANSMISSION****7.11 Transfers of securities**

The transfer of any listed security or class of listed security of the company, shall be by way of book entry by the Depository in accordance with the Rules of the Depository and, notwithstanding sections 103 and 104 of the Companies Act 1965, but subject to section 107C(2) of the Companies Act 1965 and any exemption that may be made from compliance with section 107C(1) of the Companies Act 1965, the company shall be precluded from registering and effecting any transfer of the listed securities.

**7.12 Transmission of securities**

Where -

- (a) the securities of a company are listed on another stock exchange; and
- (b) such company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act 1991 or section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Depository in respect of such securities,

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

**PART F – MODIFICATION OF RIGHTS****7.13 Modification of rights**

The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference capital concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

**PART G – BORROWING****7.14 Scope of directors' borrowing powers**

The scope of the borrowing powers of the board of directors shall be expressed.

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**PART H – MEETINGS****7.15 Notices of meetings**

The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the company is listed.

**7.16 Record of Depositors**

- (1) The company shall request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors to whom notices of general meetings shall be given by the company.
- (2) The company shall also request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than 3 market days before the general meeting ("**General Meeting Record of Depositors**").
- (3) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

**PART I – VOTING AND PROXIES****7.17 Voting rights of members**

Subject to Rule 7.16 above, a member of a company shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the company have been paid.

**7.18 Voting rights on a show of hands**

On a resolution to be decided on a show of hands, each holder of an ordinary share, and each holder of a preference share who has a right to vote, must be entitled to 1 vote.

**7.19 Voting rights of proxy**

A proxy shall be entitled to vote on a show of hands on any question at any general meeting.

**7.20 Voting rights of shares of different monetary denominations**

Where the capital of a company consists of shares of different monetary denominations, voting rights shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.



**7.21 Appointment of ~~at least 1 proxy~~ multiple proxies**

- (1) ~~Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each securities omnibus account it holds, with ordinary shares of the company standing to the credit of the said securities account.~~
- (2) ~~An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.~~

**7.21A Qualification and rights of proxy to speak**

- (1) ~~A member of a company entitled to attend and vote at a meeting of a company, or at a meeting of any class of members of the company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.~~
- (2) ~~A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.~~

**PART J – DIRECTORS****7.22 Directors' power to fill casual vacancies and to appoint additional directors**

Where provision is made for the directors to appoint a person as a director either to fill a casual vacancy, or as an addition to the board, any director so appointed shall hold office only until the next annual general meeting of the company and shall then be eligible for re-election.

**7.23 Remuneration of directors**

Fees payable to non-executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission on or percentage of turnover.

**7.24 Increase in directors' remuneration**

Fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

**7.25 Directors' interest in contracts**

A director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest.

**7.26 Election of directors**

- (1) An election of directors shall take place each year.
- (2) All directors shall retire from office once at least in each 3 years, but shall be eligible for re-election.

**7.27 Vacation of office of director**

The office of a director shall become vacant should he become of unsound mind or bankrupt during his term of office.

**7.28 Notice of intention to appoint director**

No person, not being a retiring director, shall be eligible for election to the office of director at any general meeting unless a member intending to propose him for election has, at least 11 clear days before the meeting, left at the registered office of the company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the directors for election, 9 clear days' notice only shall be necessary, and notice of each and every candidature for election to the board of directors shall be served on the registered holders of shares at least 7 days before the meeting at which the election is to take place.

**7.29 Power of managing director**

A managing director shall be subject to the control of the board of directors.

**7.30 Proceedings in case of vacancies**

The remaining directors may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to the articles of the company, the remaining directors may, except in an emergency, act only for the purpose of increasing the number of directors to such minimum number, or to summon a general meeting of the company.

**7.31 Appointment of alternate director**

A director may appoint a person approved by a majority of his co-directors to act as his alternate, provided that any fee paid by the company to the alternate shall be deducted from that director's remuneration.

**7.32 Chairman's casting vote**

The chairman of a board meeting shall not have a casting vote where -

- (a) 2 directors form a quorum and only such a quorum is present at the meeting; or
- (b) only 2 directors are competent to vote on the question at issue.

**PART K – ACCOUNTS****7.33 Presentation of accounts**

The interval between the close of a financial year of a company and the issue of the annual audited financial statements, the directors' and auditors' reports, shall not exceed 4 months.

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**PART L – WINDING-UP****7.34 Distribution of assets in specie**

The basis on which shareholders will participate in a distribution of assets on a winding up shall be expressed.

**7.35 Liquidator's commission**

On the voluntary liquidation of the company, no commission or fee shall be paid to a liquidator unless it shall have been approved by shareholders. The amount of such payment shall be notified to all shareholders at least 7 days before the meeting at which the commission or fee is to be considered.

**PART M – EFFECT OF THESE REQUIREMENTS****7.36 Effect of the Listing Requirements**

- (1) Notwithstanding anything contained in these articles, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in these articles prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require these articles to contain a provision and they do not contain such a provision, these articles are deemed to contain that provision.
- (5) If the Listing Requirements require these articles not to contain a provision and they contain such a provision, these articles are deemed not to contain that provision.
- (6) If any provision of these articles is or becomes inconsistent with the Listing Requirements, these articles are deemed not to contain that provision to the extent of the inconsistency.
- (7) For the purpose of this article, unless the context otherwise requires, "**Listing Requirements**" means Bursa Malaysia Securities Berhad ACE Market Listing Requirements including any amendments to the Listing Requirements that may be made from time to time.

**PART N – AMENDMENTS TO THIS CHAPTER****7.37 Amendments to this Chapter**

Where any amendment is made by the Exchange to the provisions of this Chapter, a company must make corresponding amendment(s) to its articles of association to reflect the said amendment unless its articles include the provision in Rule 7.36 or its equivalent.

[ End of Chapter ]

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**CHAPTER 8 CONTINUING LISTING OBLIGATIONS****PART A – GENERAL****8.01 Introduction**

This Chapter sets out the continuing listing obligations that must be complied with, amongst others, by a listed corporation, its directors or advisers in addition to other continuing listing obligations which have been set out in other Chapters of these Requirements.

**PART B – CONTINUING LISTING CRITERIA****8.02 Compliance with shareholding spread requirement**

- (1) A listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. The Exchange may accept a percentage lower than 25% of the total number of listed shares (excluding treasury shares) if it is satisfied that such lower percentage is sufficient for a liquid market in such shares.
- (2) For listed corporations which have shares listed on other stock exchange(s), shares listed on the other stock exchange(s) are included for the purpose of computing the percentage of shareholding spread referred to in sub-Rule (1) above.
- (3) A listed corporation must immediately announce to the Exchange if it becomes aware that it does not comply with the required shareholding spread referred to in sub-Rule (1) above.
- (4) A listed corporation which fails to maintain the required shareholding spread referred to in sub-Rule (1) may request for an extension of time to rectify the situation in the manner as may be prescribed by the Exchange.
- (5) [A listed corporation must furnish a schedule containing the information set out in Appendix 8E to the Exchange, upon completion of a take-over offer under the Take-Overs and Mergers Code.](#)

*[Cross reference: Guidance Note 13]*

**8.03 Cash Companies**

- (1) A listed corporation whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both (“**Cash Criterion**”), must immediately notify the Exchange of its condition in writing. The Exchange will determine whether such listed corporation should be considered a Cash Company. A listed corporation considered as a Cash Company by the Exchange will be notified by the Exchange.
- (2) A Cash Company must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed corporation or de-list it, or both.
- (3) For the purposes of sub-Rule (1) above, the following apply:
  - (a) a listed corporation must, as a minimum requirement, make a determination as to whether it triggers the Cash Criterion when it disposes its assets or business on a group basis or prepares its financial statements or accounts; and

- 
- (b) “**short term investments**” means investments which are by their nature readily realisable and intended to be held for 12 months or less including interests (equity or otherwise) in corporations.
- (4) A Cash Company must place at least 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal undertaken by the Cash Company) in an account opened with a financial institution licensed by Bank Negara Malaysia and operated by a custodian. Any interest generated by the monies held in the account must accrue to the account. For the purpose of this sub-Rule (4), “**custodian**” means any of the following who is independent of the Cash Company:
- (a) a trust company registered under the Trust Companies Act 1949 or incorporated pursuant to the Public Trust Corporation Act 1995 and is in the List of Registered Trustees in relation to Unit Trust Funds issued by the SC; or
- (b) a licensed bank or merchant bank as defined in the Banking and Financial Institutions Act 1989.

The Cash Company must ensure that the amount placed in the above account is not withdrawn, except for the following purposes:

- (i) implementing a proposal to acquire a new core business approved by the Exchange;
- (ii) pro-rata distributions to shareholders pursuant to sub-Rule (9) below.
- (5) A Cash Company must comply with the following additional requirements:
- (a) regularise its condition in the following manner:
- (i) submit a proposal to acquire a new core business, which is substantially comprehensive and will increase shareholder value, to the Exchange and obtain the Exchange’s approval to implement the proposal, within 12 months from the date it receives the notice referred to in sub-Rule (1) above;
- (ii) appoint a Sponsor within 3 months from the date the listed corporation announces that it is a Cash Company and retain the said Sponsor until it is no longer considered as Cash Company by the Exchange under sub-Rule (8) below; and
- (iii) implement its proposal within 6 months from the date the proposal is approved by the Exchange. However, for cases which involve court proceedings, a Cash Company has up to 12 months from the date the proposal is approved by the Exchange, to complete the implementation of the proposal;
- (b) retain the services of a Sponsor for at least 3 full financial years after it is no longer considered as a Cash Company by the Exchange under sub-Rule (8) below. In this regard, the Sponsor referred to in sub-Rule (a)(ii) above must act as the Sponsor of the Cash Company for at least the first full financial year;
- (c) provide such information as may be prescribed by the Exchange from time to time for public release; and
- (d) do such other acts or things as may be required by the Exchange.

- 
- (6) The Exchange may suspend the trading of the Cash Company's listed securities if it fails to comply with any part of its obligations in sub-Rule (5)(a) above or if its proposal is rejected by the Exchange and the Exchange may de-list such Cash Company.
- (7) Sub-Rules (1) and (2) above are not applicable to the following listed corporations:
- (a) listed corporations whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia;
  - (b) Participating Organisations;
  - (c) infrastructure project corporations which have not completed their infrastructure project(s); and
  - (d) such other category of listed corporations as may be prescribed by the Exchange.
- (8) For a Cash Company to be no longer considered a Cash Company, the Cash Company must—
- (a) complete the implementation of its proposal; and
  - (b) submit an application to the Exchange to demonstrate that it is no longer a Cash Company, together with all the necessary documentary evidence.

The fact that a Cash Company has ceased to trigger the Cash Criterion before it completes the implementation of its proposal, would not entitle it to be no longer considered as a Cash Company for the purpose of this sub-Rule.

- (9) If the Cash Company fails to comply with any part of its obligations in sub-Rule (5)(a) above, it must ensure that all moneys deposited, together with interests earned with the financial institution licensed by Bank Negara Malaysia and operated by a custodian under sub-Rule (4) above are distributed to its shareholders on a pro-rata basis as soon as practicable.

*[Cross reference: Guidance Notes 2 and 20]*

#### **8.04 Financial condition and level of operations**

- (1) The financial condition and level of operations of a listed corporation on a consolidated basis must, in the opinion of the Exchange, warrant continued trading or listing on the Official List.
- (2) The Exchange may prescribe certain criteria in relation to the financial condition and level of operations of a listed corporation ("**Prescribed Criteria**"). When a listed corporation triggers any of the Prescribed Criteria ("**GN3 Company**") it must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed corporation or de-list it or both.
- (3) A GN3 Company must comply with the following additional requirements:
- (a) regularise its condition in the following manner:
    - (i) submit to the Exchange a regularisation plan and obtain the Exchange's approval to implement the plan within 12 months from the date the listed corporation announces that it is a GN3 Company;

- 
- (ii) appoint a Sponsor within 3 months from the date the listed corporation announces that it is a GN3 Company and retain the said Sponsor until it is no longer considered as a GN3 Company by the Exchange under sub-Rule (8) below; and
    - (iii) implement the regularisation plan within 6 months from the date the regularisation plan is approved by the Exchange. However, for cases which involve court proceedings, a GN3 Company has up to 12 months from the date the regularisation plan is approved by the Exchange, to complete the implementation of the regularisation plan;
  - (b) provide such information as may be prescribed by the Exchange from time to time for public release;
  - (c) retain the services of a Sponsor for at least 3 full financial years after it is no longer considered as a GN3 Company by the Exchange under sub-Rule (8) below. In this regard, the Sponsor referred to in sub-Rule (a)(ii) above must act as the Sponsor of the GN3 Company for at least the first full financial year; and
  - (d) do such other acts or things as may be required by the Exchange.
- (4) Where the Exchange approves the regularisation plan of a GN3 Company, such approval may be unconditional or subject to such conditions, as it deems fit. If the regularisation plan is rejected by the Exchange, the GN3 Company may appeal against the decision of the Exchange within 1 month from the date of its rejection.
- (5) If a GN3 Company fails to comply with any part of its obligations under sub-Rule (3)(a) above, the Exchange shall –
- (a) suspend the trading of the GN3 Company's listed securities on the next market day after 5 market days from the date of notification of suspension by the Exchange; and
  - (b) de-list such GN3 Company subject to the latter's right to appeal against the de-listing under sub-Rule (6) below.
- (6) A GN3 Company which intends to appeal against a de-listing under this Rule 8.04 must submit its appeal to the Exchange within 5 market days from the date of notification of de-listing by the Exchange.
- (7) Where there is an appeal submitted to the Exchange, the Exchange shall stay the de-listing of the GN3 Company concerned pending consideration of the appeal. However, the Exchange shall suspend the trading of the GN3 Company's listed securities on the next market day after 5 market days from the date of notification of suspension by the Exchange even though the decision of the appeal is still pending.
- (8) For a GN3 Company to be no longer considered a GN3 Company, the GN3 Company must –
- (a) complete the implementation of its regularisation plan; and
  - (b) submit an application to the Exchange to demonstrate that it is no longer a GN3 Company, together with all the necessary documentary evidence.

The fact that a GN3 Company has ceased to trigger the Prescribed Criteria before it completes the implementation of its regularisation plan, would not entitle it to be no longer considered as a GN3 Company for the purpose of this sub-Rule.

*[Cross reference: Guidance Notes 3 and 20]*

**8.05 Sponsor during the Sponsorship Period**

- (1) A listed corporation must comply with Rule 3.21 in securing and maintaining the services of a Sponsor.
- (2) The Exchange may at any time suspend the trading in the securities of a listed corporation which fails to comply with sub-Rule (1) above. If the suspension continues for more than 2 months, the Exchange may de-list the listed corporation from its Official List.

**8.06 Appointment of Adviser for proposals**

- (1) A listed corporation must engage the services of an Adviser where it undertakes such corporate proposal or activity prescribed by the Exchange to require the services of an Adviser.

*[Cross reference: Guidance Note 19]*

- (2) A listed corporation must ensure that the circular or document in respect of such corporate proposal is prepared, reviewed and approved by its Adviser before it is issued to its securities holders.

**PART C – CERTIFICATES, TRANSFERS AND TRANSMISSIONS****8.07 Proxy forms**

A listed corporation must design its proxy forms in a manner which will allow a securities holder of the listed corporation appointing a proxy to indicate how he would like his proxy to vote in relation to each resolution.

**8.08 Audit for transfers and issue of certificates**

A listed corporation must provide the Exchange, upon request, with an external auditor's certificate to the effect that the issue of securities is in accordance with the requirements set out in Rules 6.29, 6.46, 6.59 and 8.17 where applicable.

**8.09 Number of securities**

A listed corporation must ensure that the number of securities represented by a certificate is clearly shown in words and figures on the face of the certificate or in such other manner as may be approved by the Exchange.

**8.10 Paper quality and watermark**

A listed corporation must ensure that the certificates are designed so that forgery and/or alterations are readily detectable. A listed corporation must entrust the printing of securities certificates to recognised security printers and ensure that the paper for the securities is first class bond or banknote paper containing a watermark of the printer or the listed corporation, and such other additional security features as the Exchange may determine from time to time.

**8.11 Size of certificates**

A listed corporation must ensure that the certificates measure 8"X10" (including perforations) or such other size as may be determined by the Exchange from time to time.



### 8.12 Submission of annual returns

A listed corporation must submit to the Exchange returns as at 31<sup>st</sup> December of each calendar year within 2 months from the said date, which includes such information as may be prescribed by the Exchange from time to time by way of an electronic template provided by the Exchange.

### 8.13 Change in classification

- (1) Where there are circumstances to signify that a change in the classification of a listed corporation in a specific sector has taken place, the listed corporation must propose to the Exchange of the change in classification in such manner as may be prescribed by the Exchange. The proposed change in classification is subject to the approval of the Exchange. The Exchange may in its absolute discretion either maintain the classification or classify the listed corporation into such other sector as it deems fit.
- (2) Notwithstanding the absence of any notification from the listed corporation, the Exchange may, where the circumstances warrant the same, change the classification of a listed corporation to a sector which, in the opinion of the Exchange, is more appropriate for the listed corporation.

[Cross reference: Guidance Note 1]

## PART D – SPONSORSHIP OF DEPOSITORY RECEIPTS

### 8.14 Sponsorship of depository receipts

A listed corporation must not enter into an agreement with a depository bank to sponsor a depository receipt programme unless the following terms are incorporated in the said agreement:

- (a) the total number of custodians holding the listed corporation's securities for which the receipts are issued ("**underlying securities**") must not be more than 5;
- (b) the total number of underlying securities at any time must not be more than 5% of the total issued and paid-up capital of the listed corporation;
- (c) the depository bank must provide to the listed corporation, information in respect of the depository receipts that will enable the listed corporation to comply with these Requirements; and
- (d) where there is more than one custodian bank appointed, the depository bank must fix a limit for the number of securities to be held by each custodian so that the total number of securities held by all the custodians does not exceed the limit referred to in sub-Rule (b) above.

### 8.15 Status reports on depository receipts

- (1) A listed corporation which has entered into an agreement to sponsor a depository receipt programme must provide to the Exchange, for its information, every quarter of a calendar year, the following ("**status report**"):
  - (a) the number and names of the custodians holding the securities for which the depository receipts are issued; and
  - (b) the total number and percentage of the securities for which the depository receipts are issued against its issued and paid-up capital and a breakdown of the same in respect of the securities held by each custodian.

- 
- (2) Where the status report shows that the percentage of the securities for which the depository receipts are issued against its issued and paid-up capital exceeds the limit referred to in Rule 8.14(b) above, the Exchange will forward such report to the Depository, for its further action.

## PART E – OFFER FOR SALE

### 8.16 Renounceable offer for sale

A listed corporation or an offeror, or both, in a renounceable offer for sale of securities listed or proposed to be listed on the Official List, must comply with the requirements of Rules 6.23, 6.24, 6.25, 6.27, 6.28 and 6.29 as if its offer for sale were the rights issue mentioned under those Rules.

### 8.17 Allotment of securities and despatch of notices of allotment in respect of an offer for sale

In respect of an offer for sale to the existing holders of listed securities or the public, of securities listed or proposed to be listed on the Official List as the case may be, within 15 market days of the final applications date or such other period as may be prescribed by the Exchange, a listed corporation or offeror, or both must -

- (a) cause the securities to be credited into the securities accounts of the successful applicants or issue and/or allot securities, as the case may be;
- (b) despatch notices of allotment to the successful applicants; and
- (c) apply for the quotation of such securities (where applicable).

## PART F – DIRECTORS

### 8.18 Director's undertaking

A listed corporation must ensure that every director of the listed corporation gives the Exchange not later than 14 days after his appointment, an undertaking in the form of as may be prescribed by the Exchange.

*[Cross reference: Annexures GN15-C and GN15-D of Guidance Note 15]*

## PART G – ~~SHARE SCHEMES FOR EMPLOYEES~~ SHARE ISSUANCE SCHEME

### 8.19 Allocation under a ~~share scheme for employees~~ Share Issuance Scheme

- (1) A listed corporation must disclose to employees the criteria for allocation of options pursuant to a ~~share scheme for employees~~ Share Issuance Scheme.
- (2) A listed corporation must ensure that allocation of options pursuant to a scheme is verified by the audit committee, as being in compliance with the criteria referred to in sub-Rule (1) above, at the end of each financial year.
- (3) A listed corporation must also ensure that a statement by the audit committee verifying such allocation is included in the annual report.

**8.20 Termination of a ~~share scheme for employees~~ Share Issuance Scheme**

- (1) A listed corporation may not terminate a ~~share scheme for employees~~ Share Issuance Scheme before expiry unless -
- (a) the bylaws of the scheme contain a provision empowering the listed corporation to do so;
  - (b) ~~the listed corporation obtains the prior approval of its shareholders; and~~[deleted]
  - (c) ~~the listed corporation obtains written consent of all option holders who have yet to exercise their options, whether partly or wholly.~~[deleted]
- (2) ~~A listed corporation must include the information set out in Appendix 8B in the circular sent to shareholders to obtain the approval of the shareholders in respect of the termination of a share scheme for employees.~~[Deleted]
- (3) ~~The circular must be submitted to the Exchange together with a checklist showing compliance with Appendix 8B.~~[Deleted]
- (4) ~~In seeking the consent of the option holders, the listed corporation must provide them with the information set out in Appendix 8B.~~[Deleted]
- (5) A listed corporation which terminates a Share Issuance Scheme before its expiry must immediately announce to the Exchange –
- (a) the effective date of termination;
  - (b) the number of options exercised or shares vested; and
  - (c) the reasons for termination.

**8.21 Implementation of a new ~~share scheme for employees~~ Share Issuance Scheme**

A listed corporation ~~that has implemented a share scheme for employees, must not~~may implement a ~~new scheme unless the existing scheme has expired or been terminated in accordance with Rule 8.20.~~more than 1 Share Issuance Scheme provided that the aggregate number of shares available under all the Share Issuance Schemes does not breach the limit stipulated in Rule 6.39.

**8.22 Restriction on dealings**

A non-executive director must not sell, transfer or assign shares obtained through the exercise of options offered to him pursuant to a ~~share scheme for employees~~ Share Issuance Scheme within 1 year from the date of offer of such options.

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**PART H – OTHERS****8.23 Material dilution**

- (1) A listed corporation must obtain shareholder approval in a general meeting for the issue by its principal subsidiary, of shares or convertible securities or options that results or could potentially result in a material dilution of the listed corporation's equity interest in such principal subsidiary.
- (2) For the purpose of sub-Rule (1) above, unless the context otherwise requires -
  - (a) “**principal subsidiary**” means a subsidiary which accounts for 25% or more of the latest audited consolidated profit after tax of the group or total assets employed of the group; and
  - (b) “**material dilution**” means a percentage reduction amounting to 25% or more.

**8.24 Material variations**

- (1) Where a proposal has been approved by shareholders in general meeting and a listed corporation proposes to make a material amendment, modification or variation to such proposal, the listed corporation must issue a circular to its shareholders and seek its shareholder approval of such material amendment, modification or variation.
- (2) For the purpose of sub-Rule (1) above, an amendment, modification or variation is considered material if it can be reasonably expected to have a material effect on the decision of a holder of securities of the listed corporation in relation to such proposal.
- (3) Sub-Rule (1) above does not apply to any amendment, modification or variation resulting from such direction or condition as may be imposed by the relevant authorities.

**8.25 Provision of financial assistance**

- (1) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and subject to sub-Rule (2) below, a listed corporation or its unlisted subsidiaries may only -
  - (a) lend or advance any money; or
  - (b) guarantee, indemnify or provide collateral for a debt,  
 (“**provision of financial assistance**”) to or in favour of the following:
    - (i) directors or employees of the listed corporation or its subsidiaries;
    - (ii) persons to whom the provision of financial assistance -
      - (aa) is necessary to facilitate the ordinary course of business of the listed corporation or its subsidiaries; or
      - (bb) pursuant to the ordinary course of business of the listed corporation or its subsidiaries,  
  
such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its moneylending business; or

- 
- (iii) the subsidiaries or associated companies of the listed corporation, the listed corporation (in the case of the subsidiaries providing the financial assistance) or its immediate holding company which is listed.
- (2) Where a listed corporation or its subsidiaries provide financial assistance -
- (a) the board of directors of such listed corporation must ensure -
- (i) that the provision of the financial assistance referred to in sub-Rule (1) above is fair and reasonable to the listed corporation and is not to the detriment of the listed corporation and its shareholders; and
- (ii) where a listed corporation or its subsidiary lends or advances money in the ordinary course of business as a moneylender (“**moneylending company**” and “**moneylending operations**”), that the board of directors of the listed corporation oversees the moneylending operations and the management of credit risk of the moneylending company including ensuring that adequate policies and procedures are put in place which must be reviewed regularly to enable –
- (aa) maintenance of sound credit-granting standards;
- (bb) maintenance of a clear and defined credit approval process including a list of the approving party(ies), which must include the board of directors of the listed corporation, for different quantum of financial assistance granted by the moneylending company;
- (cc) monitoring and control of credit risk; and
- (dd) timely identification and administration of problem credits;
- (b) where it is a related party transaction as defined in Rule 10.02, the listed corporation complies with the requirements of Rule 10.08 in addition to this provision;
- (c) where the provision of financial assistance is to the associated company, and the aggregate amount provided or to be provided at any time to each associated company compared to the net tangible assets of the group is 5% or more, the listed corporation must issue a circular to its shareholders and seek its shareholder approval in general meeting of such provision of financial assistance;
- (d) where shareholder approval is required pursuant to sub-Rules (b) or (c) above, the listed corporation must state in its circular, the proposed utilisation of the amount of the financial assistance; and
- (e) in addition to the announcement as may be required by the Exchange, the listed corporation must announce the information set out in Appendix 8D in relation to each moneylending company for each quarter of its financial year, if any, not later than 7 market days after the end of each quarter of a financial year.
- (3) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and without limiting the generality of Part D of Chapter 2 -

- 
- (a) a listed corporation or its directors must give the Exchange any information, document or explanation that the Exchange requests for in relation to moneylending operations in accordance with the instructions or requests of the Exchange, including but not limited to the following information in relation to the 20 debtors of each moneylending company having the highest amount of outstanding loans and/or advances (“**Loans**”) (with aggregation of Loans granted to persons connected with each other):
- (i) the names of the debtors and, in relation to each debtor, a statement as to whether the debtor is a related a party;
  - (ii) the outstanding Loan amounts with aggregation of Loans granted to persons connected to each other, and the breakdown into principal and interest owing;
  - (iii) the salient terms of the outstanding Loans including the interest rate, terms as to the repayment of interest and principal and the security provided; and
  - (iv) the length of default on interest and/or principal, if applicable; and
- (b) the Exchange may, at its absolute discretion, forward such information, document or explanation to the relevant authorities including the SC.
- (4) Sub-Rules (1), (2) and (3) above do not apply to -
- (a) any provision of financial assistance provided to or in favour of the listed corporation or wholly owned subsidiaries of the listed corporation;
  - (b) a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia;
  - (c) a corporation which is registered as a scheduled institution with and supervised by Bank Negara Malaysia under the Banking and Financial Institutions Act 1989; or
  - (d) share financing or share margin financing carried out by a listed corporation or its unlisted subsidiary which is a Participating Organisation.

*[Cross reference: Guidance Note 4]*

#### **8.26 Listing of subsidiaries**

A listed corporation must obtain shareholder approval if it wishes to list the securities of any of its subsidiaries on any stock exchange.

#### **8.27 No alteration to or revocation of entitlement or books closing date after announcement of books closing date**

- (1) Where an entitlement is subject to the relevant authorities’ approval, a listed corporation must first procure such authorities’ approval before fixing a books closing date.
- (2) Once the basis of an entitlement and the books closing date have been declared, a listed corporation must not make any subsequent alteration to or revocation of such entitlement or books closing date.

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**8.28 Declaration of dividend**

- (1) Once the dividend has been declared, a listed corporation must not make any subsequent alteration to the dividend entitlement.
- (2) A listed corporation must ensure that all dividends are paid not later than 3 months from the date of declaration or the date on which approval is obtained in a general meeting, whichever is applicable.

**8.28A eDividend**

- (1) In respect of cash dividends, a listed corporation must pay such dividends to its shareholders by directly crediting the shareholders' dividend entitlements into their bank accounts as provided to the Depository from time to time ("**eDividend**").
- (2) Where a listed corporation's shareholders have provided the relevant contact details to the Depository for the purposes of electronic notifications in connection with eDividend, the listed corporation must notify them electronically once the listed corporation has paid the cash dividends out of its account.

**8.29 Notices of general meetings**

- (1) A listed corporation must ensure that all notices convening general meetings contain sufficient information to enable a member to decide whether to attend the meeting.
- (2) Without limiting the generality of sub-Rule (1) above, a listed corporation must ensure that a notice convening an annual general meeting, where applicable, is accompanied by a statement which includes the information set out in Appendix 8A.
- (3) Any notice of a general meeting called to consider special business must be accompanied by an explanatory note which contains the necessary information to enable a member to make an informed decision. Such explanatory note must include the effect of any proposed resolution in respect of such special business.

**8.30 Notice of maturity**

The listed corporation must issue a notice of the maturity or expiry of any listed debt security or convertible security to its 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.

**8.31 Securities holder approval**

- (1) Where a transaction entered into or proposed to be entered into by a listed corporation or any other action or proposal of a listed corporation is specified in these Requirements as one which requires securities holder approval, such approval must be obtained before the transaction, action or proposal being completed.
- (2) Where the transaction entered into or proposed to be entered into by a listed corporation is the grant for the exercise of an option and shareholder approval is required pursuant to these Requirements, then -

- (a) in the case of an issue by the listed corporation or its subsidiaries, the shareholder approval must be obtained before the option is issued, or the issue must be subject to that approval; and
- (b) in the case of an exercise by the listed corporation or its subsidiaries, the shareholder approval must be obtained before an option is exercised.

### 8.32 Accounting and other records

A listed corporation must cause to be kept such accounting and other records as will sufficiently explain the financial position or operations of the listed corporation, including its subsidiaries.

### 8.33 Lodgement of agreement

Where any agreement has been entered into by a listed corporation or its subsidiaries in connection with any acquisition or disposal of assets or any transaction outside the ordinary course of business of a listed corporation or its subsidiaries, the listed corporation must make available for inspection a copy each of the relevant agreements at the listed corporation's registered office for a period of 3 months from the date of announcement.

## PART I – SPECIFIC CONTINUING OBLIGATIONS RELATING TO PRICE STABILIZATION MECHANISM

### 8.34 Responsibilities of a listed corporation for the purposes of stabilizing action

- (1) A listed corporation ~~undertaking stabilizing actions~~ must ensure that ~~the register maintained by~~ the stabilizing manager ~~undertaking the stabilizing action on its behalf, maintains a register~~ in accordance with subparagraph 10(a) of the Capital Markets and Services (Price Stabilization Mechanism) Regulations 2008, ~~which~~ contains the information set out under Appendix 8C and that any changes to the information in the register be updated on a daily basis.
- (2) The listed corporation must make available the register and all agreements relating to the market stabilization ~~made entered into~~ by the listed corporation and stabilizing manager to the SC, Exchange or a person authorized in writing by the Exchange for inspection and must allow the SC, Exchange or a person authorized in writing by the Exchange to make copies or take extracts from the register or the agreements.
- (3) ~~Where a listed corporation is a foreign corporation, or a Malaysian company listed on both the Exchange and an exchange outside Malaysia, and a stabilizing manager outside Malaysia has been appointed to carry out any activities in respect of the securities of that foreign corporation or securities of that Malaysian company listed on both the Exchange and an exchange outside Malaysia, for the purposes of preventing or minimizing any reduction in the market price of such securities traded on a stock market outside Malaysia, such~~ In addition to sub-Rule (1) above, the listed corporation must also ensure that the register -
  - (a) ~~contains information set out under Appendix 8C; and~~
  - (b) ~~the register~~ is capable of being brought into Malaysia and ~~be~~ made available for inspection by the SC, Exchange or a person authorized in writing by the Exchange or where such register is not capable of being brought into Malaysia, a certified true copy of the register ~~must be is~~ made available for inspection by the SC, Exchange or a person authorized in writing by the Exchange if –



- 
- (a) the listed corporation is listed both on the Exchange and an exchange outside Malaysia; and
- (b) it has appointed a stabilizing manager to carry out stabilizing action on a stock market outside Malaysia.
- (4) For the purposes of this Rule, inspection includes making copies and taking extract from the register.

[ End of Chapter ]

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**APPENDIX 8A****Contents of statement accompanying notices of annual general meetings**  
(Rule 8.29)

Further details of individuals who are standing for election as directors (excluding directors standing for a re-election), namely the following:

- (a) the name, age, nationality, qualification, and whether the position is an executive or non-executive one and whether such director is an independent director;
- (b) the working experience and occupation;
- (c) any other directorships of public companies;
- (d) the details of any interest in the securities of the listed corporation and its subsidiaries;
- (e) the family relationship with any director and/or major shareholder of the listed corporation;
- (f) any conflict of interests that they have with the listed corporation; and
- (g) the list of convictions for offences within the past 10 years other than traffic offences, if any.

[ End of Appendix ]

Appendix 8B  
Contents of circular to terminate share scheme for employees

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## APPENDIX 8B

[Deleted]

**~~Contents of circular to shareholders to terminate a share scheme for employees~~**  
~~(Rule 8.20)~~

- ~~(1) — A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect. —~~
- ~~(2) — The rationale for termination of the scheme.~~
- ~~(3) — A statement by the board of directors stating whether the termination is in the best interests of the listed corporation, and where a director disagrees with such statement, a statement by such director setting out the reasons and factors taken into consideration in forming that opinion.~~
- ~~(4) — Any other information that would justify the termination of the scheme.~~

~~[ End of Appendix ]~~

**Appendix 8C**  
**Information to be included in the register of a stabilizing manager**

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**APPENDIX 8C****Information to be included in the register of a stabilizing manager**

(Rule 8.34)

- (1) The name of the corporation whose securities are subject to stabilization action.
- (2) Details of the number of [sharessecurities](#) over allotted, name of lender, amount of [sharessecurities](#) borrowed and price of the relevant securities and total amount of option exercised.
- (3) The names and addresses of the person appointed as a stabilizing manager, contact person, name of the Participating Organisation and the Capital Markets Services Representative's License holder ~~that~~[who](#) will be conducting the stabilizing action (or equivalent, if any); and salient terms of all agreements relating to the market stabilization ~~made~~[entered into](#) by the listed corporation and stabilizing manager.
- (4) A daily breakdown of the transactions effected during the stabilizing period showing the total number of [sharessecurities](#) purchased each day and the purchase price per [sharesecurities](#) or the highest, lowest and average paid.

[ End of Appendix ]

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**APPENDIX 8D****Information to be included in announcement in relation to moneylending company**  
(Rule 8.25(2)(e))

- (1) The aggregate amount of outstanding loans and/or advances (“**Loans**”) given by the moneylending company setting out the following breakdown for secured and unsecured Loans:
  - (a) to corporations;
  - (b) to individuals;
  - (c) to corporations within the listed corporation group; and
  - (d) to related parties.
- (2) The total borrowings, setting out -
  - (a) the Loans given by any corporation within the listed corporation group to the moneylending company;
  - (b) the borrowings which are secured by any corporation within the listed corporation group in favour of the moneylending company; and
  - (c) other borrowings.
- (3) The aggregate amount of Loans in default which must include the movements in the Loans in default for the listed corporation and the group as follows:
  - (a) at the beginning of the year;
  - (b) classified as Loans in default during the financial year;
  - (c) reclassified as performing during the financial year;
  - (d) amount recovered;
  - (e) amount written off;
  - (f) Loans converted to securities;
  - (g) total and net Loans in default at the end of the year; and
  - (h) ratio of net Loans in default to net Loans or advances.

For this purpose, a Loan in default will be as determined by the listed corporation but must in any event, include a situation where the debtor has been in default of payment of either interest or principal sums or both for 3 months or more in respect of a Loan. In this regard, only Loans by a debtor to the moneylending company may be set off in ascertaining the outstanding Loans of the debtor to such company.

**Appendix 8D**  
**Announcement by moneylending company**

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- (4) The top 5 Loans (with aggregation of Loans given to the same person or persons connected with each other), setting out (where applicable) -
- (a) the facility type and limit;
  - (b) the amount outstanding and type;
  - (c) whether security was provided and if provided, the value of the security;
  - (d) whether the recipient of the Loans is a related party; and
  - (e) the terms of repayment.

[ End of Appendix ]

**APPENDIX 8E****Information on equity structure of a listed corporation to be furnished to Exchange upon completion of a take-over offer**  
*(Rule 8.02(5))*

<b><u>Particulars</u></b>	<b><u>No. of shares</u></b>	<b><u>No. of shareholders</u></b>	<b><u>Percentage %</u></b>
<i><u>Issued and paid-up capital</u></i>			
<i><u>Less:</u></i>			
<i><u>Treasury shares</u></i>			
<i><u>Directors of the listed corporation and its subsidiaries</u></i>			
<i><u>Substantial shareholders of the listed corporation (except where such shareholder may be included as "public")</u></i>			
<i><u>Associates of directors or substantial shareholders of the listed corporation</u></i>			
<i><u>Shareholders holding less than 100 shares</u></i>	<u>-----</u>		
<i><u>Public shareholding</u></i>			

[ End of Appendix ]

- 
- (2) A holder of a preference share must be entitled to the same rights as a holder of an ordinary share in relation to receiving notices, reports and audited financial statements, and attending meetings.

#### **7.07 Capital paid on shares in advance of calls**

Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits.

#### **7.08 Issue of new shares to members**

Subject to any direction to the contrary that may be given by the company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the directors may dispose of those shares or securities in such manner as they think most beneficial to the company. The directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the directors, be conveniently offered under this article.

### **PART D – FORFEITURE AND LIEN**

#### **7.09 Companies' lien on shares and dividends**

The company's lien on shares and dividends from time to time declared in respect of such shares shall be restricted to -

- (a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid;
- (b) if the shares were acquired under an employee share option scheme, amounts which are owed to the company for acquiring them; and
- (c) such amounts as the company is required by law to pay, and has paid, in respect of the shares of a holder or deceased former holder.

In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.

#### **7.10 Sale of shares forfeited**

If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.



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**PART E – TRANSFER AND TRANSMISSION****7.11 Transfers of securities**

The transfer of any listed security or class of listed security of the company, shall be by way of book entry by the Depository in accordance with the Rules of the Depository and, notwithstanding sections 103 and 104 of the Companies Act 1965, but subject to section 107C(2) of the Companies Act 1965 and any exemption that may be made from compliance with section 107C(1) of the Companies Act 1965, the company shall be precluded from registering and effecting any transfer of the listed securities.

**7.12 Transmission of securities**

Where -

- (a) the securities of a company are listed on another stock exchange; and
- (b) such company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act 1991 or section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Depository in respect of such securities,

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

**PART F – MODIFICATION OF RIGHTS****7.13 Modification of rights**

The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference capital concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

**PART G – BORROWING****7.14 Scope of directors' borrowing powers**

The scope of the borrowing powers of the board of directors shall be expressed.

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**PART H – MEETINGS****7.15 Notices of meetings**

The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the company is listed.

**7.16 Record of Depositors**

- (1) The company shall request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors to whom notices of general meetings shall be given by the company.
- (2) The company shall also request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than 3 market days before the general meeting ("**General Meeting Record of Depositors**").
- (3) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

**PART I – VOTING AND PROXIES****7.17 Voting rights of members**

Subject to Rule 7.16 above, a member of a company shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the company have been paid.

**7.18 Voting rights on a show of hands**

On a resolution to be decided on a show of hands, each holder of an ordinary share, and each holder of a preference share who has a right to vote, must be entitled to 1 vote.

**7.19 Voting rights of proxy**

A proxy shall be entitled to vote on a show of hands on any question at any general meeting.

**7.20 Voting rights of shares of different monetary denominations**

Where the capital of a company consists of shares of different monetary denominations, voting rights shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

**7.21 Appointment of ~~at least 1 proxy~~ multiple proxies**

- (1) ~~Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each securities omnibus account it holds, with ordinary shares of the company standing to the credit of the said securities account.~~
- (2) ~~An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.~~

**7.21A Qualification and rights of proxy to speak**

- (1) ~~A member of a company entitled to attend and vote at a meeting of a company, or at a meeting of any class of members of the company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.~~
- (2) ~~A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.~~

**PART J – DIRECTORS****7.22 Directors' power to fill casual vacancies and to appoint additional directors**

Where provision is made for the directors to appoint a person as a director either to fill a casual vacancy, or as an addition to the board, any director so appointed shall hold office only until the next annual general meeting of the company and shall then be eligible for re-election.

**7.23 Remuneration of directors**

Fees payable to non-executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission on or percentage of turnover.

**7.24 Increase in directors' remuneration**

Fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

**7.25 Directors' interest in contracts**

A director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest.

**7.26 Election of directors**

- (1) An election of directors shall take place each year.
- (2) All directors shall retire from office once at least in each 3 years, but shall be eligible for re-election.

**7.27 Vacation of office of director**

The office of a director shall become vacant should he become of unsound mind or bankrupt during his term of office.

**7.28 Notice of intention to appoint director**

No person, not being a retiring director, shall be eligible for election to the office of director at any general meeting unless a member intending to propose him for election has, at least 11 clear days before the meeting, left at the registered office of the company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the directors for election, 9 clear days' notice only shall be necessary, and notice of each and every candidature for election to the board of directors shall be served on the registered holders of shares at least 7 days before the meeting at which the election is to take place.

**7.29 Power of managing director**

A managing director shall be subject to the control of the board of directors.

**7.30 Proceedings in case of vacancies**

The remaining directors may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to the articles of the company, the remaining directors may, except in an emergency, act only for the purpose of increasing the number of directors to such minimum number, or to summon a general meeting of the company.

**7.31 Appointment of alternate director**

A director may appoint a person approved by a majority of his co-directors to act as his alternate, provided that any fee paid by the company to the alternate shall be deducted from that director's remuneration.

**7.32 Chairman's casting vote**

The chairman of a board meeting shall not have a casting vote where -

- (a) 2 directors form a quorum and only such a quorum is present at the meeting; or
- (b) only 2 directors are competent to vote on the question at issue.

**PART K – ACCOUNTS****7.33 Presentation of accounts**

The interval between the close of a financial year of a company and the issue of the annual audited financial statements, the directors' and auditors' reports, shall not exceed 4 months.

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**PART L – WINDING-UP****7.34 Distribution of assets in specie**

The basis on which shareholders will participate in a distribution of assets on a winding up shall be expressed.

**7.35 Liquidator's commission**

On the voluntary liquidation of the company, no commission or fee shall be paid to a liquidator unless it shall have been approved by shareholders. The amount of such payment shall be notified to all shareholders at least 7 days before the meeting at which the commission or fee is to be considered.

**PART M – EFFECT OF THESE REQUIREMENTS****7.36 Effect of the Listing Requirements**

- (1) Notwithstanding anything contained in these articles, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in these articles prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require these articles to contain a provision and they do not contain such a provision, these articles are deemed to contain that provision.
- (5) If the Listing Requirements require these articles not to contain a provision and they contain such a provision, these articles are deemed not to contain that provision.
- (6) If any provision of these articles is or becomes inconsistent with the Listing Requirements, these articles are deemed not to contain that provision to the extent of the inconsistency.
- (7) For the purpose of this article, unless the context otherwise requires, "**Listing Requirements**" means Bursa Malaysia Securities Berhad ACE Market Listing Requirements including any amendments to the Listing Requirements that may be made from time to time.

**PART N – AMENDMENTS TO THIS CHAPTER****7.37 Amendments to this Chapter**

Where any amendment is made by the Exchange to the provisions of this Chapter, a company must make corresponding amendment(s) to its articles of association to reflect the said amendment unless its articles include the provision in Rule 7.36 or its equivalent.

[ End of Chapter ]

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**CHAPTER 9 CONTINUING DISCLOSURE****PART A – GENERAL****9.01 Introduction**

- (1) This Chapter sets out the continuing disclosure requirements that must be complied with, amongst others, by a listed corporation, its directors or advisers.
- (2) The disclosure requirements set out in this Chapter consist of the following:
  - (a) corporate disclosure policy of the Exchange (Parts B to H);
  - (b) preparation of announcements (Part I);
  - (c) immediate disclosure requirements (Part J);
  - (d) periodic disclosure requirements (Part K); and
  - (e) circulars and other requirements (Part L).
- (3) Continuing disclosure is the timely and accurate disclosure of all material information by a listed corporation to the public.
- (4) Continuing disclosure ensures a credible and responsible market in which participants conduct themselves with the highest standards of due diligence and investors have access to timely and accurate information to facilitate the evaluation of securities.

**PART B – CORPORATE DISCLOSURE POLICY****9.02 Corporate disclosure policy**

- (1) A listed corporation must, in accordance with these Requirements, disclose to the public all material information necessary for informed investing and take reasonable steps to ensure that all who invest in its securities enjoy equal access to such information.
- (2) A listed corporation must adhere to the following 6 specific policies concerning disclosure, which are as follows:
  - (a) immediate disclosure of material information (Part C);
  - (b) thorough public dissemination (Part D);
  - (c) clarification, confirmation or denial of rumours or reports (Part E);
  - (d) response to unusual market activity (Part F);
  - (e) unwarranted promotional disclosure activity (Part G); and
  - (f) insider trading (Part H).

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**PART C – IMMEDIATE DISCLOSURE OF MATERIAL INFORMATION****9.03 Disclosure of material information**

- (1) A listed corporation must make immediate public disclosure of any material information, except as set out in Rule 9.05 below.
- (2) Information is considered material, if it is reasonably expected to have a material effect on -
  - (a) the price, value or market activity of any of the listed corporation's securities; or
  - (b) the decision of a holder of securities of the listed corporation or an investor in determining his choice of action.
- (3) Without limiting the generality of sub-Rule (2) above, material information may include information which -
  - (a) concerns the listed corporation's assets and liabilities, business, financial condition or prospects;
  - (b) relates to dealings with employees, suppliers, customers and others;
  - (c) relates to any event affecting the present or potential dilution of the rights or interests of the listed corporation's securities; or
  - (d) relates to any event materially affecting the size of the public holding of its securities.

*[Cross reference: Guidance Note 5]*

**9.04 Examples of events which may require immediate disclosure**

The following are some examples of events which may require immediate disclosure by the listed corporation:

- (a) the entry into a joint venture agreement or merger;
- (b) the acquisition or loss of a contract, franchise or distributorship rights;
- (c) the introduction of a new product or discovery;
- (d) a change in management;
- (e) the borrowing of funds;
- (f) the commencement of or the involvement in litigation and any material development arising from such litigation;
- (g) the commencement of arbitration proceedings or proceedings involving alternative dispute resolution methods and any material development arising from such proceedings;
- (h) the purchase or sale of an asset;
- (i) a change in capital investment plans;
- (j) the occurrence of a labour dispute or disputes with sub-contractors or suppliers;

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- (k) the making of a tender offer for another corporation's securities;
  - (l) the occurrence of an event of default on interest or principal payments or both in respect of loans;  
*[Cross reference: Guidance Note 5]*
  - (m) a change in the general business direction;
  - (n) a change of intellectual property rights;
  - (o) the entry into a memorandum of understanding;
  - (p) the entry into any call or put option or financial futures contract; or
  - (q) a change in the business plan of the listed corporation that has been previously disclosed.

#### **9.05 Withholding of material information**

- (1) A listed corporation may, in exceptional circumstances, temporarily refrain from publicly disclosing material information, provided that complete confidentiality is maintained. Where material information is withheld, the listed corporation must refrain from delaying disclosure for an unreasonable period of time since it is unlikely that confidentiality can be maintained beyond a short period of time.
- (2) The exceptional circumstances where disclosures can be withheld are limited and constitute an infrequent exception to the normal requirement of immediate public disclosure. In cases of doubt, the presumption must always be in favour of disclosure.
- (3) The following are some exceptional circumstances where disclosure may be temporarily withheld:
  - (a) when immediate disclosure would prejudice the ability of the listed corporation to pursue its corporate objectives. Public disclosure of a plan to acquire certain real estate for example, could result in an increase in the listed corporation's cost of the desired acquisition or could prevent the listed corporation from carrying out the plan at all. In such circumstances, if the unfavourable result to the listed corporation outweighs the undesirable consequences of non-disclosure, disclosure may properly be deferred to a more appropriate time;
  - (b) when the facts are in a state of flux and a more appropriate moment for disclosure is imminent.

Occasionally, corporate developments give rise to information which, although material, is subject to rapid change. If the situation is about to stabilise or resolve itself in the near future, it may be proper to withhold public announcement until a firm announcement may be made, since successive public announcements concerning the same subject but based on changing facts may confuse or mislead the public rather than enlighten it. In the course of a successful negotiation for the acquisition of another corporation, for example, the only information known to each party at the outset may be the willingness of the other to hold discussions. Shortly after that, it may become apparent to the parties that it is likely an agreement can be reached. Finally, an agreement in principle may be reached on specific terms. In such circumstances a listed corporation need not issue a public announcement at each stage of the negotiations, describing the current state of constantly changing facts but may await agreement in principle on specific terms. If, on the other hand, progress in



the negotiations should stabilise at some other point, disclosure should then be made if the information is material; or

- (c) where company or securities laws may restrict the extent of permissible disclosure before or during a public offering of securities or a solicitation of proxies.

#### **9.06 Maintaining confidentiality**

- (1) Whenever material information is being temporarily withheld, a listed corporation must ensure that the strictest confidentiality is maintained.
- (2) The listed corporation should limit the number of people with access to the material information and ensure the security of all confidential documents.
- (3) Notwithstanding Rule 9.05 above, in the event that material information is or is believed to have been inadvertently disclosed to third parties or where the material information has become generally available through the media or otherwise, the listed corporation must immediately announce the information to the Exchange.

#### **9.07 Monitoring of market activity and making of announcements**

During a period where information is withheld, the market activity of the listed corporation's securities must be closely monitored. The listed corporation must immediately announce the information withheld to the Exchange, in the following circumstances:

- (a) unusual market activity in the listed corporation's securities which signifies that a "leak" of the information may have occurred;
- (b) rumours or reports concerning the information have appeared; or
- (c) where the listed corporation learns that there are signs that insider trading may be taking place.

### **PART D – THOROUGH PUBLIC DISSEMINATION**

#### **9.08 Thorough public dissemination**

- (1) A listed corporation must release material information to the public in a manner designed to obtain its fullest possible public dissemination.
- (2) A listed corporation must ensure that no disclosure of material information is made on an individual or selective basis to analysts, shareholders, journalists or other persons unless such information has previously been fully disclosed and disseminated to the public. In the event that material information is inadvertently disclosed on the occasion of any meetings with analysts, shareholders, journalists or others, it must be publicly disseminated as promptly as possible.
- (3) There may be limited circumstances where selective disclosure of material information is necessary, for example where the listed corporation is undertaking a corporate exercise or to facilitate a due diligence exercise. In such circumstances, the listed corporation must ensure that the disclosure is restricted to only relevant persons and the strictest confidentiality is maintained.

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- (4) Disclosures of material information can often be made after the market closes. If the disclosure is made immediately before or during trading hours, the Exchange may impose a temporary halt or suspension in trading of the listed corporation's securities. Such a temporary halt or suspension provides an opportunity for the dissemination and evaluation of the information released.
  - (5) Any public disclosure of material information must be made by an announcement first to the Exchange or simultaneously to the Exchange, the press and newswire services. For the avoidance of doubt, a listed corporation must not release any material information to the media even on an embargoed basis until it has given the information to the Exchange.

## **PART E – CLARIFICATION, CONFIRMATION OR DENIAL OF RUMOURS OR REPORTS**

### **9.09 Clarification, confirmation or denial of rumours or reports**

- (1) Whenever a listed corporation becomes aware of any rumour or report, true or false, that contains material information, the listed corporation must make due enquiry and immediately publicly clarify, confirm or deny the rumour or report.
- (2) For the purpose of sub-Rule (1) above, the listed corporation must publicly clarify any rumour or report which is in any form whatsoever and howsoever including that by word-of-mouth and not limited to an article or otherwise, published in a newspaper, newswire, magazine, a broker's market report or any other publication.

### **9.10 Response to rumour or report**

- (1) In the case of a rumour or report containing erroneous material information which has been circulated, the listed corporation must immediately announce to the Exchange a denial or clarification of the rumour or report and provide facts sufficient to support the denial or to clarify any misleading aspects of the rumour or report. A reasonable effort must be made to bring the announcement to the attention of the particular group that initially distributed it. In the case of an erroneous newspaper article, for example, this should be done by sending a copy of the announcement to the newspaper's financial editor, or in the case of an erroneous broker's market report, by sending a copy to the broker responsible for the report.
- (2) In the case of a rumour or report containing material information that is correct, an announcement setting forth the facts must be prepared for public release, which must include but not be limited to, an indication of the state of negotiations or of corporate plans in the rumoured area. Such announcements are essential even if the matter has yet to be presented to the listed corporation's board of directors for consideration.
- (3) In the case of a rumour or report predicting future sales, earnings or other quantitative data, no response from the listed corporation is ordinarily required. However, if such a report is manifestly based on or contains erroneous information, or is wrongly attributed to the listed corporation, the listed corporation must respond promptly to the supposedly factual elements of the rumour or report as required under Rule 9.09 and this Rule 9.10. In addition, the listed corporation must include in the announcement a statement to the effect that the listed corporation itself has made no such prediction and currently knows of no facts that would justify making such a prediction.

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**PART F – RESPONSE TO UNUSUAL MARKET ACTIVITY****9.11 Unusual market activity**

- (1) Where unusual price movement, trading activity, or both (“**unusual market activity**”) occurs, the listed corporation must immediately undertake a due enquiry to seek the cause of the unusual market activity in its securities. The listed corporation must consider in particular whether there is any information concerning the listed corporation which would account for the unusual market activity that -
  - (a) has recently been publicly disclosed;
  - (b) has not been publicly disclosed (in which case the unusual market activity may signify that a “leak” has occurred); or
  - (c) is the subject matter of a rumour or report.
- (2) If the listed corporation determines that the unusual market activity results from material information that has already been publicly disclosed pursuant to these Requirements, generally no further announcement is required, although, if the unusual market activity indicates that such information may have been misinterpreted, the listed corporation must issue a clarifying announcement to the Exchange.
- (3) If the unusual market activity results from a “leak” of previously undisclosed information, the information in question must be publicly disclosed by the listed corporation in accordance with these Requirements.
- (4) If the unusual market activity results from a rumour or report, the listed corporation must comply with Rules 9.09 and 9.10 above.
- (5) Finally, if the listed corporation is unable to determine the cause of the unusual market activity, the listed corporation must announce that there have been no undisclosed developments which would account for the unusual market activity.

**PART G – UNWARRANTED PROMOTIONAL DISCLOSURE ACTIVITY****9.12 Promotional disclosure activity**

- (1) A listed corporation must refrain from promotional disclosure activity in any form whatsoever or howsoever which may mislead investors or cause unwarranted price movement and activity in a listed corporation’s securities.
- (2) Such activity includes news releases, public announcements, predictions, reports or advertisements which are -
  - (a) not justified by actual developments concerning a listed corporation;
  - (b) exaggerated;
  - (c) flamboyant;
  - (d) overstated; or
  - (e) over-zealous.

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**9.13 Hallmarks of promotional disclosure activity**

Although the distinction between legitimate public relations activities and such promotional disclosure activity is one that must necessarily be drawn from the facts of a particular case, the following are frequent hallmarks of promotional activity:

- (a) a series of public announcements unrelated in volume or frequency to the materiality of actual developments concerning a listed corporation;
- (b) announcement of products still in the development stage with unproven commercial prospects;
- (c) promotions and expense-paid trips, or the seeking out of meetings or interviews with analysts and financial writers, which could have the effect of unduly influencing the market activity in the listed corporation's securities and are not justified in frequency or scope by the need to disseminate information about actual developments concerning the listed corporation;
- (d) press releases or other public announcements of a one-sided or unbalanced nature; and
- (e) listed corporation's or product advertisements which in effect promote the listed corporation's securities.

**PART H – INSIDER TRADING****9.14 Prohibitions under the law**

- (1) All listed corporations and parties who may be regarded as insiders must be fully aware of the provisions of the CMSA and the Companies Act 1965.
- (2) For the purpose of this Part, “insider” has the meaning given under section 188 of the CMSA.

**9.15 Prohibition from trading**

Insiders must not trade on the basis of material information which is not known to the investing public.

**PART I – PREPARATION OF ANNOUNCEMENTS****9.16 Content of press or other public announcement**

- (1) The content of a press or other public announcement is as important as its timing. A listed corporation must ensure that each announcement -
  - (a) is factual, clear, unambiguous, accurate, succinct and contains sufficient information to enable investors to make informed investment decisions;
  - (b) is not false, misleading or deceptive, and does not contain any language which is inflammatory, defamatory or scandalous of another person;
  - (c) is balanced and fair. Thus, the announcement must avoid amongst others -
    - (i) the omission of material facts;
    - (ii) the omission of material unfavourable facts, or the slighting of such facts, (e.g. by “burying” them at the end of a press release);

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- (iii) the presentation of favourable possibilities as certain, or as more probable than is actually the case;
  - (iv) the representation with respect to any future performance, occurrence or matter (including the doing of, or the refusing to do, any act) without adequate justification (supported by proper bases and assumptions) or any reasonable grounds for making of such representation;
  - (v) the presentation of revenue or profit estimate, forecast or projection without sufficient qualification, assumptions or factual basis. If any revenue or profit estimate, forecast or projection is released, it must be prepared carefully, with a reasonable factual basis and be stated realistically, with appropriate assumptions and qualifications, so as to ensure that it is properly understood. In addition, the accounting bases and calculations of the estimate, forecast or projection and the assumptions must be reviewed by the external auditors except where the revenue or profit estimate, forecast or projection is required to be released on an immediate basis;
  - (vi) negative statements phrased so as to create a positive implication; e.g. "The company cannot now predict whether the development will have a materially favourable effect on its earnings" (creating the implication that the effect will be favourable even if not materially favourable), or "The company expects that the developments will not have a materially favourable effect on earnings in the immediate future" (creating the implication that the development will eventually have a materially favourable effect); or
  - (vii) the use of promotional jargon calculated to induce investment or create interest in the securities of the listed corporation rather than to inform;
- (d) avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman;
  - (e) explains, if the consequences or effects of the information on the listed corporation's future prospects cannot be assessed, why this is so; and
  - (f) explains, in relation to an announcement on internal targets, that the information disclosed are merely internal management targets or aspirations set to be achieved by the listed corporation and not an estimate, forecast or projection.
- (2) Where an adviser is appointed by the listed corporation for preparation or submission of the announcement to the Exchange, such adviser must also comply with sub-Rule (1) above.
  - (3) A listed corporation or its adviser does not commit a breach of sub-Rules (1) or (2) above, as the case may be, if such person proves that -
    - (a) he had made all enquiries as were reasonable in the circumstances; and
    - (b) after making such enquiries, he had reasonable grounds to believe and did believe until the submission of the announcement that the announcement did fulfil the requirements of sub-Rule (1) above.
  - (4) Where any announcement referred to in sub-Rule (1) above has been submitted to the Exchange and the person referred to in sub-Rules (1) and (2) above subsequently becomes aware that the announcement may not fulfil the requirements of sub-Rule (1) above, the person must immediately notify the Exchange of the same.

*[Cross reference: Guidance Note 5]*

**9.17 Preparation of press or public announcement**

- (1) A listed corporation must comply with the following requirements in respect of its obligation to make disclosure of information under these Requirements:
  - (a) since skill and experience are important to the preparation and editing of press or public announcements, the Exchange requires that the listed corporation identify an individual or limited group of individuals within the listed corporation who are familiar with the requirements of the Exchange, as well as any applicable requirements of the securities laws to undertake the responsibility for disclosure on a continuing basis. As a press or public announcement must usually be prepared and released as quickly as possible, the individual or group charged with this assignment must be able to handle problems that arise suddenly and unexpectedly; and
  - (b) every announcement must be reviewed by a director familiar with the matters about which disclosure is to be made.
- (2) During the period where the listed corporation is required to have a Sponsor pursuant to these Requirements, the announcement must be reviewed and approved by the Sponsor, except for announcements made:
  - (a) pursuant to Rules 9.19(9), (10), (12), (13), (14), (15), (18) and (19) below; or
  - (b) by an Adviser appointed by the listed corporation.

**9.18 Summary of salient points**

- (1) All lengthy announcements to the Exchange should preferably be prefaced by a summary of salient points.
- (2) Where a summary is provided, the listed corporation must ensure that -
  - (a) the summary is in a form suitable for immediate dissemination by the Exchange; and
  - (b) the summary is clear and is an accurate reflection of the announcement.

**PART J – IMMEDIATE DISCLOSURE REQUIREMENTS****9.19 Immediate announcements to the Exchange**

A listed corporation must immediately announce to the Exchange the ~~following~~ events set out below. This requirement is in addition to the other announcement requirements which are imposed under this Chapter and other parts of these Requirements, and are not exhaustive:

- (1) any intention to fix books closing date and its reason, stating the books closing date, which must be at least 10 market days after the date of announcement to the Exchange;
- (2) any recommendation or declaration of a dividend or distribution which complies with the following:-
  - (a) the announcement must include –
    - (i) the rate and amount per share;
    - (ii) the mode (in cash, by shares or both) and date of payment which is within 1 month from the books closing date; and

- (iii) where a Dividend Reinvestment Scheme is applicable to that dividend, to state the same and the amount of the dividend per share which will be subjected to the scheme;
- (b) Where a dividend or distribution is not taxable in the hands of the shareholders, this must be stated in the announcement to the Exchange and on the dividend or distribution advice to shareholders; and
- (c) Where there is a variation in an interim or final dividend or distribution for the corresponding period in the previous year, the directors must state the reasons for the variation at the time of the recommendation or declaration;
- (3) any recommendation or decision that a dividend will not be declared;
- (4) any change in the terms of a debt security or a convertible security;
- (5) any re-organisation of the group structure of the listed corporation;
- (6) any general meeting (other than a meeting convened to pass a special resolution or an annual general meeting), at least 14 days before such meeting is held, and in the case of a meeting convened to pass a special resolution or to hold an annual general meeting, at least 21 days before such meeting is held. The announcement must include the date of the Record of Depositors which the listed corporation requires pursuant to Rule 7.16(2) for purposes of determining whether a depositor shall be regarded as a member entitled to attend, speak and vote at the general meeting;
- (7) all resolutions put to a general meeting of a listed corporation and immediately after such meeting whether or not the resolutions were carried. If the resolution is decided on poll, the announcement must include –
- (a) the total number of votes cast on the poll in favour of and against the resolution; and
- (b) the total number of shareholders who abstained from voting;
- (8) any call to be made upon any of the partly paid share capital of the listed corporation;
- (9) any change of address or telephone number and/or facsimile number of the registered office of the listed corporation or of any office at which the register of securities of the listed corporation is kept;
- (10) any proposed change of name of the listed corporation;
- (11) any change in the financial year end of the listed corporation;
- (12) any change in the composition of the board of directors of the listed corporation. An announcement to the Exchange –
- (a) on the appointment of a directors must include the information contained in Part A of Appendix 9A; or
- (b) on the cessation of office of a director must include the reasons given for the cessation, including but not limited to any information relating to his disagreement with the board and a statement as to whether or not there are any matters that need to be brought to the attention of the shareholders of the listed corporation;



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- (13) any change in the composition of the audit committee of the listed corporation. An announcement to the Exchange on the appointment of audit committee members must state whether the appointees are independent directors;
- (14) any change or proposed change in the chief executive of the listed corporation. An announcement to the Exchange –
- (a) on the appointment of the chief executive must include the information contained in Part B of Appendix 9A; or
  - (b) on the cessation of office of the chief executive must include the reasons given for the cessation, including but not limited to any information relating to his disagreement with the board and a statement as to whether or not there are any matters that need to be brought to the attention of the shareholders of the listed corporation;
- (14A) any change or proposed change in the chief financial officer of the listed corporation. An announcement to the Exchange –
- (a) on the appointment of the chief financial officer must include the information contained in Part B(A) of Appendix 9A; or
  - (b) on the cessation of office of the chief financial officer must include the reasons given for the cessation including but not limited to any information relating to his disagreement with the board and a statement as to whether or not there are any matters that need to be brought to the attention of the shareholders of the listed corporation;
- (15) any or change in the company secretary or external auditors of the listed corporation. An announcement to the Exchange on the cessation of office of the external auditors must include the reasons for the cessation where there are written representations or explanations for such cessation, including but not limited to a statement whether or not there are any matters that need to be brought to the attention of the shareholders of the listed corporation;
- (15A) any change in the independent adviser appointed by the listed corporation pursuant to these Requirements. An announcement on the cessation of service of the independent adviser must include the reasons given for the cessation including but not limited to a statement whether or not there are any matters that need to be brought to the attention of the shareholders of the listed corporation;
- (16) any notice of resignation by or termination of the Sponsor of the listed corporation. The reasons for such resignation or termination must be disclosed;
- (17) any proposed alteration of the memorandum of association or articles of association of the listed corporation;
- (18) any notice relating to substantial shareholding which the listed corporation has received;
- (19) any notice referred to in section 135(1) of the Companies Act 1965 which the listed corporation has received in relation to the listed corporation's securities listed on the Exchange;
- (20) any commencement of winding-up proceedings or winding-up order made against the listed corporation or any of its subsidiaries or major associated companies. **“Commencement of winding-up”** has the meaning given under sections 219 and 255 of the Companies Act 1965. An announcement to the Exchange pertaining to the winding-up must include the information contained in Part C of Appendix 9A;



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- (21) the appointment of a receiver, manager or receiver and manager, liquidator (which includes a provisional liquidator) or special administrator or such other person of a similar capacity over the listed corporation, any of its subsidiaries or major associated companies or any part of the properties of the listed corporation, any of its subsidiaries or major associated companies. An announcement pertaining to the appointment of a receiver, manager or receiver and manager or such other person of a similar capacity must include the information contained in Part D of Appendix 9A. An announcement on the appointment of the liquidator (which includes a provisional liquidator) or special administrator must include the information contained in Part E of Appendix 9A;
  - (22) the procurement of a court order restraining proceedings against a listed corporation or any of its subsidiaries or major associated companies under section 176 of the Companies Act 1965. An announcement on the restraining order must include the information contained in Part F of Appendix 9A;
  - (23) any transaction requiring an announcement to be made under Chapter 10 of these Requirements;
  - (24) any acquisition (including subscription) of shares in another corporation or any other event which results in such corporation becoming a subsidiary of the listed corporation;
  - (25) any disposal of shares in another corporation or any other event which results in such corporation ceasing to be a subsidiary of the listed corporation;
  - (26) any acquisition (including subscription) of shares, in another listed corporation or any other event which results in the holding being 5% or more of the issued and paid-up capital (excluding treasury shares) of that listed corporation;
  - (27) any disposal of shares in another listed corporation or any other event which results in the holding falling below 5% of the issued and paid-up capital (excluding treasury shares) of that listed corporation;
  - (28) any proposed issue or offer of securities by the listed corporation;
  - (29) any scheme of compromise, arrangement, amalgamation or reconstruction;
  - (30) any variation of the rights attaching to a class of securities of the listed corporation;
  - (31) the level of subscription in relation to an issue or offer of securities by the listed corporation;
  - (32) the decision to allocate excess securities in relation to a rights issue by the listed corporation and the basis of such allocation;
  - (33) any change to the utilisation of proceeds raised by the listed corporation from the issuance of securities that deviates by 5% or more from the original utilisation of proceeds;
  - (34) a subdivision of shares or consolidation by the listed corporation;
  - (35) any deviation of 10% or more between the profit after tax and minority interest stated in a profit estimate, forecast or projection previously announced or disclosed in a public document and the announced unaudited financial statements, giving an explanation of the deviation and the reconciliation of the deviation;
  - (36) any deviation of 10% or more between the profit or loss after tax and minority interest stated in the announced unaudited financial statements and the audited financial statements, giving an explanation of the deviation and the reconciliation of the deviation;

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- (37) any circumstances or development which are likely to materially affect the results or outcome of any prospects, revenue or profit estimate, forecast, projection or internal targets of the listed corporation previously announced or disclosed in a public document, giving an explanation of the possible outcome arising from such circumstances or development on the prospects, revenue or profit estimate, forecast, projection or internal targets of the listed corporation;
- (38) any qualification in an external auditors' report giving full details of such qualification;
- (39) a call of securities for redemption by the listed corporation;
- (40) any listing of any part of the securities of a listed corporation or any of its subsidiaries on any other stock exchange, stating which stock exchange;
- (41) any material information or financial documents that is released to or lodged with any other stock exchange or other regulator which is available to the public;
- (42) any change of control in the listed corporation;
- (43) any agreement to sponsor a depository receipt programme. An announcement must include the information contained in Part G of Appendix 9A;
- (44) any material amendment of the terms of the agreement for the sponsorship of a depository receipt programme, or the termination of such programme, stating the reasons and consequences of the termination;
- (45) any discovery of mineralisation or hydrocarbons by a listed corporation or its subsidiaries whose activities include exploration for natural resources stating whether any of the figures or estimates in the discovery have been verified by a geologist, or other expert, and if so, particulars of the geologist or expert;
- (46) any valuation which has been conducted on the non-current assets of the group, where the revaluation surplus or deficit will be incorporated in the financial statements of the listed corporation. The listed corporation must announce the valuation upon the listed corporation's board approving the incorporation of the revaluation surplus or deficit in the financial statements of the listed corporation and must include the information contained in Part H of Appendix 9A in the announcement to the Exchange. The listed corporation must make available a copy each of the valuation reports for inspection at the listed corporation's registered office for a period of 3 months from the date of announcement;
- (47) any material development to corporate proposals previously announced, including the following:
- (a) variation of terms, including any extension of time agreed to or granted by the relevant party to the transaction;
  - (b) lapse of any timeframe stipulated under the agreement for the performance of certain obligations;
  - (c) submission of the proposal and any variation to regulatory authorities for approval;
  - (d) receipt of any decision from regulatory authorities, stating amongst others, conditions imposed or reasons for rejection, where applicable;
  - (e) submission of any application to the regulatory authorities for variation of conditions;

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- (f) lapse of timeframe imposed by the relevant regulatory authorities, within which the corporate proposal must be completed and the submission of any application for extension of time to complete implementation of the corporate proposal; ~~and~~
- (g) ~~termination or~~ completion of the corporate proposal; ~~or~~
- (h) termination of the corporate proposal, stating among others -
- (i) the reasons for the termination;
  - (ii) whether the listed corporation will be pursuing or taking any legal action (where applicable); and
  - (iii) the financial impact (if any) to the listed corporation pursuant to the termination in terms of the effect on earnings per share and net asset per share;
- (47A) any information in relation to a proposed take-over or take-over offer which is required to be announced to the Exchange pursuant to the Take-Overs and Mergers Code;
- (48) in relation to a take-over offer for the acquisition of the listed shares of a listed corporation pursuant to the Take-Overs and Mergers Code or corporate proposal undertaken by or in relation to a listed corporation, upon 90% or more of the listed shares (excluding treasury shares) of the said listed corporation being held by a shareholder either individually or jointly with associates of the said shareholder. In relation to a take-over offer, the listed corporation must include the information contained in Part J of Appendix 9A in the announcement to the Exchange;
- (49) any decision to implement a Share Grant Scheme. An announcement to the Exchange on the decision to implement such a scheme must include the information required of a Share Issuance Scheme in Appendix 6A, where applicable and with the necessary modifications;
- (50) any decision to terminate a Share Grant Scheme before its expiry. An announcement to the Exchange on the termination of such a scheme must include the following information:
- (a) the effective date of termination;
  - (b) the number of shares vested under the scheme; and
  - (c) the reasons for termination; or
- (51) any options or shares offered under a Share Issuance Scheme. The listed corporation must announce the following on the date of the offer:
- (a) date of offer;
  - (b) exercise price of options offered, if applicable;
  - (c) number of options or shares offered;
  - (d) market price of its securities on the date of the offer;
  - (e) number of options or shares offered to each director, if any; and
  - (f) vesting period of the options or shares offered.

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**9.20 Dealings in quoted securities**

- (1) A listed corporation must immediately announce to the Exchange any purchase or sale of securities quoted on the Exchange or any other stock exchange ("**quoted securities**"), entered into by the listed corporation or any of its subsidiaries, resulting in the purchase or sale consideration when aggregated with any other purchase or sale, respectively within the preceding 12 months (excluding such purchase or sale which has been previously announced by the listed corporation pursuant to this Rule), being 5% or more of the listed corporation's latest audited consolidated net assets. The listed corporation must include the following in the announcement to the Exchange:
  - (a) the aggregate purchase or sale consideration within the preceding 12 months which have not been previously announced and such amount as a percentage of the latest audited consolidated net assets of the listed corporation;
  - (b) the total cost, book value and market value of all investments in quoted securities as at the date of the announcement; and
  - (c) any profit or loss arising from the sales in quoted securities during the current financial year.
- (2) Sub-Rule (1) above does not apply to –
  - (a) a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia;
  - (b) purchases or sales in an existing subsidiary or associated company of the listed corporation; and
  - (c) a Participating Organisation.

**9.21 Listed corporation to have a website**

- (1) Every listed corporation must have its own website.
- (2) A listed corporation must publish on its website all announcements made to the Exchange pursuant to these Requirements. The listed corporation must ensure that such announcements are placed on the listed corporation's website as soon as practicable after the same are released on the Exchange's website.
- (3) A listed corporation must ensure that its website contains the email address, name(s) of designated person(s) and their contact numbers to enable the public to forward queries to the listed corporation.
- (4) A listed corporation should ensure that its website is current, informative and contains all information which may be relevant to the listed corporation's shareholders including analyst's briefings.

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**PART K – PERIODIC DISCLOSURES****9.22 Quarterly report**

- (1) A listed corporation must announce to the Exchange, an interim financial report that is prepared on a quarterly basis (“**quarterly report**”), as soon as the figures have been approved by the board of directors of the listed corporation, and in any event not later than 2 months after the end of each quarter of a financial year.
- (2) The listed corporation must include in the quarterly report, the information set out in Appendix 9B and any other information as may be required by the Exchange.
- (3) If a change in the financial year is proposed by a listed corporation, such listed corporation must consult the Exchange as to the period to be covered by the quarterly report.

**9.23 Issue of annual audited financial statements and annual report**

- (1) A listed corporation must issue its annual report that includes annual audited financial statements together with the auditors’ and directors’ reports of the listed corporation, and forward them to the Exchange and shareholders within 6 months from the close of the financial year of the listed corporation.
- (2) A listed corporation must announce to the Exchange its annual audited financial statements together with the auditors’ and directors’ reports within a period not more than 4 months from the close of the financial year of the listed corporation unless the annual report is issued within a period of 4 months from the close of the financial year of the listed corporation.

**9.24 Annual audited financial statements in consolidated form**

A listed corporation must prepare the annual audited financial statements on a consolidated basis.

**9.25 Disclosure in annual report**

- (1) A listed corporation must set out separately in its annual report, the items set out in Appendix 9C.
- (2) Unless otherwise specified in Appendix 9C, the information provided pursuant to Appendix 9C must be information made up to a date not earlier than 6 weeks from the date of the notice of the annual general meeting in the annual report of the listed corporation.

**9.26 Issuance of annual report in CD-ROM**

Without prejudice to other provisions relating to issuance of annual reports, a listed corporation may issue its annual report in CD-ROM to its shareholders provided that it -

- (a) gives a printed copy of its annual report to its shareholder upon the shareholder’s request, whether verbal or written;
- (b) designates a person to attend to the shareholders’ requests as stated in sub-Rule (a) above;
- (c) ensures that a hard copy of the annual report is forwarded to the shareholder requesting the same within 4 market days from the date of receipt of the request;
- (d) designates person(s) to answer queries from shareholders relating to the use of the CD-ROM;

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- (e) issues hard copies of the notice of the annual general meeting, the proxy form and the following documents to its shareholders together with the CD-ROM annual report -
- (i) a note containing the following statement or information:
    - (aa) the listed corporation will forward a hard copy of the annual report to the shareholder within 4 market days from the date of receipt of the verbal or written request;
    - (bb) the listed corporation's web-site and e-mail address, name(s) of designated person(s) attending to shareholders' requests and queries and contact number(s); and
    - (cc) the designated website link or address where a copy of the annual report may be downloaded; and
  - (ii) a request form to enable the shareholder to request for the annual report in hard copy, with the particulars of the listed corporation's facsimile number and mailing address.

#### 9.27 Statutory declaration in relation to accounts

A listed corporation must ensure that the director or person primarily responsible for the financial management of the listed corporation, as the case may be, who signs the statutory declaration pursuant to section 169(16) of the Companies Act 1965 ("**signatory**") satisfies the following requirements:

- (a) the signatory is a member of the Malaysian Institute of Accountants; or
- (b) if the signatory is not a member of the Malaysian Institute of Accountants, the signatory has at least 3 years' working experience and -
  - (i) has passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
  - (ii) is a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (c) the signatory fulfils such other requirements as prescribed or approved by the Exchange.

[Cross reference: Guidance Note 9]

#### 9.28 Suspension or de-listing for failure to comply

- (1) A listed corporation must comply with the timeframes stated in Rules 9.22 and 9.23 above or such extension of time granted by the Exchange (the timeframes and extensions of time granted by the Exchange, if any, will individually or collectively, as the context may require, be referred to as "**Relevant Timeframes**").
- (2) A listed corporation which intends to request for the extension of time referred to in sub-Rule (1) above must do so not later than 15 days before the expiry of the Relevant Timeframes, failing which the Exchange will not consider such application. The listed corporation must immediately announce to the Exchange any extension of time granted in relation to such application.

- (3) If a listed corporation becomes aware or has any reason to believe that it will not be able to issue its quarterly report, annual audited financial statements or annual report, as the case may be, (referred to either individually or collectively, as the context may require, as “**outstanding Financial Statements**”) within the Relevant Timeframes, it must announce this to the Exchange immediately or in any event, not later than 3 market days before the expiry of the Relevant Timeframes.
- ~~(3A) The listed corporation must announce the status of the issuance of the outstanding Financial Statements on or before the last market day of each month following the date of expiry of the Relevant Timeframes until the issuance of the outstanding Financial Statements.~~
- (4) The listed corporation must include —
- ~~(a) in the announcement under sub-Rule (3) above, the all information contained in Part I of Appendix 9A in the announcement under subparagraph (3) above; and~~
- ~~(b) in the announcement under sub-Rule (3A) above, the following information:~~
- ~~(i) the reasons for continuing to fail to issue the outstanding Financial Statements;~~
- ~~(ii) the expected date of issuance of the outstanding Financial Statements; and~~
- ~~(iii) the steps taken or proposed to be taken to issue the outstanding Financial Statements by the expected date of issuance.~~
- (5) If a listed corporation fails to issue the outstanding Financial Statements within 5 market days after the expiry of the Relevant Timeframes (the last day of this 5 market day period is referred to in this Part K as “**Suspension Deadline**”), in addition to any enforcement action that the Exchange may take, the Exchange shall suspend trading in the securities of such listed corporation. The suspension shall be effected on the next market day after the Suspension Deadline and will be uplifted on the market day following the issuance of the outstanding Financial Statements unless otherwise determined by the Exchange.
- (6) If a listed corporation fails to issue the outstanding Financial Statements within 6 months from the expiry of the Relevant Timeframes, in addition to any enforcement action that the Exchange may take, the Exchange shall commence de-listing procedures against such listed corporation.
- (7) For the purposes of this Rule, “**issue**” means announcing to the Exchange or issuing to shareholders as provided under Rule 9.22 or 9.23, as the case may be.

#### 9.29 Memorandum of understanding

A listed corporation must immediately announce to the Exchange on the status of any memorandum of understanding that has been entered into between the listed corporation and a third party and which has been previously announced at least once every quarter or more regularly, upon the occurrence of a material change, whichever is the earlier.

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**PART L – CIRCULARS AND OTHER REQUIREMENTS****9.30 Prior perusal of circulars by the Exchange not required**

- (1) The Exchange will not be perusing the circulars and documents issued to the holder of listed securities before their issuance.
- (2) A listed corporation must include a statement in a circular and other documents issued by the listed corporation to the holders of listed securities that the Exchange has not perused the circular or documents before its issuance.
- (3) Where a circular or document is required to be reviewed and approved by an Adviser or Sponsor, as the case may be, the listed corporation must include a statement in the circular or document that the circular or document has been reviewed and approved by the listed corporation's Adviser or Sponsor, as the case may be.
- (4) Upon issuance of the circulars or documents to the listed securities holders, a listed corporation must submit the requisite number of copies of the circular or document to the Exchange together with a checklist showing compliance with the relevant parts of these Requirements, where applicable.
- (5) Sub-Rule (1) above does not apply -
  - (a) where circulars and documents are issued pursuant to Rule 10.11, Rule 8.03 and Rule 8.04; or
  - (b) under exceptional circumstances where the Exchange deems fit.

**9.31 Standard of disclosure for circulars**

- (1) A listed corporation must ensure that any circular issued to the securities holders of the listed corporation -
  - (a) is factual, clear, unambiguous, accurate, succinct and contains all such information as securities holders and their advisers would reasonably require and reasonably expect to find in a circular of that nature, for the purpose of making an informed decision;
  - (b) is not false, misleading or deceptive;
  - (c) is balanced and fair. Thus, the circular must avoid amongst others -
    - (i) the omission of important unfavourable facts, or the slighting of such facts (e.g. by "burying" them at the end of a press release);
    - (ii) the presentation of favourable possibilities as certain, or as more probable than is actually the case;
    - (iii) the representation with respect to any future performance, occurrence or matter (including the doing of, or the refusing to do, any act) without adequate justification (supported by proper bases and assumptions) or any reasonable grounds for making of such representation;



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- (iv) the presentation of revenue or profit estimates, forecasts or projections without sufficient qualification or sufficient factual basis, or without review by the external auditors of the accounting bases and calculations, and assumptions. If any revenue or profit estimate, forecast or projection is released, it must be prepared carefully, with a reasonable factual basis and be stated realistically, with appropriate assumptions and qualifications, so as to ensure that it is properly understood, and the accounting bases and calculations of the estimate, forecast or projection and the assumptions thereto must be reviewed by the external auditors;
  - (v) negative statements phrased so as to create a positive implication; e.g. "The company cannot now predict whether the development will have a materially favourable effect on its earnings" (creating the implication that the effect will be favourable even if not materially favourable), or "The company expects that the developments will not have a materially favourable effect on earnings in the immediate future" (creating the implication that the development will eventually have a materially favourable effect); and
  - (vi) use of promotional jargon calculated to induce investment or create interest in the securities of the listed corporation rather than to inform;
- (d) avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman; and
  - (e) explains, if the consequences or effects of the information on the listed corporation's future prospects cannot be assessed, why this is so.
- (2) Where an adviser is appointed by the listed corporation for the preparation of the circular for issuance to the holders of the listed securities, such adviser must also comply with sub-Rule (1) above.
  - (3) A listed corporation or its adviser does not commit a breach of sub-Rules (1) or (2) above, as the case may be, if such person proves that –
    - (a) he had made all enquiries as were reasonable in the circumstances; and
    - (b) after making such enquiries, he had reasonable grounds to believe and did believe until the issue of the circular that the circular did fulfil the requirements of sub-Rule (1) above.
  - (4) Where any circular referred to in sub-Rule (1) above has been issued and the person referred to in sub-Rules (1) or (2) above subsequently becomes aware that the circular may not fulfil the requirements of sub-Rule (1) above, the person must immediately notify the Exchange of the same.

### 9.32 Issuance of circular or document

Where a listed corporation announces a corporate proposal (including a transaction), and pursuant to these Requirements a circular or document is required to be issued to its securities holders in relation to such corporate proposal -

- (a) the said listed corporation must submit the circular or document to the Exchange or issue the circular or document as the case may be, in accordance with these Requirements as soon as possible and in any event not later than 2 months from the date of the announcement or the date the last approval necessary for the corporate proposal is obtained from the relevant authority, whichever is the later; and

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- (b) where a draft circular or document is submitted to the Exchange pursuant to Rule 10.11, Rule 8.03 and Rule 8.04, or under such exceptional circumstances required by the Exchange, the circular or document must be issued immediately upon receipt of the Exchange's confirmation that it has no further comments and in any event no later than 14 market days after receipt of such confirmation.

### **9.33 Documents for overseas securities holders**

A listed corporation must forward all documents for overseas securities holders of listed corporation by airmail or any speedier form of transmission.

### **9.34 Copies of documents to be supplied to the Exchange**

A listed corporation must give the Exchange 15 copies or any such number as the Exchange may determine from time to time of -

- (a) all periodic and special reports, circulars, and all other documents released or issued by the listed corporation to the holders of any of its listed securities;
- (b) the annual audited financial statements together with the auditors' and directors' reports and the printed annual report of the listed corporation and all documents required by law to be annexed to such document, as soon as issued; and
- (c) information on the annual general meeting proceedings where the information is additional to that contained in the annual report.

[ End of Chapter ]

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**APPENDIX 9A****Part A****Contents of announcement in relation to the appointment of a director**  
(Rule 9.19(12))

- (a) The name, age, nationality, qualification and whether the position is an executive or non-executive one and whether such director is an independent director.
- (b) Working experience and occupation.
- (c) Any other directorship of public companies.
- (d) Any family relationship with any director and/or major shareholder of the listed corporation.
- (e) Any conflict of interests that he has with the listed corporation.
- (f) The details of any interest in the securities of the listed corporation or its subsidiaries.

**Part B****Contents of announcement in relation to the appointment of a chief executive**  
(Rule 9.19(14))

- (a) The name, age, nationality and qualification.
- (b) Working experience.
- (c) Any other directorships of public companies.
- (d) Any family relationship with any director and/or major shareholder of the listed corporation.
- (e) Where the chief executive is not a director of the listed corporation, whether the appointee has any conflict of interests with the listed corporation or its subsidiaries.
- (f) The details of any interest in the securities of the listed corporation or its subsidiaries.

**Part B(A)****Contents of announcement in relation to the appointment of the chief financial officer**  
(Rule 9.19(14A))

- (a) The name, age, nationality and qualification.
- (b) Working experience.
- (c) Any family relationship with any director and/or major shareholder of the listed corporation.
- (d) Whether the appointee has any conflict of interests with the listed corporation or its subsidiaries.
- (e) The details of any interest in the securities of the listed corporation or its subsidiaries.

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**Part C****Contents of announcement in relation to winding-up proceedings**

(Rule 9.19(20))

- (a) The date of the presentation of the winding-up petition and the date the winding-up petition was served on the listed corporation, its subsidiary or major associated company, as the case may be.
- (b) The particulars of the claim under the petition, including the amount claimed for under the petition and the interest rate.
- (c) The details of the default or circumstances leading to the filing of the winding-up petition against the listed corporation, its subsidiary or major associated company, as the case may be.
- (d) Where winding-up is commenced against a subsidiary, a confirmation as to whether the subsidiary is a major subsidiary.
- (e) Where winding-up is commenced against a subsidiary or major associated company, the total cost of investment in such subsidiary or major associated company.
- (f) The financial and operational impact of the winding-up proceedings on the group.
- (g) The expected losses, if any arising from the winding-up proceedings.
- (h) The steps taken and proposed to be taken by the listed corporation in respect of the winding-up proceedings.

**Part D****Contents of announcement in relation to the appointment of a receiver, manager or receiver and manager or person of similar capacity**

(Rule 9.19(21))

- (a) The date of appointment.
- (b) The details of the corporation which is under the receiver, manager or receiver and manager or other person of similar capacity.
- (c) Where the appointment is in respect of a subsidiary or associated company, a confirmation as to whether the subsidiary or associated company is a major subsidiary or major associated company, as the case may be.
- (d) The net book value of the affected assets.
- (e) The details of the events leading to the appointment of the receiver, manager or receiver and manager or other person of similar capacity.
- (f) The financial and operational impact of the aforesaid appointment on the group, if any.
- (g) The expected losses, if any, arising from the aforesaid appointment.
- (h) The steps taken or proposed to be taken by the listed corporation in respect of the aforesaid appointment.

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**Part E****Contents of announcement in relation to the appointment of a special administrator or liquidator (which includes a provisional liquidator)**

(Rule 9.19(21))

- (a) The date of appointment.
- (b) The particulars of the special administrator or liquidator.
- (c) The details of the events leading to the appointment of the special administrators or liquidator.
- (d) The terms of reference of the special administrators or liquidator.
- (e) The financial and operational impact of the aforesaid appointment on the group, if any.
- (f) The effect of the appointment on the business operations of the listed corporation.
- (g) The steps taken or proposed to be taken by the listed corporation in respect of the appointment of the special administrator or liquidator.
- (h) The role of the board of directors in light of the appointment of the special administrator or liquidator.

**Part F****Contents of announcement in relation to a restraining order**

(Rule 9.19(22))

- (a) The date of commencement and duration of the court order.
- (b) The details of the events leading to the grant of the court order.
- (c) The financial and operational impact on the group, if any.
- (d) The details of the proposed scheme.

**Part G****Contents of announcement in relation to depository receipts**

(Rule 9.19(43))

- (a) The number and names of the custodians holding the securities for which the depository receipts are issued.
- (b) The total number and percentage of the securities for which the depository receipts are issued against the issued and paid-up capital of the listed corporation and a breakdown of the same in respect of the securities held by each custodian.
- (c) The name of the depository bank.
- (d) The stock market in which the depository receipts are traded (if applicable).
- (e) Any other material term.

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**Part H****Contents of announcement in relation to valuation on non-current assets**

(Rule 9.19(46))

- (a) The purpose of the valuation.
- (b) The revaluation surplus or deficit as the case may be.
- (c) The effect of the revaluation surplus or deficit on the net assets per share of the group.
- (d) The name of the valuers.
- (e) The date of valuation.
- (f) The value placed on the asset by the valuer.

**Part I****Information on suspension in view of delay in the issuance of quarterly reports, annual audited financial statements or annual report**

(Rule 9.28(4))

- (a) The reasons for failing to issue the outstanding Financial Statements within the Relevant Timeframe.
- (b) A statement that the suspension of trading will be effected on the next market day after the expiry of 5 market days from the Relevant Timeframe.
- (c) The date suspension of trading will be effected.
- (d) The tentative timeline in respect of the steps taken or proposed to be taken to issue the outstanding Financial Statements, and the status of compliance with such timeline.
- (e) The expected date of issuance of the outstanding Financial Statements.

**Part J****Contents of announcement in relation to a take-over offer**

(Rule 9.19(48))

- (1) In relation to a take-over offer, whether it is the offeror's intention to maintain the listed corporation's listing status.
- (2) A statement containing either (a) or (b) below.
  - (a) if the offeror's intention is to maintain the listed corporation's listing status -
    - (i) the percentage of public shareholding spread;

**Appendix 9A  
Contents of announcement**

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- (ii) a statement that the trading of the securities of the listed corporation will be suspended immediately upon the expiry of 30 market days from the date of immediate announcement by the listed corporation. The suspension will only be uplifted by the Exchange upon the listed corporation's full compliance with the public shareholding spread requirements under Rule 8.02(1) or as may be determined by the Exchange;
  - (iii) the steps taken or proposed to be taken by the listed corporation (if any) to increase its public shareholding spread to above 10% before the date suspension is to be effected;
  - (iv) an explanation of the rectification plan (if any);
  - (v) the tentative timeline for the steps referred to in subparagraph (iii) above and the rectification plan; and
  - (vi) where neither the steps referred to in subparagraph (iii) above nor a rectification plan have been formulated or if no endeavours have been taken to formulate such steps or rectification plan, an appropriate negative statement to such effect; and
- (b) if the offeror's intention is to de-list the listed corporation, that trading in the listed corporation's securities will be suspended immediately upon the expiry of 5 market days from the date of the immediate announcement.

[ End of Appendix ]

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**APPENDIX 9B****Quarterly report**

(Rule 9.22(2))

- (1) A ~~review~~detailed analysis of the performance of ~~the corporation and its principal subsidiaries~~all operating segments of the group, setting out material factors affecting the earnings or revenue of ~~the corporation and the group~~each segment for the current quarter and financial year-to-date.
- (2) An explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter.
- (3) A commentary on the following:
  - (a) the prospects, including the factors that are likely to influence the corporation's prospects for the remaining period to the end of the financial year or the next financial year if the reporting period is the last quarter; and
  - (b) the corporation's progress to achieve the revenue or profit estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document and steps taken or proposed to be taken to achieve the revenue or profit estimate, forecast, projection or internal targets.
- (4) A statement of the board of directors' opinion as to whether the revenue or profit estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved.
- (5) An explanatory note for any (only applicable to the final quarter for corporations which have previously announced or disclosed a profit forecast or profit guarantee in a public document) -
  - (a) variance of actual profit after tax and minority interest and the forecast profit after tax and minority interest (where the variance exceeds 10%); or
  - (b) shortfall in the profit guarantee received by the corporation (if any) and steps taken to recover the shortfall.
- (6) A breakdown of tax charge and an explanation of the variance between the effective and statutory tax rate for the current quarter and financial year-to-date.
- (7) ~~The amount of profits/(losses) on any sale of unquoted investments or properties respectively for the current quarter and financial year to date.~~[Deleted]
- (8) ~~The following particulars of any purchase or disposal of quoted securities other than securities in existing subsidiaries and associated companies by all corporations except closed end funds, a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia, Participating Organisations and such other corporations as may be exempted by the Exchange:~~
  - (a) ~~total purchase consideration and sale proceeds of quoted securities for the current quarter and financial year to date and profit/loss arising from the same;~~
  - (b) ~~investments in quoted securities as at the reporting period~~



- (i) ~~at cost;~~
- (ii) ~~at carrying value/book value; and~~
- (iii) ~~at market value. [Deleted]~~

- (9) (a) The status of corporate proposals announced but not completed at the latest practicable date which will not be earlier than 7 days from the date of issue of the quarterly report.
- (b) Where applicable, a brief explanation of the status of utilisation of proceeds raised from any corporate proposal, which must include the information prescribed in the following table:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations
	RM'000	RM'000		Amount	%	
(i)				RM'000		
(ii)						
(iii)						
(iv)						
(v)						
Total						

- (10) The group borrowings and debt securities as at the end of the reporting period -
- (a) whether secured or unsecured, and a breakdown between secured and unsecured, if applicable;
- (b) breakdown between short term and long term borrowings; and
- (c) whether denominated in foreign currency, and a breakdown of the debt/borrowings in each currency, if applicable.
- (11) ~~A summary of off-balance sheet financial instruments by type and maturity profile at the latest practicable date which must not be earlier than 7 days from the date of issue of the quarterly report, including the following information:~~
- ~~(a) the face or contract amount (or notional principal amount if there is no face or contract amount); and~~
- ~~(b) the nature and terms, including at minimum, a discussion of -~~
- ~~(i) the credit and market risk of those instruments;~~
- ~~(ii) the cash requirement of those instruments; and~~
- ~~(iii) the related accounting policies. [Deleted]~~

- 
- (12) Changes in material litigation (including status of any pending material litigation) since the date of the last annual ~~balance sheet~~statement of financial position-date which must be made up to a date not earlier than 7 days from the date of issue of the quarterly report.
- (13) Dividend: To be completed if a decision regarding dividend has been made. (State whether dividend amount is before tax, net of tax or tax exempt and if before tax or net of tax, state the tax rate):
- (a)
    - (i) an interim/final ordinary dividend has/has not been declared/ recommended;
    - (ii) the amount per share...sen;
    - (iii) the previous corresponding period ... sen;
    - (iv) the date payable...; and
    - (v) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at ....dd/mm/yyyy; and
  - (b) the total dividend for the current financial year...sen.
- (14) To disclose the following in respect of earnings per share:
- (a) the amount used as the numerator in calculating basic and diluted earnings per share and a reconciliation of those amounts to the net profit or loss for the reporting period; and
  - (b) the weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share, and a reconciliation of these denominators to each other.
- (15) Where the audit report of the corporation's preceding annual financial statements was qualified, disclosure of the qualification and the current status of the matter(s) giving rise to the qualification for the current quarter and financial year to date.
- (16) The following items must be included either in the statement of comprehensive income or in the notes to the statement of comprehensive income for the current quarter and financial year to date:
- (a) interest income;
  - (b) other income including investment income;
  - (c) interest expense;
  - (d) depreciation and amortization;
  - (e) provision for and write off of receivables;
  - (f) provision for and write off of inventories;
  - (g) gain or loss on disposal of quoted or unquoted investments or properties;
  - (h) impairment of assets;
  - (i) foreign exchange gain or loss;

(j) gain or loss on derivatives; and

(k) exceptional items (with details).

If any of the items above is not applicable to the listed corporation, a statement to that effect.

(17) The statement of cash flows must include details of the major components on each of the following activities:

(a) the operating activities of the listed corporation;

(b) the investing activities of the listed corporation; and

(c) the financing activities of the listed corporation.

[ End of Appendix ]

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**APPENDIX 9C****Contents of annual report**

(Rule 9.25)

- (1) The address, telephone and facsimile numbers of the registered office.
- (2) The address, telephone and facsimile numbers of each office at which a register of securities is kept.
- (3) The particulars of each director in the listed corporation including the following information:
  - (a) the name, age, nationality, qualification and whether the position is an executive or non-executive one and whether such director is an independent director;
  - (b) working experience and occupation;
  - (c) the date he was first appointed to the board;
  - (d) the details of any board committee to which he belongs;
  - (e) any directorship of public companies;
  - (f) any family relationship with any director and/or major shareholder of the listed corporation;
  - (g) any conflict of interests that he has with the listed corporation;
  - (h) the list of convictions for offences within the past 10 years other than traffic offences, if any; and
  - (i) the number of board meetings attended in the financial year.
- (4) Name of the chief executive and where the chief executive is not a director, the following particulars:
  - (a) the name, age, nationality and qualification;
  - (b) working experience;
  - (c) the date he was first appointed to the listed corporation;
  - (d) the details of any interest in the securities of the listed corporation or its subsidiaries;
  - (e) any directorship of public companies;
  - (f) any family relationship with any director and/or major shareholder of the listed corporation;
  - (g) any conflict of interests that he has with the listed corporation; and
  - (h) the list of convictions for offences within the past 10 years other than traffic offences, if any.
- (5) The name of the company secretary.

- 
- (6) The name, address and telephone number of the Sponsor of the listed corporation.
  - (7) The audit committee report in respect of the financial year required under Rule 15.15.
  - (8) The Chairman's statement which represents the collective view of the board of directors setting out a balanced summary which includes the following:
    - (a) a brief description of the industry trend and development;
    - (b) a discussion and analysis of the group's performance during the year and the material factors underlying its results and financial position. It should emphasise trends and identify significant events or transactions during the year under review; and
    - (c) the prospects of the listed corporation.
  - (9) A statement relating to corporate governance in respect of the financial year required under Rule 15.25.
  - (10) A responsibility statement in respect of the annual audited financial statements required under Rule 15.26(a).
  - (11) A statement on internal control in respect of the financial year required under Rule 15.26(b).
  - (12) The remuneration of directors of the listed corporation for the financial year and in the following manner:
    - (a) the aggregate remuneration of directors with categorisation into appropriate components (e.g. directors' fees, salaries, percentages, bonuses, commission, compensation for loss of office, benefits in kind based on an estimated money value) distinguishing between executive and non-executive directors; and
    - (b) the number of directors whose remuneration falls in each successive band of RM50,000 distinguishing between executive and non-executive directors.
  - (13) The total number of board meetings held during the financial year.
  - (14) Where applicable, a brief explanation of the status of utilisation of proceeds raised from any corporate proposal.
  - (15) The information required under Rule 12.23 in respect of share buy-backs for the financial year.
  - (16) The amount of options or convertible securities issued by the listed corporation which are exercised during the financial year.
  - (17) A brief explanation on the depository receipt programme sponsored by the listed corporation, including the following:
    - (a) the number and names of the custodians holding the securities for which the depository receipts are issued;
    - (b) the total number and percentage of the securities for which the depository receipts are issued against its issued and paid-up capital and a breakdown of the same in respect of the securities held by each custodian;

- 
- (c) the name of the depository bank; and
  - (d) the stock market in which the depository receipts are traded (if applicable).
- (18) Particulars of all sanctions or penalties imposed on the listed corporation and its subsidiaries, directors or management by the relevant regulatory bodies.
- (19) The amount of non-audit fees incurred for services rendered to the listed corporation or its subsidiaries for the financial year by the listed corporation's auditors, or a firm or corporation affiliated to the auditors' firm.
- (20) Where the results for the financial year differ by 10% or more from any profit estimate, forecast or projection or unaudited results previously made or released by the listed corporation for that period, an explanation of the difference and a reconciliation of the difference.
- (21) Any shortfall in the profit guarantee received by the listed corporation in the financial year as compared with the profit guarantee (if any) and steps taken to recover the shortfall.
- (22) Particulars of material contracts of the listed corporation and its subsidiaries, involving directors' and major shareholders' interests, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year, providing the following particulars in respect of each such contract:
- (a) the date;
  - (b) the parties;
  - (c) the general nature;
  - (d) the consideration passing to or from the listed corporation or any other corporation in the group;
  - (e) the mode of satisfaction of the consideration; and
  - (f) the relationship between the director or major shareholder and the contracting party (if the director or major shareholder is not the contracting party).
- If no such material contract has been entered into, a statement to that effect.
- (23) Where the above contract relates to a loan, the following particulars in respect of each loan:
- (a) the names of the lender and the borrower;
  - (b) the relationship between the borrower and the director or major shareholder (if the director or the major shareholder is not the borrower);
  - (c) the purpose of the loan;
  - (d) the amount of the loan;
  - (e) the interest rate;
  - (f) the terms as to payment of interest and repayment of principal; and
  - (g) the security provided.

- (24) A statement indicating the date of such statement and setting out -
- (a) the names of the substantial shareholders (excluding bare trustees) and their direct and deemed interests stating the number and percentage of shares in which they have an interest as shown in the register of substantial shareholders of the listed corporation;
  - (b) a statement showing the direct and deemed interests of each director (including number and percentage) in the listed corporation, or in a related corporation, appearing in the register maintained under section 134 of the Companies Act 1965;
  - (c) the number of holders of each class of equity securities and any convertible securities and the voting rights attaching to each class;
  - (d) a distribution schedule of each class of equity securities and any convertible securities setting out the number of holders and percentage in the following categories:

No. of Holders	Holdings	Total Holdings	%
	less than 100		
	100 to 1,000		
	1,001 to 10,000		
	10,001 to 100,000		
	100,001 to less than 5% of issued shares		
	5% and above of issued shares		
	_____		100%

- (e) the names of the 30 securities account holders having the largest number of securities from each class of equity securities and convertible securities according to the Record of Depositors (without aggregating the securities from different securities accounts belonging to the same person) and the number and percentage of equity securities and convertible securities of each class held. In the case of securities account holders which are authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991, information in the account qualifier field of the securities account must also be stated.
- (25) ~~A statement regarding the revaluation policy on landed properties in respect of the financial year.~~[\[Deleted\]](#)
- (26) Particulars of each property of the listed corporation or its subsidiaries which net book value is 5% or more of the consolidated total assets of the listed corporation as at the end of the financial year ("**material properties**"). In the event the number of the material properties is less than 10, particulars of the top 10 properties in terms of highest net book value (inclusive of the material properties) as at the end of the financial year. Particulars of such properties to be set out are as follows:
- (a) the address of each property;
  - (b) in respect of each property:
    - (i) a brief description (e.g. land or buildings, approximate areas, etc);
    - (ii) the existing use (e.g. shops, offices, factories, residential, etc);

- (iii) the tenure (i.e. freehold, or leasehold and if leasehold, the date of expiry of the lease);
- (iv) the approximate age of the buildings;
- (v) the net book value; and
- (vi) where revaluation has been carried out, the date of last revaluation and if none, the date of acquisition.
- (27) A statement by the audit committee in relation to allocation of options or shares pursuant to a ~~share scheme for employees~~ Share Issuance Scheme as required under Rule 8.19.
- (28) The following information in relation to an Employee Share Scheme:
- (a) the number of schemes currently in existence during the financial year, and brief details of each scheme including –
- (i) total number of options or shares granted;
- (ii) total number of options exercised or shares vested; and
- (iii) total options or shares outstanding;
- (b) in regard to options or shares granted to the directors and chief executive:
- (i) aggregate options or shares granted;
- (ii) aggregate options exercised or shares vested; and
- (iii) aggregate options or shares outstanding;
- (c) in regard to options or shares granted to the directors and senior management –
- (i) aggregate maximum allocation applicable to directors and senior management in percentage; and
- (ii) the actual percentage granted to them,
- during the financial year and since commencement of the scheme respectively; and
- (d) Aa breakdown of the options offered to and exercised by, or shares granted to and vested in (if any) by non-executive directors pursuant to an Employee sShare sScheme for employees in respect of the financial year in tabular form as follows:
- | Name of director | Amount of options/<br><u>offeredshares granted</u> | Amount of options<br>exercised/ <u>shares vested</u> |
|------------------|--|--|
| 1.               |  |  |
| 2.               |  |  |
| 3.               |  |  |
| Total            |  |  |



**Appendix 9C**  
**Contents of annual report**

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- (29) A statement by the board of directors containing a brief description on the type of training that the directors have attended for the financial year. Where any of the directors have not attended any training during the financial year, to state the reasons for each director.
- (30) A brief description of the corporate social responsibility activities or practices undertaken by the listed corporation and its subsidiaries or if there are none, a statement to that effect.
- (31) A statement relating to the internal audit function of the listed corporation, i.e. whether the internal audit function is performed in-house or is outsourced and the costs incurred for the internal audit function in respect of the financial year.

[ End of Appendix ]

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**CHAPTER 10 TRANSACTIONS****PART A – GENERAL****10.01 Introduction**

This Chapter sets out the requirements that must be complied with in respect of transactions entered into by a listed corporation or its subsidiaries.

**PART B – DEFINITIONS****10.02 Definitions**

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

- (a) **“acquisition or disposal of assets”** includes an option to acquire or dispose of assets;
- (b) **“assets”** means all types of assets including securities, and business undertakings;
- (c) **“director”** has the meaning given in section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon -
  - (i) a director of the listed corporation, its subsidiary or holding company; or
  - (ii) a chief executive of the listed corporation, its subsidiary or holding company;
- (d) **“financial assistance”** includes -
  - (i) lending or advancing of money;
  - (ii) guaranteeing, indemnifying or providing collateral for a debt; or
  - (iii) forgiving a debt, releasing or neglecting to enforce a financial obligation of another, or assuming the financial obligations of another;
- (e) **“joint venture”** means a contractual arrangement between 2 or more parties to undertake a specific business project subject to joint control in which the parties meet the costs of the project and receive a share of any resulting output;
- (eA) **“Major Disposal”** means a disposal of all or substantially all of a listed corporation’s assets which may result in the listed corporation being no longer suitable for continued listing on the Official List;
- (f) **“major shareholder”** includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed corporation as defined under Rule 1.01 or any other corporation which is its subsidiary or holding company;

- 
- (g) “**percentage ratios**” means the figures, expressed as a percentage, resulting from each of the following calculations:
- (i) the value of the assets which are the subject matter of the transaction, compared with the net assets of the listed corporation;
  - (ii) net profits (after deducting all charges and taxation and excluding extraordinary items) attributable to the assets which are the subject matter of the transaction, compared with the net profits of the listed corporation;
  - (iii) the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of the listed corporation;
  - (iv) the equity share capital issued by the listed corporation as consideration for an acquisition, compared with the equity share capital previously in issue (excluding treasury shares);
  - (v) the aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of the listed corporation (excluding treasury shares);
  - (vi) the total assets which are the subject matter of the transaction compared with the total assets of the listed corporation;
  - (vii) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the listed corporation compared with the total assets of the listed corporation or in the case where a joint venture corporation is incorporated as a result of the joint venture, the total equity participation of the listed corporation in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net assets of the listed corporation. The value of the transaction should include shareholders' loans and guarantees to be given by the listed corporation; or
  - (viii) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the listed corporation, in the case of a disposal and where the acquisition of the subject matter took place within the last 5 years;
- (h) “**Recurrent Related Party Transaction**” means a related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of a listed corporation or its subsidiaries;
- (i) “**related party transaction**” means a transaction entered into by the listed corporation or its subsidiaries which involves the interest, direct or indirect, of a related party;

- 
- (j) **“transaction”**, in relation to -
- (i) Part D of this Chapter, means the acquisition or disposal of assets by a listed corporation or its subsidiaries and includes any of the following actions undertaken by a listed corporation:
- (aa) disposing of: or
- (bb) granting, accepting, exercising or discharging an option or any other right or obligation, present or future, conditional or unconditional, to dispose of,
- a listed corporation’s developmental rights, all or substantially all its rights, benefits, or control in an asset,
- but excludes transactions of a revenue nature in the ordinary course of business;
- (ii) Part E of this Chapter, includes -
- (aa) the acquisition, disposal or leasing of assets;
- (bb) the establishment of joint ventures;
- (cc) the provision of financial assistance;
- (dd) the provision or receipt of services; or
- (ee) any business transaction or arrangement entered into,
- by a listed corporation or its subsidiaries; and
- (iii) Parts D and E of this Chapter, excludes transactions entered into between a listed corporation (or any of its wholly-owned subsidiaries) and its wholly owned subsidiary;
- (k) **“value of the consideration”** includes any liability to be assumed; and
- (l) **“very substantial transaction”** means a disposal or acquisition of an asset where any of the percentage ratios is 100% or more, except an acquisition which will result in a significant change in the business direction or policy of a listed corporation.

## PART C – VALUATION AND INFORMATION

### 10.03 Basis of valuation

- (1) For the purpose of determining the value of the assets referred to in Rule 10.02(g)(i), the following applies:
- (a) in an acquisition of equity interest in a corporation which would not result in such equity interest being accounted for using the equity method, the value is to be assessed by reference to the cost of investment;

- 
- (b) in an acquisition of equity interest in a corporation which would result in -
- (i) such equity interest being accounted for using the equity method; or
  - (ii) such corporation being consolidated into the group accounts (“**consolidation**”)
- the value is to be assessed by reference to the book value of the net assets represented by such equity interest;
- (c) in a disposal of equity interest in a corporation where before the disposal such equity interest was not accounted for using the equity method, the value is to be assessed by reference to the carrying amount of the investment;
- (d) in a disposal of equity interest in a corporation where before the disposal -
- (i) such equity interest was accounted for using the equity method; or
  - (ii) such corporation was included in consolidation;
- the value is to be assessed by reference to the book value of the net assets represented by such equity interest; or
- (e) in any acquisition of assets other than equity interest, the value of such assets is to be assessed by reference to the consideration. In the case of any disposal of assets other than equity interest, the value of such assets must be assessed by the consideration or the net book value of those assets, whichever is the greater.
- (2) For the purposes of determining the net profits attributable to the assets referred to in Rule 10.02(g)(ii) in relation to -
- (a) an acquisition of equity interest in a corporation which would not result in such equity interest being accounted for using the equity method, the net profits are to be assessed by reference to the dividend income derived from such investment based on the last financial year end of such corporation; and
  - (b) a disposal of equity interest of a corporation where, before the disposal such equity interest was not accounted for using the equity method, the net profits are to be assessed by reference to the dividend income derived from such investment based on the last financial year end of such corporation.
- (3) The market value of the equity share capital of the corporation will be determined as the weighted average market price for the equity share capital for the 5 market days before the date on which the terms of the transaction were agreed upon.
- (4) For the purpose of computation of indicators of materiality (including the percentage ratios) in this Chapter, the following applies:
- (a) the figures used must, in the case of total assets, net assets, net book value of assets and net profits, be figures shown in the latest published or announced audited financial statements of the listed corporation or audited consolidated financial statements of the listed corporation, if the listed corporation has subsidiaries;

- 
- (b) the total assets, net assets and net book value of assets may be adjusted to take into account subsequent completed transactions in respect of which adequate information has already been issued to shareholders and where the adjustments have been reviewed by the listed corporation's external auditors and a copy of the external auditors' review report is furnished to the Exchange;
  - (c) the listed corporation may use the total assets, net assets, net book value of assets included in the ~~balance sheet~~[statement of financial position](#) in its latest published or announced interim financial report provided that the report has been reviewed by the listed corporation's external auditors and a copy of the external auditors' review report is furnished to the Exchange;
  - (d) the listed corporation may use the net profits based on the unaudited 12 months results provided that the results have been reviewed by the listed corporation's external auditors and a copy of the external auditors' review report is furnished to the Exchange; and
  - (e) the figures used must, in the case of cost of investment or carrying amount of the investment referred to in sub-Rule (1) above, be based on -
    - (i) the latest published or announced audited financial statements of the listed corporation or audited consolidated financial statements of the listed corporation, if the listed corporation has subsidiaries; or
    - (ii) the latest published or announced interim financial report of the listed corporation provided that the report has been reviewed by the listed corporation's external auditors and a copy of the external auditors' review report is furnished to the Exchange.
- (5) In the case of an acquisition or disposal by the grant or exercise of an option, the consideration for the acquisition or disposal is the total of the issue price of the option and its exercise price.
- (6) If deferred consideration is or may be payable or receivable by a listed corporation or its subsidiary in the future, the consideration to be taken into account is the maximum total consideration payable or receivable under the transaction.
- (7) In circumstances where any one of the percentage ratios produces an anomalous result or where the percentage ratios are inappropriate to the sphere of the activity of the listed corporation, or for any other reason that the Exchange deems fit, the Exchange may -
- (a) disregard the results or percentage ratio; and/or
  - (b) substitute or apply other relevant indicators of size.
- (8) The calculation set out in sub-Rule 10.02(g)(v) is only applicable in respect of -
- (a) transactions involving consideration in the form of listed equity shares; or
  - (b) transactions where all the other percentage ratios produce anomalous results or are inapplicable.

- 
- (9) In relation to any acquisition or disposal of equity interest in a corporation, the calculation set out in sub-Rule 10.02(g)(vi) is only applicable where -
- (a) the acquisition would result in such corporation being included in consolidation; or
  - (b) before the disposal, such corporation was included in consolidation.
- (10) For the purposes of this Rule, unless the context otherwise requires, the following words or expressions have the meanings given under the approved accounting standards of the Malaysian Accounting Standards Board:
- (a) equity method;
  - (b) carrying amount; and
  - (c) consolidation.

#### 10.04 Valuation

- (1) A listed corporation must ensure that a valuation is conducted where -
- (a) a transaction involves an acquisition or disposal of any real estate or any corporation which owns real estate; and
  - (b) any one of the percentage ratios of the transaction is –
    - (i) 25% or more, for a transaction falling under Part D; or
    - (ii) 5% or more, for a related party transaction falling under Part E.
- (2) For the purpose of sub-Rule (1) above, a valuation is required for an acquisition or disposal of a corporation which owns real estate –
- (a) if the corporation is a property development or property investment corporation, the valuation must be conducted on all material real estate; and
  - (b) if the corporation is not a property development or property investment corporation, a valuation is only required if the real estate is to be revalued or has been revalued and the revalued amount is used, whether wholly or partly, as the basis in determining the purchase or disposal consideration.
- (3) Where a valuation is required under sub-Rules (1) and (2) above, the listed corporation must -
- (a) submit to the Exchange 2 copies of the valuation report on the real estate concerned and a copy of the valuer's undertaking letter in the form of Appendix 6D immediately after the listed corporation announces the transaction (if available) or as soon as the valuation report is ready. In any event, the listed corporation must submit the valuation report together with the valuer's undertaking letter to the Exchange at least 1 month before it submits its circular in relation to the transaction to the Exchange; and
  - (b) ensure that the date of valuation which forms the basis of the valuation certificate included in the circular is not more than 6 months before the date of the circular issued to shareholders.

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- (4) A listed corporation and its valuer must ensure that the valuation report submitted pursuant to sub-Rule 3 above complies with these Requirements and the SC's Asset Valuation Guidelines.
  - (5) If the listed corporation or the valuer becomes aware of any circumstances or significant change which has or will have material effect on the content, validity or accuracy of its valuation report before the date of issuance of the circular, the valuer and the listed corporation must cause the valuation report to be updated. If the listed corporation fails to do so, the valuer must withdraw its consent to the inclusion of the valuation report in the circular.
  - (6) Notwithstanding sub-Rules (1), (2) and (3) above, the Exchange may at its discretion and whenever it deems appropriate, at the cost of the listed corporation -
    - (a) obtain a second opinion on the valuation report submitted by the listed corporation from another valuer appointed by the Exchange; or
    - (b) require a listed corporation to conduct a valuation on the asset proposed to be acquired or disposed in respect of any transaction other than the transaction referred to in sub-Rules (1) and (2) above.
  - (7) A listed corporation and its valuer must comply with the instruction, directive or condition imposed by the Exchange and within such timeframe as may be specified by the Exchange.
  - (8) The Exchange may refer any valuation report received by the Exchange to the SC for review. The listed corporation and its valuer must provide the Exchange or the SC on a timely basis, any information or assistance required in relation to the valuation report.
  - (9) For the purposes of sub-Rules (3)(a), (4), (5) and (8) above, a "**valuation report**" includes a valuation certificate.

## PART D – ACQUISITIONS AND DISPOSALS

### 10.05 Requirements for transactions with percentage ratio below 5%

- (1) Subject to Rule 10.08(1), where all the percentage ratios of a transaction are less than 5% and the consideration is satisfied in cash or unquoted securities, no announcement of the transaction to the Exchange is required.
- (2) If the listed corporation wishes to voluntarily announce the transaction to the Exchange, the listed corporation must include –
  - (a) the details of the consideration;
  - (b) the particulars of the transaction; and
  - (c) a statement that the directors, major shareholders or person connected with them have no interest, direct or indirect, in the transaction.
- (3) Where the consideration for the transaction is satisfied wholly or partly in securities for which listing is being sought, the listed corporation must immediately announce the transaction in accordance with Rule 10.06.



**10.06 Requirements for transactions with percentage ratio of 5% or more**

- (1) Where any one of the percentage ratios of a transaction is 5% or more, the listed corporation must announce the transaction to the Exchange as soon as possible after terms of the transaction have been agreed. The listed corporation must include the information set out in Appendix 10A in the announcement.
- (2) The listed corporation must also furnish the Exchange, in a separate letter, the percentage ratios applicable to such transaction.
- (3) Sub-Rules (1) and (2) do not apply to a transaction where the value of the consideration of the transaction is less than RM100,000.

**10.07 Requirements for transactions with percentage ratio of 25% or more**

- (1) Where any one of the percentage ratios of a transaction is 25% or more, in addition to the requirements of Rule 10.06, the listed corporation must -
  - (a) appoint a Sponsor or Adviser, as the case may be, before the terms of the transaction are agreed upon;
  - (b) issue a circular which includes the information set out in Appendix 10B to its shareholders; and
  - (c) seek shareholder approval of the transaction in a general meeting.
- (2) The listed corporation's Sponsor or Adviser, as the case may be, must submit a copy of the circular to the Exchange together with a checklist showing compliance with Appendix 10B.
- (3) Sub-Rules (1) and (2) do not apply to a transaction where the value of the consideration of the transaction is less than RM100,000.

**PART E – RELATED PARTY TRANSACTIONS****10.08 Related party transactions**

- (1) Where any one of the percentage ratios of a related party transaction is 0.25% or more, a listed corporation must announce the related party transaction to the Exchange as soon as possible after terms of the transaction have been agreed, unless -
  - (a) the value of the consideration of the transaction is less than RM100,000; or
  - (b) it is a Recurrent Related Party Transaction.

The listed corporation must include the information set out in Appendices 10A and 10C in the announcement.

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- (2) Subject to the provisions of sub-Rules (9) and (10) below, where any one of the percentage ratios of a related party transaction is 5% or more, in addition to sub-Rule (1), a listed corporation must -
- (a) send a circular which includes the information set out in Appendix 10B and Appendix 10D to the shareholders. The circular must also be submitted to the Exchange together with a checklist showing compliance with Appendix 10B and Appendix 10D;
  - (b) obtain its shareholder approval of the transaction in a general meeting; and
  - (c)
    - (i) appoint an independent adviser; and
    - (ii) engage the services of a Sponsor or Adviser, as the case may be, before the terms of the transaction are agreed upon.
- (3) (a) The independent adviser referred to in sub-Rule (2)(c) above must -
- (i) be a person from the Register of Sponsors; and
  - (ii) if appointed during the Sponsorship Period, be a person other than the listed corporation's Sponsor.
- (b) The independent adviser must, in relation to the transaction -
- (i) comment as to -
    - (aa) whether the transaction is fair and reasonable so far as the shareholders are concerned; and
    - (bb) whether the transaction is to the detriment of minority shareholders; andsuch opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
  - (ii) advise minority shareholders on whether they should vote in favour of the transaction; and
  - (iii) take all reasonable steps satisfy itself that it has a reasonable basis to make the comments and advice in sub-Rules (i) and (ii) above.
- (4) It is the duty and responsibility of the Sponsor or Adviser referred to in sub-Rule 2(c)(ii) above to -
- (a) ensure that such transaction -
    - (i) is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the listed corporation; and
    - (ii) complies with the relevant laws, regulations or guidelines, where applicable; and
  - (b) ensure full disclosure of all information required to be disclosed in the announcement and circular.

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- (5) The Exchange has the discretion not to allow an independent adviser to continue to act or be appointed as an independent adviser if, in its opinion, the adviser is deemed not to be independent.
- (6) A director with any interest, direct or indirect ("**interested director**") must abstain from board deliberation and voting on the relevant resolution in respect of the related party transaction.
- (7) In a meeting to obtain shareholder approval -
- (a) the interested director, major shareholder or person connected with a director or major shareholder with any interest, direct or indirect ("**interested major shareholder**" or "**interested person connected with a director or major shareholder**"); and
  - (b) where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder,
- must not vote on the resolution approving the transaction. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transaction.
- (8) An interested director in a related party transaction, must inform the board of directors of the listed corporation or its subsidiary, as the case may be, the details of the nature and extent of his interest, including all matters in relation to the proposed transaction that he is aware or should reasonably be aware of, which is not in the best interest of the listed corporation or its subsidiary, as the case may be.
- (9) Where any one of the percentage ratios of a related party transaction entered into between a subsidiary of a listed corporation and another person, is 5% or more and there are no other interested relationships except for a related party having an interest in the transaction who is -
- (a) a director or major shareholder of such subsidiary or the holding company of such subsidiary (other than the listed corporation or the holding company of the listed corporation) ("**said director**" or "**said major shareholder**"); or
  - (b) a person connected with the said director or said major shareholder;
- the listed corporation is exempted from -
- (i) issuing a circular to shareholders;
  - (ii) obtaining shareholder approval of the transaction in general meeting; and
  - (iii) appointing an independent adviser or engaging the service of a Sponsor or Adviser;
- provided that the board of directors of the listed corporation -
- (aa) approves the transaction before the terms of transaction are agreed upon; and
  - (bb) ensures that the transaction is fair and reasonable to the listed corporation, and is in the best interests of the listed corporation.

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- (10) Sub-Rules (1), (2), (3), (4) and (9) do not apply to a related party transaction where the value of the consideration of the transaction is less than RM100,000.
- (11) The following transactions are not normally regarded as related party transactions:
- (a) the payment of dividend, issue of securities by the listed corporation by way of a bonus issue or for cash (subject to Rule 6.07), subdivision of shares, consolidation of shares or reduction in the par value of shares;
  - (b) ~~a transaction between a listed corporation or any of its subsidiaries and an investee corporation, where the related party has no interest in the investee corporation other than via the listed corporation; [deleted]~~
  - (c) a transaction between the listed corporation or any of its subsidiaries and another person, where there are no other interested relationships except for common directorships provided that the directors who have common directorships have -
    - (i) shareholdings in the other person which is less than 1% other than via the listed corporation; and
    - (ii) no other interest such as commission or other kinds of benefits received from the listed corporation or any of its subsidiaries or the other person in relation to the said transaction;
  - (d) an acquisition or disposal by the listed corporation or any of its subsidiaries from or to a third party of an interest in another corporation where the related party holds less than 5% in that other corporation other than via the listed corporation;
  - (e) the provision or receipt of financial assistance or services, upon normal commercial terms and in the ordinary course of business, from a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia;
  - (f) directors' fees and remuneration, and employment remuneration;
  - (g) a transaction between a listed corporation or any of its subsidiaries and another person for the provision or receipt of goods or services which are Exempted Transactions where-
    - (i) the goods or services are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted; and
    - (ii) all material terms including the prices or charges are applied consistently to all customers or classes of customers.

For the purposes of this sub-Rule -

- (i) "**goods**" excludes securities;
- (ii) "**classes of customers**" excludes such class by reason solely or otherwise that the customers are related parties of the listed corporation or its subsidiaries;

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- (iii) **"Exempted Transactions"** means the following:
- (aa) provision or usage of public utility services such as water, electricity, telecommunications, postal or courier services, insurance, unit trusts, stockbroking services, public transport, education, medical services, provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and
  - (bb) such other types of transactions that may be prescribed by the Exchange from time to time;
- (h) the entry into or renewal of tenancy of properties of not more than 3 years, the terms of which are supported by an independent valuation;
- (i) a contract that is awarded by or on behalf of the Government of Malaysia or a State Government to the listed corporation or its subsidiary provided that the listed corporation immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C in the announcement;
- (j) a contract that is awarded by way of a public tender -
- (i) in relation to the listed awarder or its subsidiaries provided that the listed corporation immediately announces to the Exchange the terms of the awarded contract and the value of at least the 3 closest bids or if not applicable, such lesser number of bids received; and
  - (ii) in relation to the successful listed bidder or its subsidiaries provided that -
    - (aa) the awarder is listed or is a subsidiary of a listed corporation;
    - (bb) majority of the directors and members of the audit committees of the listed corporations (whether as the bidder or the awarder or the holding companies of the bidder or awarder subsidiaries) are different; and
    - (cc) the listed bidder immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C in the announcement;
- (k) a transaction between a listed corporation or any of its subsidiaries and another person which involves the sharing of services or facilities provided by one of more of such parties or other similar arrangements whereby the consideration merely involves reimbursement or sharing of costs in proportion to the utilisation of the services or facilities;
- (l) a transaction between the listed corporation or any of its subsidiaries and another person where there are no other interested relationships except for the related party having shareholdings in the other person which is less than 5% other than via the listed corporation;

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- (m) a transaction between the listed corporation or any of its subsidiaries and another person where there are no other interested relationships except for -
- (i) common major shareholders; or
  - (ii) a person connected with a major shareholder being a major shareholder of the other person,
- provided that the following conditions are satisfied:
- (aa) the major shareholder and/or the person connected with the major shareholder is/are not the largest shareholder of the listed corporation;
  - (bb) the major shareholder and/or the person connected with the major shareholder is/are not a party to the said transaction, initiator, agent or involved in any other manner in the said transaction;
  - (cc) the major shareholder does not have any representative in an executive capacity on the board of directors of the listed corporation or any of its subsidiaries; and
  - (dd) the major shareholder is -
    - (A) a statutory institution who is managing funds belonging to the general public;
    - (B) a closed end fund, unit trust or investment fund (but excluding an investment holding corporation); or
    - (C) an insurance corporation whose activities are regulated by any written law relating to insurance and are subject to supervision by Bank Negara Malaysia and the said insurance corporation is managing its insurance funds (together with its own shareholders' funds or otherwise). For the purposes of this sub-Rule, "**insurance funds**" has the meaning given in section 2 of the Insurance Act 1996;
- (n) a transaction between the listed corporation and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed corporation or person connected with such director or major shareholder having an interest in the transaction;
- (o) a transaction between a subsidiary of a listed corporation ("**transacting subsidiary**") and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed corporation (other than the transacting subsidiary or holding companies of the transacting subsidiary) or a person connected with such director or major shareholder having an interest in the transaction;
- (p) subscription to or acquisition by a listed corporation or its unlisted subsidiaries of debt securities and/or redeemable preference shares issued by or on behalf of the Government of Malaysia, Bank Negara Malaysia, and/or a State Government; or

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- (q) a disposal by a listed corporation or any of its subsidiaries of an interest in an investee corporation where a related party is also a major shareholder or person connected with a major shareholder of the investee corporation (other than via the listed corporation), provided that -
- (i) the related party, person connected with the related party or both, are not a party, initiator or agent to the said disposal; and
  - (ii) the disposal is effected on the Exchange where the counterparty's identity is unknown to the listed corporation or its subsidiaries (as the case may be) at the time of the disposal.

For the purpose of this sub-Rule (q), a “**disposal**” includes a disposal by a listed corporation or any of its subsidiaries of an interest in an investee corporation on a pro-rata basis or arising from an acceptance of a take-over offer, except that sub-Rule (q)(ii) above will not be applicable in such instances.

#### 10.09 Recurrent Related Party Transactions

- (1) Notwithstanding Rule 10.08(1)(b) above, a listed corporation must immediately announce a Recurrent Related Party Transaction as follows:
- (a) in relation to a listed corporation with an issued and paid-up capital of RM60 million and above -
    - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or
    - (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more, whichever is the higher; or
  - (b) in relation to a listed corporation with an issued and paid-up capital which is less than RM60 million -
    - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or
    - (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more, whichever is the lower.
- (2) A listed corporation may seek a mandate from its shareholders for Recurrent Related Party Transactions subject to the following:
- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
  - (b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under sub-Rule (1) above;

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- (c) the listed corporation's circular to shareholders for the shareholder mandate includes the information as may be prescribed by the Exchange. The circular must be submitted to the Exchange together with a checklist showing compliance with such information;
  - (d) in a meeting to obtain a shareholder mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
  - (e) the listed corporation immediately announces to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the listed corporation, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.

*[Cross reference: Guidance Note 8]*

- (3) Where a listed corporation has procured a shareholder mandate pursuant to sub-Rule (2) above, the provisions of Rule 10.08 will not apply.

## **PART F – VERY SUBSTANTIAL TRANSACTION AND SIGNIFICANT CHANGE IN THE BUSINESS DIRECTION OR POLICY**

### **10.10 Very substantial transaction**

Where a transaction is a very substantial transaction, the listed corporation and its Sponsor or Adviser, as the case may be, must include additional information set out in Part G of Appendices 10A and 10B, respectively, in the announcement of the transaction to the Exchange and the circular issued to the shareholders.

### **10.11 Significant change in the business direction or policy of a listed corporation**

- (1) Where a transaction will result in a significant change in the business direction or policy of the listed corporation, the listed corporation and its Sponsor or Adviser, as the case may be, must include additional information set out in Part H of Appendices 10A and 10B respectively, in the announcement of the transaction to the Exchange and the circular issued to the shareholders, as the case may be.
- (2) A listed corporation must submit to the Exchange for perusal, a draft copy of all circulars and other documents in relation to a transaction which will result in a significant change in the business direction or policy of the listed corporation, proposed to be sent to the holders of listed securities, within a reasonable time before printing together with a checklist showing compliance with the relevant parts of these Requirements.
- (3) A listed corporation must ensure that the draft circular or other draft documents submitted to the Exchange pursuant to sub-Rule (2) above are precise and complete. The Exchange reserves the right to return such documents which are incomplete or deemed unsatisfactory in the opinion of the Exchange.



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- (4) A listed corporation must not issue any of the circulars and such documents referred to in sub-Rule (2) above until the Exchange has confirmed in writing that it has no further comments on the circulars or documents. Upon receipt of confirmation by the Exchange that it has no further comments on the draft circulars or documents, the circular or document must be issued immediately and in any event, no later than 7 market days after receipt of such confirmation.

## **PART F(A) – MAJOR DISPOSAL OF ASSETS RESULTING IN LISTED CORPORATIONS NO LONGER SUITABLE FOR LISTING**

### **10.11A Major Disposal**

- (1) A listed corporation which intends to undertake a Major Disposal must:
- (a) appoint a Sponsor or Adviser, as the case may be, to be the main adviser, before the terms of the Major Disposal are agreed upon;
  - (b) appoint an independent adviser;
  - (c) include additional information set out in Part I of Appendix 10A and Appendix 10B respectively, in the announcement of the Major Disposal to the Exchange, and the circular issued to the shareholders; and
  - (d) convene a general meeting and obtain shareholder approval of at least 75% in value of the shareholders present and voting either in person or by proxy at the meeting for such Major Disposal.
- (2) The main adviser must, in relation to the Major Disposal -
- (a) ensure that the Major Disposal complies with the relevant laws, regulations or guidelines, where applicable; and
  - (b) ensure full disclosure of all information required to be disclosed in the announcement and circular.
- (3) (a) The independent adviser referred to in sub-Rule 1(b) above must -
- (i) be a person from the Register of Sponsors; and
  - (ii) if appointed during the Sponsorship Period, be a person other than the listed corporation's Sponsor.
- (b) The independent adviser must, in relation to the Major Disposal –
- (i) comment as to whether the Major Disposal and its related proposals (if any) are fair and reasonable in so far as the shareholders are concerned. Such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion. In arriving at such opinion, the independent adviser should comply with the relevant provisions of Chapter 12 of the Guidelines on Contents of Applications Relating to Take-Over and Mergers on Independent Adviser's Recommendation issued by SC;

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- (ii) advise the shareholders on whether they should vote in favour of the Major Disposal and its related proposals (if any); and
  - (iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in sub-Rules (i) and (ii) above.
- (4) If in the Exchange's opinion, an independent adviser is not independent, the Exchange may disallow such independent adviser to be appointed or continue to act as an independent adviser.

## **PART G – OTHER REQUIREMENTS**

### **10.12 Aggregation of transactions**

- (1) The Exchange may aggregate separate transactions and treat such transactions as if they were one transaction if the terms of such transactions were agreed upon within a period of 12 months.
- (2) Without prejudice to the generality of sub-Rule (1) above, transactions which may be aggregated in accordance with that sub-Rule include the following:
- (a) transactions entered into with the same party or with parties connected with one another;
  - (b) transactions involving the acquisition or disposal of securities or interests in one particular corporation/asset; or
  - (c) transactions involving the acquisition or disposal of various parcels of land contiguous to each other.

*[Cross reference: Guidance Note 7]*

### **10.13 Diversification in operations carried on by a listed corporation**

- (1) A listed corporation must obtain its shareholder approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either -
- (a) the diversion of 25% or more of the net assets of the listed corporation to an operation which differs widely from those operations previously carried on by the listed corporation; or
  - (b) the contribution from such an operation of 25% or more of the net profits of the listed corporation.

In assessing the extent of the diversification or the amount of contribution to net profits, consideration should be taken of any associated transactions or loans affected or intended and of contingent liabilities or commitments.

- (2) For the purpose of sub-Rule (1) above, the Exchange may aggregate separate transactions and treat such transactions as if they were one transaction if the terms of the transaction were agreed upon within a period of 12 months and the total percentage ratio of assets allocated for the diversification is 25% or more.

[ End of Chapter ]

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**APPENDIX 10A****Contents of announcement in relation to transactions**

(Rules 10.06(1), 10.08(1) and 10.08(11)(i) and (j), and 10.11A(1)(c))

**Part A****General information to be included, where applicable, in announcement of transactions**

- (1) The details of the transaction including particulars of the assets being acquired or disposed of.
- (2) A description of the business carried on.
- (3) The total consideration, together with –
  - (a) the basis of arriving at the consideration, other than on a “willing buyer willing seller” basis. If it was based on net assets, the year the net assets were taken into consideration, quantifying the net assets and stating whether it was based on audited financial statements;
  - (b) justification for the consideration; and
  - (c) the manner in which the consideration will be satisfied including the terms of any arrangement for payment on a deferred basis.
- (4) The financial information on the assets which are the subject matter of the transaction, including but not limited to, net profits attributable to assets and net assets or net book value of the assets.
- (5) The effect of the transaction on the listed corporation, which includes the effect of the transaction on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of the listed corporation.
- (6) In the case of a disposal -
  - (a) the expected gains or losses to the group;
  - (b) where the sale consideration is to be satisfied in cash the intended application of the sale proceeds and the breakdown, including the timeframe for full utilisation of proceeds, and details of the purchaser;
  - (c) where shares or other securities are intended to form part of the consideration -
    - (i) the number, type and par value of securities to be issued;
    - (ii) the ranking of the securities;
    - (iii) the issue price and the basis of determining the issue price and the justification for the pricing of the securities;
    - (iv) a statement as to whether such securities are to be sold or retained;

**Appendix 10A**  
**Contents of announcement for transactions**

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- (v) the principal activities and issued and paid-up capital of the corporation in which the securities are or will be held; and
  - (vi) the names of the directors and substantial shareholders of the corporation in which the securities are or will be held;
  - (d) particulars of all liabilities to be assumed by the purchaser arising from the transaction;
  - (e) the original cost of investment and the date of such investment; and
  - (f) if the disposal is expected to result in the listed corporation becoming a Cash Company or a GN3 Company, a statement to that effect.
- (7) In the case of an acquisition -
- (a) where the consideration is to be satisfied in whole or in part by an issue of securities of the listed corporation -
    - (i) the number, type and par value of securities to be issued;
    - (ii) the ranking of the securities;
    - (iii) whether listing will be sought for the securities;
    - (iv) the issue price, basis of determining the issue price and the justification for the pricing of the securities;
    - (v) if the vendor is a corporation, the name and principal activity of the vendor and names of its directors and substantial shareholders together with their respective shareholdings; and
    - (vi) if the vendor is an individual, the name of the vendor;
  - (b) where the purchase consideration is to be satisfied by cash, the source of funding, its breakdown and details of the vendor; and
  - (c) particulars of all liabilities, including contingent liabilities and guarantees to be assumed by the listed corporation, arising from the transaction.
- (8) Where the consideration is in the form of equity share capital, the weighted average market price for the equity share capital for the 5 market days before the date on which the terms of the transaction were agreed upon.
- (9) Whether the transaction is subject to the shareholder approval and the relevant government authorities, and the estimated time frame for submission of the application to the relevant authorities.
- (10) Whether the directors and/or major shareholders and/or persons connected with a director or major shareholder have any interest, direct or indirect, in the transaction and the nature and extent of their interests.

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**Contents of announcement for transactions**

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- (11) The rationale for the transaction including any benefit which is expected to accrue to the listed corporation as a result of the transaction.
- (12) The salient features of the agreement and valuation report, if any, and the time and place where such documents may be inspected.
- (13) The date on which the terms of the transaction were agreed upon.
- (14) A statement by the board of directors, excluding interested directors stating whether the transaction is in the best interests of the listed corporation, and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.
- (15) The prospects of the assets or interests to be acquired.
- (16) The risks in relation to the transaction including risk factors of the assets or interests to be acquired.
- (17) The estimated time frame to complete of the transaction.
- (18) The highest percentage ratio applicable to the transaction pursuant to Rule 10.02(g) of these Requirements.
- (19) Where any one of the percentage ratios is 25% or more, the following information must be included:
  - (a) where a feasibility report in relation to the transaction has been prepared, the name of the expert who prepared the report and a brief conclusion of the report. To state the time and place where such report may be inspected;
  - (b) the estimated additional financial commitment required of the corporation in putting the assets acquired on-stream;
  - (c) for depleting or specialised businesses, such as timber concessions and oil and gas businesses, information on the reserves, extraction rates and returns; and
  - (d) where another corporation is acquired or disposed of, or where shares or other securities in another corporation are to be received as consideration for a disposal, the following information in respect of the other corporation in an appendix:
    - (i) the general nature of business conducted by the corporation and its subsidiaries including principal products manufactured or services rendered and principal markets for the products or services;
    - (ii) the audited financial information (past 3 years or since incorporation, whichever is the later) and the latest interim results, if available, stating turnover, profit before tax and profit after tax and minority interest; and
    - (iii) where there is any material fluctuation in turnover or profits in any of the years, the explanation for the fluctuation.

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- (20) Any other information which is necessary to enable an investor to make an informed investment decision.

**Part B****Additional specific information to be included in relation to joint-ventures**

- (1) The details of the joint-venture partners.
- (2) The breakdown of the total capital and investment outlay in the joint venture.
- (3) The eventual issued and paid-up capital of the joint-venture corporation.
- (4) The number, type and par value of the shares. Where there is more than one type of shares or securities issued, the following:
  - (a) the differences between the different types of shares or securities;
  - (b) whether convertible; if so, the rate and period;
  - (c) whether redeemable; if so, the rate and period; and
  - (d) the tenure.
- (5) The equity interest held and to be held by the respective parties.
- (6) The name of the joint-venture corporation.
- (7) The source(s) of funds for financing the investment in the joint-venture corporation, and the breakdown.
- (8) If no joint-venture corporation will be set up, the terms of cost and profit sharing and the estimated total cost of project.

**Part C****Additional specific information to be included in relation to a transaction which involves an acquisition or disposal of real estate**

- (1) A description of each real estate including -
  - (a) the postal address or identification (lot, title number, relevant mukim, district and state) of the real estate;
  - (b) a brief description (e.g. whether land or building, approximate area, etc.);
  - (c) the existing and proposed use (e.g. shops, offices, factories, residential, etc.). If currently let out or is proposed to be let out, the details of the rentals and the rental income or expected rental income per month or per annum. If the real estate to be disposed is currently used as a factory, the effect of a disposal on the operations;

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- (d) the approximate age of the buildings;
  - (e) the terms of the tenure and if leasehold, the expiry date of the lease;
  - (f) whether any valuation was carried out on the real estate; if so, the name of the independent registered valuer, date and method of valuation and quantification of the market value;
  - (g) the net book value based on latest audited financial statements; and
  - (h) the encumbrances, if any.
- (2) If the real estate acquired or disposed of is an estate or plantation, the following additional information:
- (a) the present and future usage;
  - (b) the type of estate or plantation;
  - (c) the maturity of the trees; and
  - (d) the production for the past 3 years.
- (3) Where the real estate consist of buildings, the following:
- (a) the amount of lettable space;
  - (b) the amount of lettable space available for letting and the occupancy; and
  - (c) the percentage of occupancy.
- (4) Where the real estate is in the process of being developed or is intended to be developed, the following additional details:
- (a) the details of development potential, i.e. name of the project, type of development - residential, industrial or commercial, number of units in respect of each type of development;
  - (b) the total development cost;
  - (c) the expected commencement and completion date(s) of development;
  - (d) the expected profits to be derived;
  - (e) the stage or percentage of completion;
  - (f) the sources of funds to finance the development cost; and
  - (g) whether relevant approvals for the development have been obtained and date(s) obtained.

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**Part D****Additional specific information to be included in relation to acquisitions or disposals of construction corporations**

- (1) A description of the current projects undertaken by the corporation – type of construction, name of the project, owner of the project, and value.
- (2) The expected commencement and completion date(s) of construction.
- (3) The contract value of the recent major projects completed and current projects on hand.

**Part E****Additional specific information to be included in relation to acquisitions or disposals of infrastructure project asset/business or corporations involved in infrastructure projects**

- (1) The pertinent details of the concession/license, including (but not limited to) -
  - (a) nature of the concession/license (e.g. Build-Operate-Transfer, Build-Transfer-Operate, Build-Own-Operate, etc.);
  - (b) life/duration and exclusivity/non-exclusivity of the concession/license;
  - (c) salient terms and conditions of the concession/license;
  - (d) infrastructure project corporation's rights, interest and major obligations under the concession/license; and
  - (e) acts/regulations under which the concession/license is granted.
- (2) The nature of relationship with the concession giver or licensor.
- (3) The details of financing requirements and sources of funding.

**Part F****Additional specific information to be included in relation to foreign acquisitions where any one of the percentage ratios of the transaction is 25% or more**

- (1) The financial and other relevant information pertaining to the corporations and/or assets to be acquired including a summary of the key audited financial data of the assets or interests to be acquired for the past 3 financial years or since the date of incorporation or commencement of operations, whichever is later. The financial data must include, but not be limited to, turnover, pre-tax profit, after-tax profit, shareholders' funds and total borrowings.
- (2) The policies on the foreign investments and repatriation of profits of the host country.



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**Part G****Additional specific information to be included in relation to very substantial transactions**

(Rule 10.10)

- (1) A summary of the key audited financial data of the assets or interests to be acquired for the past 3 financial years or since the date of incorporation or commencement of operations, whichever is later. The financial data must include, but not be limited to, shareholders' funds and total borrowings.
- (2) The financial effects on proforma net assets (based on the latest audited financial statements) of the listed corporation on completion of the acquisition or restructuring exercise.
- (3) For assets or interests to be acquired which do not have any profitability track record (as in certain privatisation cases), the information must include, but not be limited to, the total cost needed to put on-stream the operation of the assets or interests and the proportion to be assumed or guaranteed by the listed corporation, the expected date on which profit contribution will accrue to the listed corporation and the expected returns to be derived, together with the appropriate assumptions used. Information provided should be verified and confirmed by independent experts.

**Part H****Additional specific information to be included in relation to significant change in business direction or policy of a listed corporation**

(Rule 10.11(1))

- (1) A summary of the key audited financial data of the assets or interests to be acquired for the past 3 financial years or since the date of incorporation or commencement of operations, whichever is the later. The financial data must include, but not be limited to, shareholders' funds and total borrowings.
- (2) The financial effects on proforma net assets (based on the latest audited financial statements) of the listed corporation on completion of the acquisition or restructuring exercise.
- (3) For assets or interests which do not have any profitability track record (as in certain privatisation cases), the information must include, but not be limited to, the total cost needed to put on-stream the operation of the assets or interests and the proportion to be assumed or guaranteed by the listed corporation, the expected date on which profit contribution will accrue to the listed corporation and the expected returns to be derived.
- (4) If the transaction results in a change in the controlling shareholder of the listed corporation, a statement to that effect and the following information in respect of the new shareholder:
  - (a) the name;
  - (b) the date and place of incorporation;
  - (c) the names of directors and substantial shareholders and their respective shareholdings; and

- 
- (d) the principal business.
- (5) If the transaction results in a change in the board of directors of the listed corporation, the following information in respect of the new board of directors:
- (a) name and nationality; and
  - (b) occupation and qualification.
- (6) Background of the vendors who are substantial shareholders of the assets or interests to be acquired:
- (a) name;
  - (b) date and place of incorporation;
  - (c) principal activities;
  - (d) substantial shareholders and directors and their respective shareholdings.

**Part I****Additional specific information to be included in relation to Major Disposals**

(Rule 10.11A(1)(c))

- (1) Identity of the independent adviser, the date of its appointment and a statement explaining the role of the independent adviser.
- (2) Identity of the ultimate offeror as defined in the Take-Overs and Mergers Code as if the Major Disposal were the proposed take-over offer.
- (3) A statement whether the board of directors is seeking other alternative bids.
- (4) Where the consideration for the Major Disposal is by way of cash or partly in cash, a statement whether the acquirer has sufficient financial resources to undertake the acquisition.

[ End of Appendix ]

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**APPENDIX 10B****Contents of circular to shareholders in relation to transactions**

(Rules 10.07(1), 10.08(2)(a) and 10.11A(1)(c))

**Part A****General information to be included, where applicable, in the circular to shareholders in relation to transactions**

- (1) If voting or other action is required, a heading drawing attention to the importance of the document and advising holders of securities who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that the circular has been reviewed and approved by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (4) The purpose of the circular.
- (5) The date on which terms of the transaction were agreed upon and the date on which the transaction and any revision to it was announced.
- (6) The particulars of the transaction, including a description of the corporation or assets to be acquired or disposed of, as the case may be.
- (7) The salient features of the agreement relating to the transaction.
- (8) The details of any other intended corporate exercise/scheme which have been announced but not yet completed before the printing of the circular and whether the transaction is conditional or inter-conditional upon such and/or any other corporate exercise/scheme.
- (9) The audited financial and other relevant information pertaining to the assets, including but not limited to the net book value of the assets.
- (10) The total consideration, together with -
  - (a) the basis of arriving at the consideration, other than on a "willing buyer willing seller" basis. If it was based on net assets, the year the net asset was taken into consideration, quantifying the net assets and stating whether it was based on audited financial statements; and
  - (b) the justification for the consideration.
- (11) How the consideration will be satisfied including the terms of any arrangement for payment on a deferred basis.

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**Contents of circular for transactions**

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- (12) In the event the consideration is based on or involves a profit guarantee, details of the listed corporation's right of recourse in the event the profit guarantee is not met.
- (13) The effects of each transaction on -
- (a) the share capital, and substantial shareholders' shareholdings based on the latest practicable date;
  - (b) the net assets per share and gearing based on the latest audited consolidated financial statements for the most recently completed financial period, assuming that the transaction had been effected at the end of that financial period; and
  - (c) the earning per share based on the latest audited consolidated financial statements for the most recently completed financial period, assuming that the transaction had been effected at the beginning of that financial period.
- (14) In the case of an acquisition -
- (a) where the consideration is to be satisfied in whole or in part by an issue of securities of the listed corporation -
    - (i) the number, type and par value of securities to be issued;
    - (ii) the ranking of the securities;
    - (iii) the issue price, the basis of determining the issue price and the justification for pricing of the securities;
    - (iv) if the vendor is a corporation, the name and principal activity of the vendor and names of its directors and substantial shareholders together with their respective shareholdings;
    - (v) if the vendor is an individual, the name of the vendor; and
    - (vi) the highest and lowest prices of such securities as transacted on the Exchange for the preceding 12 months including the last transacted price before the announcement on the transaction and on the latest practicable date before the printing of the circular;
  - (b) where the purchase consideration is to be satisfied wholly or partly by cash, the source(s) of funding, the breakdown and details of the vendor;
  - (c) a statement as to whether the corporation and/or assets will be acquired free from encumbrances; and
  - (d) the particulars of all liabilities, including contingent liabilities and guarantees to be assumed by the listed corporation arising from the acquisition.

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- (15) In the case of a disposal -
- (a) the expected gains or losses to the group;
  - (b) the subject matter's contribution to the group's net profit based on the latest audited financial statements;
  - (c) where the sale consideration is to be satisfied in cash, the intended application of the sale proceeds and the breakdown, including the timeframe for the full utilisation of proceeds and if the proceeds are to be used for -
    - (i) reducing borrowings, the quantification of the total borrowings of the group as at the latest practicable date before printing of the circular and the savings in interest payment or expense per annum arising from the repayment; and
    - (ii) details of the investments. If these have not yet been identified, a statement of how the proceeds will be utilised in the meantime, pending identification of the investments;
  - (d) where shares or other securities are intended to form part of the consideration -
    - (i) the number, type and par value of securities to be issued;
    - (ii) the ranking of the securities;
    - (iii) whether listing will be sought for the securities;
    - (iv) the issue price, the basis of determining the issue price and the justification for the pricing of the securities; and
    - (v) a statement as to whether such securities are to be sold or retained;
  - (e) the original cost of investment and the date of such investment;
  - (f) details of the purchaser;
  - (g) particulars of all liabilities to be assumed by the purchaser arising from the transaction; and
  - (h) if the disposal is expected to result in the listed corporation becoming a Cash Company or GN3 Company, a statement to that effect.
- (16) The rationale for the transaction including any benefit which is expected to accrue to the listed corporation as a result of the transaction.
- (17) Where a feasibility report in relation to the acquiree corporation and assets has been prepared, the name of the expert who prepared the report and a brief conclusion of the report. Incorporate the letter from the expert, and make available for inspection the report and letter.

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- (18) In relation to the assets or interests to be acquired -
- (a) a description of the assets or interest to be acquired and outlook of the industry where it operates;
  - (b) the prospects of the assets or interests in light of its industry's outlook and competition; and
  - (c) a description of the future plans of the assets or interests and steps to be taken (including time frame and financial resources required to be committed) to realise such plans.
- (19) The risks in relation to -
- (a) the transaction;
  - (b) the assets or interests to be acquired (as well as the corporation whose securities are to be received as consideration for the disposal); and
  - (c) the overall industry where the assets or interests to be acquired operates,
- which had or could materially affect, directly or indirectly, the business, operating results and financial condition of the listed corporation and the mitigating factors.
- (20) The estimated additional financial commitment required of the corporation in putting the assets acquired on-stream.
- (21) The tentative timetable for the implementation of the proposal.
- (22) The valuation of the assets as at the latest practicable date, if applicable, and the name of the independent registered valuers.
- (23) For depleting or specialised businesses, such as timber concessions and oil and gas businesses, information on the breakdown of assets/inventories, reserves, extraction rates and returns.
- (24) Whether the transaction is subject to the approval of shareholders and the relevant government authorities, the conditions imposed and status of compliance.
- (25) Whether the directors and/or major shareholders and/or persons connected with a director or major shareholder have any interest, direct or indirect, in the transaction and the nature and extent of their interests.
- (26) A statement by the board of directors, excluding interested directors, stating whether the transaction is in the best interests of the listed corporation, and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.
- (27) In the case of an acquisition, where the purchase consideration is based on or involves a profit guarantee, a statement as to whether the profit guarantee provided is realistic, taking into consideration the historical performance and future prospects of the corporation and/or asset to be acquired.

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- (28) A recommendation from the directors and the basis of such recommendation, excluding interested directors, as to the voting action shareholders should take.
- (29) Where another corporation is acquired or disposed of, or where shares or other securities in another corporation are to be received as consideration for a disposal, the following information in respect of the other corporation in an appendix:
- (a) the date and place of incorporation;
  - (b) the authorised and issued and paid-up capital;
  - (c) the number, type and par value of the shares making up the share capital. Where there is more than one type of shares or securities in issue, the following:
    - (i) the differences between the different types of securities;
    - (ii) whether convertible; if so, the rate and period;
    - (iii) whether redeemable; if so, the rate and period; and
    - (iv) the tenure;
  - (d) the following details of its subsidiaries and associated companies:
    - (i) the name,
    - (ii) the date and place of incorporation;
    - (iii) the issued and paid-up capital;
    - (iv) the percentage of effective interest of the corporation; and
    - (v) the principal activities;
  - (e) a brief history of the corporation or business for the past 3 years or since inception, where applicable, and if reorganised as a result of merger, consolidation or reorganisation, similarly the history of the predecessor corporations;
  - (f) the general nature of business conducted by the corporation and its subsidiaries including principal products manufactured or services performed; size and location of the factories; principal markets for the products and raw materials; percentage of sales broken down between domestic and foreign; annual production capacity and output for the past 3 years and if significant, the amount spent on and number of persons employed in research and development;
  - (g) the details of material commitments and contingent liabilities incurred or known to be incurred by the acquiree corporation and impact on profits or net assets upon becoming enforceable;
  - (h) the type of businesses or assets owned;

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- (i) the particulars of directors including name, nationality, designation and their direct and indirect shareholdings;
  - (j) the particulars of substantial shareholders including name, nationality or country of incorporation and their direct and indirect shareholdings;
  - (k) the financial information based on the audited financial statements (past 3 years or since incorporation, whichever is the later) and the latest interim results, if available, stating -
    - (i) the turnover;
    - (ii) the profit before tax but after minority interest;
    - (iii) the profit after tax and minority interest;
    - (iv) the gross earnings per share (EPS);
    - (v) the net EPS;
    - (vi) the paid-up capital;
    - (vii) the shareholders' funds;
    - (viii) the net assets;
    - (ix) the net assets per share;
    - (x) the current ratio;
    - (xi) the total borrowings (all interest-bearing debts); and
    - (xii) the gearing ratio;
  - (l) the commentary on past performance, which should include analysis and/or discussion of-
    - (i) significant and specific factors contributing to exceptional performance in any of the financial years under review and significant changes in the financial performance on a year-to-year basis, whether favourable or adverse;
    - (ii) accounting policies adopted which are peculiar to the corporation / business because of the nature of the business or the industry it is involved in, as well as the effects of such policies on the determination of income or financial position; and
    - (iii) any audit qualification of the financial statements in any of the financial years under review; and
  - (m) the latest audited financial statements together with the notes and the auditors' report (not required if accountant's report is provided).



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- (30) Where the percentage ratio is 50% or more, a directors' report on the unlisted corporation to be acquired.
- (31) An appendix containing the following information:
- (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the circular misleading;
  - (b) details of material commitments and contingent liabilities incurred or known to be incurred by the listed corporation;
  - (c) where a person is named in the circular as having advised the listed corporation or its directors, a statement -
    - (i) that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name and/or letter (if applicable) in the form and context in which it is included; and
    - (iii) by the adviser as to whether conflict of interests exists or is likely to exist in relation to its role as an adviser. If a conflict of interests exists or likely to exist in relation to its role as an adviser, to provide full disclosure of the nature and extent of the conflicts of interests or potential conflicts of interests, the parties to the conflicts, and measures taken for resolving, eliminating, or mitigating the situations of conflict of interests.

For this purposes, "**conflict of interests**" means circumstances or relationships which affect or may affect the ability of the adviser to act independently and objectively or where the adviser has an interest in the outcome of the proposal which interferes or is likely to interfere with its independence and objectivity;
  - (d) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the corporation to be acquired or disposed of and the corporation whose shares or convertible securities are to be issued as consideration for the disposal by the listed corporation within 2 years immediately preceding the date of the circular. The following particulars must be disclosed in respect of each such contract:
    - (i) the date of the contract;
    - (ii) the parties of the contract;
    - (iii) the general nature; and
    - (iv) the consideration and mode of satisfaction;
  - (e) a statement of all material litigation, claims or arbitration involving the corporation / asset to be acquired or disposed of and the corporation whose shares or convertible securities are to be issued as consideration for the disposal by the listed corporation including those pending or threatened against such corporations. The following information must be disclosed:

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- (i) the background;
  - (ii) the date of the suit,
  - (iii) the names of the plaintiff(s) and defendant(s),
  - (iv) the estimate, of the maximum exposure to liabilities;
  - (v) the directors/solicitors' opinion of the outcome; and
  - (vi) the status;
- (f) a statement that for a period from the date of the circular to the date of the extraordinary general meeting, the following documents (or copies of the documents) in respect of the listed corporation, the corporation which is the subject of the transaction, and the corporation whose shares or convertible securities are to be issued as consideration for the disposal by the listed corporation, where applicable, may be inspected at the registered office of the listed corporation:
- (i) the memorandum and articles of association;
  - (ii) the audited financial statements for each of the 2 financial years preceding the publication of the circular and the latest unaudited results since the last audited financial statements;
  - (iii) all reports, letters or other documents, ~~balance sheets~~[statement of financial position](#), valuations and statements by any adviser, any part of which is extracted or referred to in the circular;
  - (iv) the letters of consent referred to in subparagraph (c) above;
  - (v) the material contracts referred to in subparagraph (d) above; and
  - (vi) the relevant cause papers in respect of material litigation referred to in subparagraph (e) above.
- (32) Any other information which the security holders and their advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

**Part B****Additional specific information to be included in circular to shareholders in relation to joint-ventures**

- (1) The details of the joint-venture partners.
- (2) The authorised and current issued and paid-up capital.
- (3) The terms of the joint-venture agreement.
- (4) The breakdown of the total capital and investment outlay in the joint-venture.

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- (5) The eventual issued and paid-up capital of the joint-venture corporation.
  - (6) The number, type, par value of the shares making up the share capital. Where there is more than one type of shares or securities issued, the following:
    - (a) the differences between the different types of shares or securities;
    - (b) whether convertible, if so, the rate and period;
    - (c) whether redeemable, if so, the rate and period; and
    - (d) the tenure.
  - (7) The equity interest held by the respective parties.
  - (8) The name of the joint-venture corporation.
  - (9) The source(s) of funds for financing the investment in the joint-venture corporation, and the breakdown.
  - (10) If no joint-venture corporation will be set up, the terms of cost and profit sharing and the estimated total cost of project.

### Part C

#### **Additional specific information to be included in relation to a transaction which involves an acquisition or disposal of real estate**

- (1) A description of each real estate including -
  - (a) the postal address or identification (lot, title number, relevant mukim, district and state) of the real estate;
  - (b) a brief description (e.g. whether land or building, approximate area, etc.);
  - (c) the existing and proposed use (e.g. shops, offices, factories, residential, or vacant, etc.). If currently let out or is proposed to be let out, the details of the rentals and the rental income or expected rental income per month or per annum. If the real estate to be disposed is currently used as a factory, the effect of a disposal on the operations;
  - (d) the approximate age of the buildings;
  - (e) the terms of the tenure; if leasehold, the expiry date of the lease;
  - (f) a valuation certificate which must comply with the SC's Asset Valuation Guidelines. The valuation report and valuation certificate must be made available for inspection;
  - (g) a quantification of the market value of the real estate as appraised by the independent registered valuer;

**Appendix 10B**  
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- (h) the net book value based on the latest audited financial statements; and
  - (i) the encumbrances, if any.
- (2) If the real estate acquired or disposed of is an estate or plantation, the following additional information:
- (a) the present and future usage;
  - (b) the type of estate or plantation;
  - (c) the maturity of the trees;
  - (d) the production for the past 3 years; and
  - (e) the profit contribution or revenue and expense account of the estate for the past 3 years.
- (3) Where the real estate to be acquired or disposed of consist of buildings the following additional information:
- (a) the number of storeys, the gross built-up and net lettable or useable areas;
  - (b) the area to be self-occupied and let out respectively; and
  - (c) the percentage of occupancy.
- (4) Where the real estate is in the process of being or is intended to be developed, the following additional details:
- (a) the details of development potential, i.e. name of the project, type of development - residential, industrial or commercial, number of units in respect of each type of development;
  - (b) the total development cost;
  - (c) the expected commencement and completion date(s) of development;
  - (d) the expected profits to be derived;
  - (e) the stage or percentage of completion;
  - (f) the sources of funds to finance the development cost;
  - (g) whether relevant approvals for the development have been obtained and date(s) obtained;
  - (h) whether for sale or rental. If for sale, the percentage of sales or number of units sold to-date. If for rental, the expected rental income per annum; and
  - (i) whether planning consent has been obtained and if so, whether there are any conditions attached to such consent.

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**Part D****Additional specific information to be included in relation to acquisitions or disposals of construction corporations**

- (1) A description of current projects undertaken by the corporation - date of award, type of construction, name of the project, owner of the project, location of the project and value.
- (2) The expected commencement and completion date(s) of construction of projects on hand or in progress.
- (3) A description of recent major projects completed - date of commencement and completion of construction, type of construction, contract value and project owner.
- (4) A confirmation on whether the project owner is a director, substantial shareholder of the acquiree corporation or persons connected with them in respect of current and past projects undertaken/ completed.

**Part E****Additional specific information to be included in relation to acquisitions or disposals of infrastructure project asset/business or corporations involved in infrastructure projects**

- (1) The pertinent details of the concession/ license, including but not limited to -
  - (a) nature of the concession/license (e.g. Build-Operate-Transfer, Build-Transfer-Operate, Build-Own-Operate, etc.);
  - (b) life/duration and exclusivity/non-exclusivity of the concession/license;
  - (c) salient terms and conditions of the concession/license;
  - (d) infrastructure project corporation's rights, interest and major obligations under the concession/license; and
  - (e) act/regulation under which the concession/license is granted.
- (2) The nature of relationship with concession giver/licensor.
- (3) The details of construction risk.
- (4) The dependence on concession giver/licensor.
- (5) The details of financing requirements and sources of funding.

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**Part F****Additional specific information to be included in relation to foreign acquisitions where any one the percentage ratios of the transaction is 25% or more**

- (1) The expert's report on policies on the foreign investments, taxation and repatriation of profits of the host country.
- (2) Where an accountant's report is required pursuant to Part G of this Appendix, the report, must be prepared by a firm of public accountants registered in Malaysia, in accordance with the approved accounting standards of the Malaysian Accounting Standards Board.
- (3) A valuation report on the foreign assets proposed to be acquired prepared by a qualified valuer, the appointment of which complies with the SC's Asset Valuation Guidelines in relation to the appointment of valuer for valuation of foreign property assets.
- (4) The expert's report, prepared by industry experts, on the fairness of the total purchase consideration for the foreign securities or assets proposed to be acquired.
- (5) A legal opinion from a reputable law firm on -
  - (a) the ownership of title to the securities or assets in the foreign jurisdiction;
  - (b) the enforceability of agreements, representations and undertakings given by foreign counter-parties under relevant laws of domicile; and
  - (c) other relevant legal matters.

**Part G****Additional specific information to be included in relation to very substantial transactions**

(Rule 10.10)

- (1) The proforma consolidated ~~balance sheets~~ [statement of financial position](#) together with the notes and the auditors' letter showing effects before and after the transaction based on the listed corporation's -
  - (a) published or announced audited financial statements for the latest financial period ended; or
  - (b) latest published or announced interim financial report which must be reviewed by external auditors.

Where an interim report referred to in subparagraph 1(b) above is used, a statement that the interim report has been reviewed by external auditors.

- (2) A summary of the key audited financial data of the assets of business or interests to be acquired for the past 3 financial years or since the date of incorporation or commencement of operations, whichever is the later. The financial data must include, but not be limited to, shareholders' funds and total borrowings.

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- (3) An accountant's report on the unlisted corporation to be acquired must include the following:
- (a) the ~~income statement~~statement of comprehensive income (or its equivalent) in respect of each of the 3 financial years immediately preceding the last date to which the financial statements were made up; and
  - (b) the ~~balance sheet~~statement of financial position (or its equivalent) for each of the past 3 financial years immediately preceding the last date to which the financial statements were made up.
- (4) For assets or interests to be acquired which do not have any profitability track record (as in certain privatisation cases), the information must include, but not be limited to, the total cost needed to put on-stream the operation of the assets or interests and the proportion to be assumed or guaranteed by the listed corporation, the expected date on which the profit contribution will accrue to the listed corporation and the expected returns to be derived, together with the appropriate assumptions used. The listed corporation must ensure that information provided is verified and confirmed by independent experts.
- (5) In the case of a disposal, a statement of the listed corporation's future activities and direction after the disposal of the asset.

**Part H****Additional specific information to be included in relation to significant change in business direction or policy of a listed corporation**

(Rule 10.11(1))

- (1) If the transaction results in a change in the controlling shareholder(s) of the listed corporation, the following information in respect of the new controlling shareholder(s), where applicable:
- (a) the name;
  - (b) the date and place of incorporation;
  - (c) the names of directors and substantial shareholders and their respective shareholdings;
  - (d) the common directorships and controlling shareholdings in other listed corporations;
  - (e) the principal business;
  - (f) qualification and experience of the new controlling shareholder, if the new controlling shareholder is an individual; and
  - (g) the new controlling shareholder(s)' interest in all other corporations or businesses, principal activities of such corporations or nature of such businesses. If a conflict of interests exists or likely to exist, to provide full disclosure of the nature and extent of the conflicts of interests or potential conflicts of interests, the parties to the conflicts, and measures taken for resolving, eliminating, or mitigating the situations of conflict of interests.

Appendix 10B  
Contents of circular for transactions

- 
- (2) If the transaction results in a change in the board of directors of the listed corporation, the following information in respect of the new board of directors:
- (a) name and nationality;
  - (b) occupation and qualification;
  - (c) profile, including designation, function and business and management expertise; and
  - (d) the new director's interest in all other corporations or businesses, principal activities of such corporations or nature of such businesses. If a conflict of interests exists or likely to exist, to provide full disclosure of the nature and extent of the conflicts of interests or potential conflicts of interests, the parties to the conflicts, and measures taken for resolving, eliminating, or mitigating the situations of conflict of interests.
- (3) Changes in the substantial shareholders in the assets or interests to be acquired over the past 3 years.
- (4) Background of the vendors whom are substantial shareholders ("**Vendor**") of the assets or interests to be acquired, where applicable:
- (a) name;
  - (b) date and place of incorporation;
  - (c) principal activities;
  - (d) substantial shareholders and directors of the Vendors and their respective shareholdings;
  - (e) occupation, qualification and experience of the Vendors; and
- (5) A summary of the key audited financial data of the assets or interests to be acquired for the past 3 financial years, based on audited financial statements, or since the date of incorporation or commencement of operations, whichever is the later. The financial data must include, but not be limited to, the items mentioned in paragraph 29(k) of Part A.
- (6) An accountant's report on the unlisted corporation to be acquired must include the following:
- (a) the ~~income statement~~[statement of comprehensive income \(or its equivalent\)](#) in respect of each of the 3 financial years immediately preceding the last date to which the financial statements were made up; and
  - (b) the ~~balance sheet~~[statement of financial position \(or its equivalent\)](#) for each of the past 3 financial years immediately preceding the last date to which the financial statements were made up.
- (7) The proforma consolidated ~~balance sheets~~[statement of financial position](#) together with the notes and the auditors' letter showing effects before and after the transaction based on the listed corporation's –



**Appendix 10B**  
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- 
- (a) published or announced audited accounts for the latest financial period ended; or
  - (b) latest published or announced interim financial report which must be reviewed by external auditors.

Where an interim report referred to in subparagraph (b) above is used, a statement that the interim report has been reviewed by external auditors.

- (8) For assets or interests which do not have any profitability track record (as in certain privatisation cases), the information must include, but not be limited to, the total cost needed to put on-stream the operation of the assets or interests and the proportion to be assumed or guaranteed by the listed corporation, the expected date on which the profit contribution will accrue to the listed corporation and the expected returns to be derived, together with the appropriate assumptions used. Information provided should be verified and confirmed by independent experts.
- (9) Qualitative assessment of each asset/ interest to be acquired as follows:
  - (a) analysis of the quality of the products, services, applications, significant recent trends in demand and production, sales and inventory and state of the current order book;
  - (b) product/services diversity, quality and whether deemed a necessity or luxury; level of gearing, liquidity and working capital requirements; market access, market share/ ranking/ reputation; competitive advantage in terms of operations, technology, pricing, financing, etc.; details of long term contracts, availability of resources, capability to diversify, sensitivity to economic downturn, business, operational, financial, investment risks;
  - (c) information of customer and supplier base including number of customers/ suppliers, length of relationship and dependency on major customers/ suppliers and mitigating factors; and
  - (d) description of industry/ sector (including size), past and present performance, growth prospects, industry players and competition, demand/ supply conditions, level of market saturation in terms of players and/ or products, relevant laws and regulation governing the industry/ sector.
- (10) A thorough discussion and analysis of the business, financial conditions and prospects of the assets or interests to be acquired or where applicable, those of its group. Such discussion and analysis must contain, at the minimum, the information required under the section on Management's Discussion and Analysis of Financial Condition, Results of Operations and Prospects in Chapter 12 of SC's Prospectus Guidelines.
- (11) If the asset is infrastructure project asset/business or corporations involved in infrastructure projects, to provide information as required under Chapter 19 of the SC's Prospectus Guidelines.

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**Part I****Additional specific information to be included in relation to Major Disposals**

(Rule 10.11A(1)(c))

- (1) A statement by the board of directors stating whether the Major Disposal is fair and reasonable and in the best interest of the listed corporation, together with the reasons and factors taken into consideration in forming that opinion.
- (2) A statement by the board of directors setting out the following:
  - (a) detailed description of the future plans of the listed corporation;
  - (b) whether it is the listed corporation's intention to maintain its listing status;
  - (c) the intended application of the sale proceeds and the breakdown, including the timeframe for the full utilisation of proceeds; and
  - (d) implications of Guidance Note 2, if applicable.
- (3) A separate letter by the independent adviser incorporating -
  - (a) its opinion as to whether the Major Disposal and its related proposals (if any) are fair and reasonable in so far as the shareholders are concerned. Such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration, in forming that opinion. In arriving at such opinion, the independent adviser should comply with the relevant provisions of Chapter 12 of the Guidelines on Contents of Applications Relating to Take-Overs and Mergers on Independent Adviser's Recommendation, issued by SC; and
  - (b) its advice to the shareholders on whether they should vote in favour of the Major Disposal and its related proposals (if any).
- (4) The independent advice circular must include the following:
  - (a) the industry and its outlook in which the listed corporation has its core or major business activities;
  - (b) the prospects of the listed corporation in light of its industry outlook and competition; and
  - (c) in the case of a securities exchange offer –
    - (i) the industry and its outlook in which the acquirer has its core or major business activities; and
    - (ii) the prospects of the acquirer in light of its industry's outlook and competition.
- (5) Where the consideration for the Major Disposal is by way of cash or partly in cash, a statement by the board of directors and commentary by the independent adviser as to whether the acquirer has sufficient financial resources to undertake the acquisition.

**Appendix 10B  
Contents of circular for transactions**

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- (6) A statement by the board of directors on the listed corporation's intention to deal with its treasury shares and the impact of such dealing on the shareholders' entitlement pursuant to the Major Disposal, if any.

[ End of Appendix ]

Appendix 10C  
Additional contents of announcement for related party transactions

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**APPENDIX 10C****Additional contents of announcement in relation to related party transactions**

(Rules 10.08(1) and 10.08(11)(i) and (j))

- (1) If the transaction requires the prior shareholder approval, a statement that the director, major shareholder and/or person connected with a director or major shareholder, which have any interest, direct or indirect, in the transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where the person connected with a director or major shareholder has interest, direct or indirect, in the transaction, a statement that the director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Further, a statement that such interested director and/or major shareholder has/have undertaken that he/they will ensure that the persons connected with him/them abstain from voting on the resolution approving the issue at the general meeting. In the case of an interested director, a statement that the interested director has abstained and/or will abstain from deliberating and voting on the relevant resolution at the board meeting.
- (2) If the listed corporation is required to appoint an independent adviser, a statement explaining the role of the independent adviser.
- (3) A statement setting out the following:
  - (a) whether the audit committee of the listed corporation is of the view that the transaction is -
    - (i) in the best interest of the listed corporation;
    - (ii) fair, reasonable and on normal commercial terms; and
    - (iii) not detrimental to the interest of the minority shareholders,together with the basis for its views;
  - (b) where the audit committee has sought an independent advice in forming its views, a statement to that effect; and
  - (c) where the views of the audit committee are different from the opinion of the independent adviser, if any, the reasons for the difference.
- (4) In relation to a transaction which falls within Rule 10.08(9), a statement by the board of directors of the listed corporation setting out the following:
  - (a) whether the board or directors is of the view that the transaction is -
    - (i) in the best interest of the listed corporation;
    - (ii) fair, reasonable and on normal commercial terms; and
    - (iii) not detrimental to the interest of the minority shareholders,together with the basis for its views (collectively referred to as “**the Statement**”);

**Appendix 10C**

**Additional contents of announcement for related party transactions**

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- (b) where the board of directors has sought an independent advice in forming its views, a statement to that effect;
  - (c) where the views of the board of directors are different from the opinion of the audit committee or independent adviser (if any) the reasons for the difference; and
  - (d) where a director disagrees with the Statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.
- (5) In the case of an acquisition, the original cost of investment to the vendor and the date of such investment.
- (6) The total amount transacted with the same related party for the preceding 12 months.

[ End of Appendix ]

**Appendix 10D**  
**Additional contents of circular for related party transactions**

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**APPENDIX 10D****Additional contents of circular to shareholders in relation to related party transactions**  
(Rule 10.08(2)(a))

- (1) The interested parties' direct and indirect shareholdings in the listed corporation.
- (2) A statement that the interested directors have abstained and/or will abstain from board deliberation and voting on the relevant resolution.
- (3) A statement that the director, major shareholder and/or person connected with a director or major shareholder, which have any interest, direct or indirect, in the transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where the person connected with a director or major shareholder has interest, direct or indirect, in the transaction, a statement that the director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Further, a statement that such interested director and/or major shareholder has/have undertaken that he/they will ensure that the persons connected with him/them abstain from voting on the resolution approving the issue at the general meeting.
- (4) The total amount transacted with the same related party for the preceding 12 months.
- (5) A separate letter by an independent adviser incorporating -
  - (a) an opinion as to whether the transaction is fair and reasonable so far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration, in forming that opinion; and
  - (b) advice to minority shareholders on whether they should vote in favour of the transaction.
- (6) A statement setting out whether the audit committee of the listed corporation is of the view that the transaction is -
  - (a) in the best interest of the listed corporation;
  - (b) fair, reasonable and on normal commercial terms; and
  - (c) not detrimental to the interest of the minority shareholders,together with the basis for its views.

[ End of Appendix ]

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**CHAPTER 11 TAKE-OVERS & MERGERS**

[Deleted]

**PART A – GENERAL****11.01 – Introduction**

- (1) This Chapter sets out the disclosure requirements that must be complied with in relation to a take-over of a listed corporation.
- (2) Where an offeror is not a listed corporation but makes a take-over offer on a listed corporation or any of its subsidiaries, the offeror must comply with the relevant Rules in this Chapter.

**PART B – DEFINITIONS****11.02 – Definitions**

For the purpose of this Chapter, unless the context otherwise requires, the words or expressions defined in the Take-Overs and Mergers Code and section 216 of the CMSA when used in this Chapter, have the meanings given under the Take-Overs and Mergers Code and the CMSA.

**PART C – GENERAL REQUIREMENTS****11.03 – Secrecy during discussion stage**

Where discussions are ongoing between a listed corporation and a corporation, person or group which may lead to an offer being made, the directors, officers and advisers of both parties must do everything possible to maintain secrecy in order to avoid disturbance in the price level of the shares.

**11.04 – Immediate announcement of notice of take-over offer**

Where a person sends a written notice of a take-over offer in relation to securities or voting shares which are listed pursuant to section 12(2) or 12(3)(a) of the Take-Overs and Mergers Code, such person must immediately announce such notice to the Exchange. Such person must include in the announcement the information set out in Part A of Appendix 11A.

**11.05 – Immediate announcement of notice received and acceptance of take-over offer**

Where a listed corporation receives a notice of intention to make a take-over offer, the directors must immediately announce such notice to the Exchange. The listed corporation must include in the announcement the information set out in Part B of Appendix 11A.

**11.06 – Documents to be sent to all classes of securities**

An offeree must send to all holders of other classes of shares and convertible securities of the listed corporation, whether or not such securities are covered by the take-over offer, a copy of all documents which is required by law to be sent to the holders of the shares and convertible securities subject to the take-over offer.

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**11.07—Announcements of dealings by offeror, etc. during offer period**

- (1) ~~Subject to sub-Rule (2) below, the following persons must immediately announce to the Exchange the total number and price of all voting shares in the offeror and the offeree which are dealt in for their own account during the offer period, not later than 12.00 noon on the market day following the date of the relevant transaction:~~
- ~~(a) the offeror, the offeree and all persons acting in concert with the offeror;~~
  - ~~(b) a substantial shareholder of the offeree or in the case of a securities exchange offer, a substantial shareholder of the offeror. For the purpose of this Rule, a "**substantial shareholder**" means a person who has an interest or interests in one or more voting shares of the corporation and the nominal amount of the voting share, or the aggregate of the nominal amount of those voting shares, is not less than 5% of the aggregate of the nominal amounts of all the voting shares of the corporation;~~
  - ~~(c) any chief executive, a director or an officer of the offeror or offeree who occupies or acts in a senior managerial position in the offeror or offeree, by whatever name called and whether or not he is a director;~~
  - ~~(d) a person who is a connected person in relation to persons referred to in sub-Rules (a), (b) or (c) above; and~~
  - ~~(e) a person who is accustomed to act in accordance with directions or instructions of the persons referred to in sub-Rules (a), (b), (c) or (d) above.~~
- (2) ~~All dealings in voting shares in the offeror or the offeree made by a connected person for the account of investment clients who are not themselves connected persons must be disclosed to the Exchange. However, these announcements are not for public release and must be marked "Not for Public Release Unless Approved by the Securities Commission".~~

**11.08—Announcement of acceptances**

~~An offeror must immediately announce to the Exchange the total number of voting shares to which the take-over relates—~~

- ~~(a) for which acceptances of the take-over offer have been received after the posting of the offer document by the offeror to offeree shareholders;~~
- ~~(b) held by the offeror and all persons acting in concert with the offeror at the time of posting of the offer document to offeree shareholders; and~~
- ~~(c) acquired or agreed to be acquired during the offer period;~~

~~and should specify the percentages of the relevant classes of share capital represented by these figures before 9.00 a.m. following the day on which the take-over offer is closed, becomes or is declared unconditional as to acceptances, revised or extended, whichever is the earlier.~~



**PART D – ADDITIONAL REQUIREMENTS****11.09 – Equity structure to be furnished to Exchange upon completion of take-over**

Upon completion of a take-over offer of a listed corporation, the listed corporation must, in addition to complying with Rule 8.02(1), furnish a schedule of the listed corporation's securities to the Exchange in the following format:

<i>Particulars</i>	<i>No of</i>	<i>No of</i>	<i>Percentage %</i>
	<i>shares</i>	<i>shareholders</i>	

*Issued  
and paid-up  
capital*

*Less:*

*Treasury shares*

*Directors of the  
listed corporation and  
its subsidiaries*

*Substantial  
shareholders of  
the listed corporation (except  
where such shareholder  
may be included as  
"public")*

*Associates of  
directors or substantial  
shareholders of the  
listed corporation*

*Shareholders  
holding less than  
100 shares*

*Public shareholdings*

**11.10 – Offeror to announce plans and intentions with regard to the offeree**

Where an unlisted corporation, person or group submits a take-over offer for the acquisition of a listed corporation's securities, the offeror must immediately announce to the Exchange, when the offeror, directly or indirectly, holds more than 50% of the offeree's securities.

**11.11 – Requirements of Chapter 10 on acquisitions to be complied with**

Where an offeror is a listed corporation the requirements of Chapter 10 must be complied with.

[ End of Chapter ]

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**APPENDIX 11A****Part A****Contents of announcement in relation to a notice of a take-over offer**  
(Rule 11.04)

- (1) ~~The identity of the proposed offeror and all persons acting in concert with the proposed offeror.~~
- (2) ~~The terms and conditions of the take-over offer.~~
- (3) ~~The type and total number of voting shares of the listed corporation—~~
  - (a) ~~which has been acquired, held or controlled directly or indirectly by the proposed offeror or any person acting in concert with the proposed offeror;~~
  - (b) ~~in respect of which the proposed offeror or any person acting in concert with the proposed offeror have received an irrevocable undertaking from other holders of voting shares to which the take-over relates to accept the take-over offer; and~~
  - (c) ~~in respect of which the proposed offeror or any person acting in concert with the proposed offeror has an option to acquire.~~
- (4) ~~The details of any existing or proposed agreement, arrangement or understanding relating to voting shares referred to in paragraph (3) above between the proposed offeror or any person acting in concert with the proposed offeror and the holders of the voting shares to which the take-over relates.~~
- (5) ~~The conditions of the take-over offer, including conditions relating to acceptances, listing and increase of capital.~~

**Part B****Contents of announcement in relation to the receipt of notice of intention to make a take-over offer**  
(Rule 11.05)

- (1) ~~All the information disclosed to the board of directors of the offeree in the written notice that it has received under subsection 12(2) or paragraph (a) of subsection 12(3) of the Take-Overs and Mergers Code.~~
- (2) ~~A statement whether the board of directors of the offeree is seeking an alternative person to make a take-over offer of its voting shares.~~

[ End of Appendix ]

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**CHAPTER 12 SHARE BUY-BACKS****PART A – GENERAL****12.01 Introduction**

This Chapter sets out the requirements that must be complied with by a listed corporation in respect of the purchase of the listed corporation's own shares.

**PART B – DEFINITIONS****12.02 Definitions**

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

- (a) “Direct Business Transaction” means a transaction in securities entered into outside the Automated Trading System of the Exchange (“ATS”) in accordance with the Rules of the Exchange;
- (b) “odd lot” in relation to any securities quoted on the Official List, means any number of such securities which is less than the number of securities prescribed by the Exchange as a board lot; and
- (c) “on the market” transactions means transactions made through the Automated Trading System (“ATS”) of the Exchange and excludes “Direct Business” transactions as defined in the Rules of the Exchange.

**PART C – GENERAL REQUIREMENTS****12.03 Authorisation**

A listed corporation must not purchase its own shares -

- (a) during the Sponsorship Period; and
- (b) unless its shareholders have given an authorisation to the directors of the listed corporation to make such purchase(s) by way of ordinary resolution which has been passed at a general meeting and subject to section 67A of the Companies Act 1965 and Part IIIA of the Companies Regulations 1966.

**12.04 On the market transactions**

Subject to Rule 12.25(2) below, A listed corporation must ensure that any purchase by a listed corporation of its own shares, or resale of its treasury shares, or both, is effected only on the market of the Exchange.

**12.05 Announcement of intention to propose a share buy-back**

A listed corporation must immediately announce to the Exchange any decision by the board of directors of the listed corporation to submit to shareholders a proposal for the listed corporation to be authorised to purchase its own shares.

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**12.06 Circular to shareholders for purchase of own shares**

- (1) A listed corporation seeking authorization from its shareholders to purchase its own shares other than by way of a renewal of an existing authorization, must issue a circular to its shareholders that complies with the requirements of sub-Rule (3) below.
- (2) A listed corporation that is renewing its existing authorization must either issue -
  - (a) a statement accompanying its notice of general meeting ("**Share Buy-back Statement**"), in substitution of the circular; or
  - (b) a circular, as referred to in sub-Rule (1) above.

Where a listed corporation issues a Share Buy-back Statement, it must ensure that such Statement complies with the requirements of sub-Rule (4) below.

- (3) The listed corporation must include in the circular referred to under sub-Rule (1) above the information set out in Part A of Appendix 12A and all such information concerning the proposed purchase as shareholders and their advisers would reasonably require and would reasonably expect to find in the circular for the purposes of making an informed assessment as to the merits of approving the proposed purchase and the extent of the risks involved in doing so.
- (4) The listed corporation must include in the Share Buy-back Statement the information set out in Part B of Appendix 12A and all such information concerning the proposed purchase as shareholders and their advisers would reasonably require and would reasonably expect to find in the Share Buy-back Statement for the purposes of making an informed assessment as to the merits of approving the proposed purchase and the extent of the risks involved in doing so.
- (5) The listed corporation must submit the circular or Share Buy-back Statement, as the case may be, to the Exchange together with a checklist showing compliance with Part A or B of Appendix 12A respectively.

**12.07 Contents of ordinary resolution for share buy-back**

- (1) A listed corporation must include in the ordinary resolution required under Rule 12.03 for a listed corporation to purchase its own shares the information set out in Appendix 12B.
- (2) The listed corporation must submit the resolution to the Exchange together with a checklist showing compliance with Appendix 12B.
- (3) Any authority conferred by such resolution may only continue to be in force until -
  - (a) the conclusion of the first annual general meeting of the listed corporation following the general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first.

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**12.08 Announcement of outcome of general meeting**

A listed corporation must immediately announce to the Exchange the outcome of the general meeting called to consider the proposed purchase of its own shares on the Exchange, immediately following such meeting.

**12.09 Maximum limit**

A listed corporation must not purchase its own shares or hold any of its own shares as treasury shares if this results in the aggregate of the shares purchased or held exceeding 10% of its issued and paid-up capital.

**PART D – SOURCE OF FUNDS AND CONSIDERATION****12.10 Source of funds**

- (1) A listed corporation must ensure that the proposed purchase(s) of its own shares is made wholly out of retained profits or the share premium account of the listed corporation, or both.
- (2) For the purpose of calculating the total amount of retained profits or share premium available for effecting a share buy-back, the listed corporation must not use the amount of retained profits and share premium available on a group basis.

**12.11 Types of funds**

For the purpose of Rule 12.10, there are no restrictions on the types of funds which can be utilised so long as the share buy-back is backed by an equivalent amount of retained profits or share premium. The use of borrowings as a funding source is entirely within the ambit envisaged by this Chapter.

**PART E – DECLARATION OF SOLVENCY****12.12 Declaration of solvency**

A listed corporation must ensure that a solvency declaration is lodged with the Exchange by the directors of the listed corporation as follows:

- (a) where it is incorporated under the Companies Act 1965, in accordance with section 67A of the Companies Act 1965 and Part IIIA of the Companies Regulations 1966; or
- (b) where it is a foreign corporation, in the form and manner prescribed under Part IIIA of the Companies Regulations 1966 subject to the necessary modifications.

**12.13 Execution of solvency declaration**

- (1) The solvency declaration must be signed and dated by the majority of the directors.
- (2) If any director, whether or not that director signed the declaration, is of the opinion that it is likely that the listed corporation will not remain solvent at the time of the relevant purchase(s), the director must immediately notify the board of directors of the listed corporation in writing and lodge a copy of such notice with the Exchange and the giving of such notice will revoke the validity of the earlier solvency declaration.

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**PART F – ADDITIONAL REQUIREMENTS****12.14 Public shareholding**

A listed corporation must not purchase its own shares on the Exchange if that purchase(s) will result in the listed corporation being in breach of Rule 8.02(1).

**12.15 Appointment of stockbroker**

A listed corporation intending to purchase its own shares or resell treasury shares on the Exchange may appoint up to 2 Participating Organisations for that purpose. The listed corporation must ensure that all dealing(s) in its own shares or treasury shares are made through the said Participating Organisations only.

**12.16 Notice of appointment of stockbroker**

A listed corporation must lodge a notice of the appointment of the Participating Organisations concerned with the Exchange immediately and the listed corporation must open one securities account in its own name with such Participating Organisations designated as "Share Buy-Back Account" which must solely be used for the purchase of its own shares or resale of treasury shares.

**12.17 Purchase price**

A listed corporation may only purchase its own shares on the Exchange at a price which is not more than 15% above the weighted average market price for the shares for the 5 market days immediately before the purchase.

**12.18 Resale price**

A listed corporation may only resell treasury shares on the Exchange at -

- (a) a price which is not less than the weighted average market price for the shares for the 5 market days immediately before the resale; or
- (b) a discounted price of not more than 5% to the weighted average market price for the shares for the 5 market days immediately before the resale provided that -
  - (i) the resale takes place not earlier than 30 days from the date of purchase; and
  - (ii) the resale price is not less than the cost of purchase of the shares being resold.

**12.19 Notification of purchase**

A listed corporation must immediately announce to the Exchange any purchase(s) of its own shares not later than 6.30 p.m. on the day the purchase is made. The listed corporation must include in its announcement the information set out in Part A of Appendix 12C.

**12.20 Notification of resale**

A listed corporation must immediately announce to the Exchange any resale(s) of its treasury shares not later than 6.30 p.m. on the day the resale is made. The listed corporation must include in its announcement the information set out in Part B of Appendix 12C.

**12.21 Notification of cancellation**

A listed corporation must immediately announce to the Exchange any cancellation of its shares or treasury shares not later than 6.30 p.m. on the day the cancellation is made. The listed corporation must include in its announcement the information set out in Part C of Appendix 12C.

**12.22 Exercise of powers**

- (1) A listed corporation and its directors in exercising the power to purchase a listed corporation's own shares or resell treasury shares, or both, are subject, at all times, to all such obligations imposed on them under the law, including but not limited to, the provisions of Part V of the CMSA.
- (2) In exercising its power to purchase its own shares or resell treasury shares, or both, a listed corporation must not engage in speculative trading activities in relation to such purchase or resale.

**12.23 Information to be included in annual reports**

A listed corporation must include in its annual report, information with respect to purchase of its own shares as set out in Appendix 12D.

**12.24 Status of purchased shares**

All shares which are purchased by the listed corporation will be automatically de-listed upon their cancellation by the listed corporation.

**PART G – REQUIREMENTS RELATING TO BUY BACK OF ODD LOT SHARES****12.25 Buy-back of odd lot shares**

- (1) A listed corporation which intends to purchase its own shares in odd lots (“odd lot shares”) must comply with the provisions in this Part, in addition to those set out in Parts B, C, D, E and F of this Chapter, where applicable and with the necessary modifications.
- (2) Notwithstanding Rule 12.04, a listed corporation may purchase its odd lot shares -
  - (a) through a Direct Business Transaction; or
  - (b) in any other manner as may be approved by the Exchange,in accordance with such requirements as may be prescribed or imposed by the Exchange.

[ End of Chapter ]

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**APPENDIX 12A****Part A****Contents of circular in relation to a share buy-back**

(Rule 12.06(3))

- (1) A heading drawing attention to the importance of the circular and advising holders of shares who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the document. In relation to a document which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (3) A statement with regard to the reasons for the proposed purchase.
- (4) The maximum number or percentage of shares to be acquired.
- (5) The total maximum amount of funds to be allocated for the proposed purchase or otherwise a basis, other than reference to any person's discretion or opinion, or a formula to determine the maximum fund that is to be allocated.
- (6) The amount of retained profits and share premium based on the latest audited financial statements and the latest management accounts (where applicable).
- (7) The number of shares held directly and indirectly by the directors and substantial shareholders.
- (8) The source of funds for the purpose of the proposed purchase including, where applicable, details relating to financing for the proposed purchase, the repayment capabilities of the listed corporation and the impact on its cash flow.
- (9) The direct and indirect interests of the directors and substantial shareholders and any person connected with the directors or substantial shareholders, or both, in the proposed purchase of shares or resale of treasury shares.
- (10) Both the potential advantages and disadvantages of the proposed purchase to the listed corporation and its shareholders respectively.
- (11) Any material financial effect on the listed corporation or group if the proposed purchase(s) were to be carried out in full at any time during the proposed authorised period (such as the working capital of the listed corporation as compared with the position disclosed in the most recent published or announced audited financial statements).
- (12) A statement as to the consequences of the proposed purchase on the listed corporation and its shareholders with regard to the Take-Overs and Mergers Code or in relation to a foreign corporation, the relevant laws of the place of incorporation in respect of take-overs and mergers.



**Appendix 12A**  
**Contents of circular & statement for share buy-back**

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- (13) The details of any purchase made in the preceding 12 months giving the date of each purchase and the purchase price per share or the highest, lowest and average prices paid and total consideration paid for such purchase(s).
- (14) The details of number of shares currently held as treasury shares and of any resale of treasury shares made in the preceding 12 months giving the date of each resale and the resale price per share or the highest, lowest and average resale prices and total consideration received for such resale(s).
- (15) The details of any cancellation of shares made in the preceding 12 months.
- (16) The details of the highest and lowest prices at which the relevant shares were traded on the Exchange for the preceding 12 months and the last transacted price on the latest practicable date before printing the circular.
- (17) Whether it is the proposed intention of the directors to retain the shares as treasury shares or cancel them, or both, the rationale for the alternatives chosen and, if available, information as to the percentage or number of shares purchased which are to be retained or cancelled, or both.
- (18) The public shareholding spread of the listed corporation, as at the latest practicable date.
- (19) A statement by the board of directors whether the proposal is in the best interest of the listed corporation.
- (20) A recommendation from the board of directors as to the voting action that shareholders should take.
- (21) An appendix containing the following information:
  - (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the circular misleading;
  - (b) where a person is named in the circular as having advised the listed corporation or its directors, a statement that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name or letter (where applicable), or both in the form and context in which it is included;
  - (c) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the listed corporation and/or its subsidiaries within 2 years immediately preceding the date of the circular. The following particulars must be disclosed in respect of each such contract:
    - (i) the date of the contract;
    - (ii) the parties of the contract;
    - (iii) the general nature; and

**Appendix 12A**  
**Contents of circular & statement for share buy-back**

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- (iv) the consideration and mode of satisfaction;
- (d) a statement of all material litigation, claims or arbitration involving the listed corporation and/or any of its subsidiaries, including those pending or threatened against such corporations. The following particulars must be disclosed:
  - (i) the background;
  - (ii) the date of the suit;
  - (iii) the names of the plaintiff(s) and defendant(s);
  - (iv) the estimate of the maximum exposure to liabilities;
  - (v) the directors'/solicitors' opinion of the outcome; and
  - (vi) the status;
- (e) a statement that for a period of not less than 2 weeks following the publication of the circular, the following documents (or copies of the documents) may be inspected at the registered office of the listed corporation:
  - (i) the memorandum and articles of association;
  - (ii) the audited financial statements of the listed corporation/group for the past 2 financial years and the latest unaudited results since the last audited financial statements;
  - (iii) all reports, letters or other documents, ~~balance sheets~~[statement of financial position](#), valuations and statements by any expert, any part of which is extracted or referred to in the circular;
  - (iv) the letters of consent referred to in subparagraph (b) above;
  - (v) the material contracts referred to in subparagraph (c) above; and
  - (vi) the relevant cause papers in respect of material litigation referred to in subparagraph (d) above.
- (22) Any other information concerning the proposed purchase as shareholders and their advisers would reasonably require and would reasonably expect to find in the circular for the purposes of making an informed assessment as to the merits of approving the proposed purchase and the extent of the risks involved in doing so.

**Appendix 12A**  
**Contents of circular & statement for share buy-back**

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**Part B****Contents of Share Buy-back Statement**

(Rule 12.06(4))

- (1) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the share buy-back statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the document. In relation to a document which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (2) A statement with regard to the reasons for the proposed purchase.
- (3) The amount of retained profits and share premium based on the latest annual audited financial statements and the latest management accounts (where applicable).
- (4) The source of funds for the proposed purchase, including where applicable, details relating to financing for the proposed purchase, the repayment capabilities of the listed corporation and the impact on its cash flow.
- (5) The direct and indirect interests of the directors and substantial shareholders and any person connected with the directors or substantial shareholders, or both, in the proposed purchase of shares or resale of treasury shares.
- (6) Both the potential advantages and disadvantages of the proposed purchase to the listed corporation and its shareholders respectively.
- (7) Any material financial effect on the listed corporation or group if the proposed purchase(s) were to be carried out in full at any time during the proposed authorised period (such as the working capital of the listed corporation as compared with the position disclosed in the most recent published or announced audited financial statements).
- (8) A statement as to the consequences of the proposed purchase on the listed corporation and its shareholders with regard to the Take-Overs and Mergers Code or in relation to a foreign corporation, the relevant laws of the place of incorporation in respect of take-overs and mergers.
- (9) A statement referring its shareholders to the relevant parts of its annual report where information on purchases made by the listed corporation of its own shares in the last financial year, is set out.
- (10) The public shareholding spread of the listed corporation, as at the last practicable date.
- (11) A statement by the board of directors whether the proposal is in the best interest of the listed corporation.
- (12) A recommendation from the board of directors as to the voting action that shareholders should take.

**Appendix 12A**  
**Contents of circular & statement for share buy-back**

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- (13) Any other information concerning the proposed purchase as shareholders and their advisers would reasonably require and would reasonably expect to find in the Share Buy-back Statement for the purposes of making an informed assessment as to the merits of approving the proposed purchase and the extent of the risks involved in doing so.

[ End of Appendix ]

**Appendix 12B**  
**Contents of ordinary resolution for share buy-back**

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**APPENDIX 12B****Contents of ordinary resolution in relation to a share buy-back**

(Rule 12.07(1))

- (1) The total number or percentage and description of the shares which the listed corporation is authorised to purchase on the Exchange.
- (2) The dates on which the authority conferred by the resolution will commence and determine.
- (3) The maximum funds to be allocated by the listed corporation for the purpose of purchasing its own shares or a basis, other than reference to any person's discretion or opinion, or a formula to determine the maximum fund that is to be allocated.
- (4) Whether the shares are proposed to be cancelled or retained as treasury shares, or both and, if available, information as to percentage or number of shares purchased which are to be retained or cancelled, or both.

[ End of Appendix ]

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**APPENDIX 12C****Part A****Contents of announcement in relation to shares purchased**

(Rule 12.19)

- (1) The date of purchase.
- (2) The description of shares purchased.
- (3) The number of shares purchased.
- (4) The price of each share or, where relevant, the highest and lowest price paid.
- (5) The total consideration paid.
- (6) The number of shares purchased retained in treasury.
- (7) The number of shares purchased which are proposed to be cancelled.
- (8) The cumulative net outstanding treasury shares at the date of notification, where applicable.
- (9) Where all or any of the shares are proposed to be cancelled, the adjusted share capital.

**Part B****Contents of announcement in relation to resale of shares**

(Rule 12.20)

- (1) The date of resale.
- (2) The description of shares resold.
- (3) The number of shares resold.
- (4) The resale price of each share or, where relevant, the highest and lowest resale price sold.
- (5) The total consideration received.
- (6) The cumulative net outstanding treasury shares at the date of notification, where applicable.

Appendix 12C  
Contents of announcement for purchase,  
resale or cancellation of shares

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**Part C**

**Contents of announcement in relation to cancellation of shares**

(Rule 12.21)

- (1) The number of shares cancelled.
- (2) The date of cancellation.
- (3) The outstanding and paid-up capital of the listed corporation after cancellation.

[ End of Appendix ]

**Appendix 12D**  
**Disclosure in annual report for share buy-back**

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**APPENDIX 12D****Disclosure in annual report in relation to share buy-back**

(Rule 12.23)

- (1) A monthly breakdown of purchase(s) of its own shares made during the financial year showing the number of shares purchased each month and the purchase price per share or the highest, lowest and average price paid, and the total consideration paid for such purchase(s).
- (2) A monthly breakdown of resale(s) of its treasury shares during the financial year showing the number of treasury shares resold each month and the resale price of each share, or the highest, lowest and average resale price and the total consideration received for such resale(s).
- (3) The details of the shares retained as treasury shares during the financial year.
- (4) The details of shares cancelled during the financial year.

[ End of Appendix ]



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**CHAPTER 13 ARRANGEMENTS AND RECONSTRUCTIONS****PART A – GENERAL****13.01 Introduction**

This Chapter sets out the requirements that must be complied by a listed corporation which intends to undertake a scheme of compromise, arrangement, amalgamation or reconstruction.

**PART B – SCHEMES OF COMPROMISE, ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION****13.02 Immediate announcements**

- (1) A listed corporation which is undertaking a scheme of compromise, arrangement, amalgamation or reconstruction ("**proposed Scheme**") must immediately announce the proposed Scheme to the Exchange. The listed corporation must also immediately announce to the Exchange the information set out in Appendix 13A as and when the same becomes available.
- (2) A listed corporation must also immediately announce to the Exchange any material development in the proposed Scheme.

**13.03 Contents of explanatory statement/circular**

- (1) A listed corporation must ensure that any explanatory statement/circular required by Part VII of the Companies Act 1965 to be given to the holders of securities of the listed corporation includes the information set out in Appendix 13B.
- (2) The explanatory statement/circular must be submitted to the Exchange with a checklist showing compliance with Appendix 13B.

**PART C – SUBDIVISION OF SHARES****13.04 Application of Part C**

- (1) A listed corporation which intends to subdivide its shares must comply with all the provisions of this Part C.
- (2) The following corporations that intend to undertake a subdivision of its shares as part of its proposal or plan must comply with all requirements of this Part C except for Rule 13.05 below:
  - (a) Cash Companies;
  - (b) GN3 Companies; or
  - (c) listed corporations which were similarly classified as such under the previous corresponding provisions.

*[Cross reference: Guidance Note 20]*

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- (3) For the purpose of this Part, unless the context otherwise requires, a “**Specified Subdivision**” is a subdivision of shares which -
- (a) is not conditional upon any other corporate proposal, or
  - (b) is conditional upon another corporate proposal but –
    - (i) that other corporate proposal is a ~~subdivision or consolidation or shares bonus issue~~; or
    - (ii) that other corporate proposal has been completed or becomes unconditional.

### 13.05 Criteria for subdivision of shares

The listed corporation must comply with the following:

- (a) the listed corporation’s share price adjusted for the subdivision of shares must not be less than RM0.50 based on the daily closing price of the listed corporation’s shares during the 3-month period before the application date;
- (b) the issued and paid-up capital of the listed corporation must be unimpaired by losses on a consolidated basis, where applicable, based on the listed corporation’s latest audited financial statements as well as its latest quarterly report;
- (c) the listed corporation is not a -
  - (i) Cash Company;
  - (ii) GN3 Company; or
  - (iii) listed corporation which was similarly classified as such under the previous corresponding provisions; and

*[Cross reference: Guidance Note 20]*

- (d) the subdivided shares must rank pari passu in all respects with each other.

### 13.06 Application to subdivide shares

- (1) The listed corporation must file with the Exchange an application which includes the information set out in Part A of Appendix 13C and in addition, in regard to a proposed Specified Subdivision, Part B of Appendix 13C. The application must be filed not later than 1 month from the date of the listed corporation’s announcement pertaining to the proposed subdivision.
- (2) The Exchange will exercise discretion over the approval for the subdivision of the listed corporation’s shares and may approve or reject applications for the subdivision of such shares by listed corporations, as it deems fit.
- (3) Where the Exchange approves an application for the subdivision of shares by the listed corporation, such approval may be unconditional or subject to such conditions, as it deems fit.

- 
- (4) Where the proposed subdivision is not a Specified Subdivision, the listed corporation which has obtained approval for subdivision of shares must file with the Exchange an application for quotation of the subdivided shares, which must be accompanied by the documents specified in Part C of Appendix 13C and such other documents as may be specified in the approval-in-principle granted by the Exchange.

### 13.07 Procedures relating to subdivision of shares which is not a Specified Subdivision

The following procedures apply to a subdivision of shares by the listed corporation which is not a Specified Subdivision, with the necessary adaptations, as may be applicable:

- (a) listed corporation immediately announces to the Exchange upon the approval of the listed corporation's board of directors being given for the subdivision;
- (b) listed corporation submits application to the Exchange for the subdivision of shares;
- (c) listed corporation obtains the Exchange's approval for the subdivision of shares;
- (d) listed corporation obtains its shareholder approval;
- (e) listed corporation immediately announces to the Exchange the books closing date and issues notices of subdivision of shares to its security holders. The trading in the shares of the listed corporation will be suspended 3 clear market days before the books closing date;
- (f) listed corporation issues subdivided shares;
- (g) listed corporation files with the Exchange an application for quotation together with supporting documents; and
- (h) the subdivided shares are listed and quoted on the Exchange 2 market days after receipt of the application for quotation together with the requisite documents and/or confirmations and the same have been found to be complete in all respects.

### 13.08 Procedures relating to a Specified Subdivision

The following procedures apply to a Specified Subdivision by the listed corporation, with the necessary adaptations, as may be applicable:

- (a) listed corporation immediately announces to the Exchange upon the approval of the listed corporation's board of directors being given for the subdivision;
- (b) listed corporation submits application to the Exchange for the Specified Subdivision;
- (c) listed corporation obtains the Exchange's approval for the Specified Subdivision of shares;
- (d) listed corporation obtains its shareholder approval;
- (e) listed corporation immediately announces to the Exchange the books closing date and the date of listing and quotation of the subdivided shares;
- (f) listed corporation issues subdivided shares;
- (g) listed corporation announces to the Exchange the books closing date on the number, type and par value of shares to be subdivided on such date; and

- 
- (h) the subdivided shares are listed and quoted on the Exchange on the next market day following the books closing date.

### 13.09 Convertible securities

- (1) Where a listed corporation has previously procured approval-in-principle for the listing of shares arising from the exercise or conversion of its convertible securities ("**conversion shares**"), no further application for approval-in-principle need be made by the listed corporation for listing of conversion shares that are adjusted as a result of subdivision of shares undertaken by the listed corporation.
- (2) Where a listed corporation intends to issue warrants or other convertible securities arising from adjustments due to a subdivision of shares ("**consequential securities**"), the listed corporation must comply with the provisions of Part I of Chapter 6, where applicable, in addition to those set out in this Chapter.

### 13.10 Announcement to the Exchange

- (1) The listed corporation must include in the announcement to the Exchange relating to the proposed subdivision the information set out in Appendix 13D.
- (2) In relation to a Specified Subdivision, a listed corporation must -
- (a) include the date of listing and quotation of the subdivided shares in the announcement of the books closing date; and
  - (b) announce the books closing date and the number, type and par value of the shares to be subdivided.

### 13.11 Circular and notices of subdivision of shares

- (1) The listed corporation must ensure that the circular to be sent to its shareholders to obtain shareholder approval for the proposed subdivision includes the information set out in Appendix 13E.
- (2) The listed corporation must ensure that the notices of subdivision of shares to be issued to its security holders include the information set out in Appendix 13F.
- (3) The listed corporation must submit the circular and notice of subdivision of shares to the Exchange together with a checklist showing compliance with Appendices 13E and 13F respectively.
- (4) Sub-Rule (2) above does not apply to a Specified Subdivision.

### 13.12 Fixing of books closing date for subdivision of shares

The listed corporation must not fix a books closing date for the purpose of subdividing its shares until -

- (a) the proposed subdivision has been approved by the Exchange; and
- (b) the approval of the shareholders in general meeting in respect of the proposed subdivision has been obtained.

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**13.13 Allotment of securities, despatch of notices of allotment and application for quotation in respect of subdivided shares**

- (1) Within 4 market days of the books closing date for the proposed subdivision or such other period as may be prescribed by the Exchange, a listed corporation must -
- (a) issue subdivided shares;
  - (b) despatch notices of allotment of subdivided shares to the shareholders; and
  - (c) make an application for the quotation of the subdivided shares.
- (2) Sub-Rule (1) above does not apply to a Specified Subdivision.

**PART D – CONSOLIDATION OF SHARES****13.14 Application of Part C**

- (1) The following provisions of Part C apply to consolidation of shares:
- (a) sub-Rules 13.04(2) and (3);
  - (b) Rule 13.06 except that the application must include the information set out in paragraphs (1) to (5) and (7) to (10) of Part A of Appendix 13C;
  - (c) sub-Rule 13.05(d); and
  - (d) Rules 13.07, 13.08, 13.09, 13.10, 13.11, 13.12 and 13.13.
- (2) For the purposes of this Rule, all references to subdivision of shares in relation to the provisions referred to in sub-Rule (1) above mean consolidation of shares.

[ End of Chapter ]

**Appendix 13A**  
**Contents of announcement for the proposed Scheme**

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**APPENDIX 13A****Contents of announcement in relation to the proposed Scheme**  
(Rule 13.02(1))

- (1) The date of the restraining order (where applicable).
- (2) The duration of the restraining order (where applicable).
- (3) A list of corporations (listed corporation and its subsidiaries) which are involved in the proposed Scheme.
- (4) The details of the proposed Scheme.
- (5) All steps proposed to be taken for the completion of the proposed Scheme.
- (6) The effects of the proposed Scheme, including the effect on -
  - (a) where applicable, the group structure before and after the proposed Scheme;
  - (b) the share capital;
  - (c) the substantial shareholding structure;
  - (d) the net assets per share and the earnings per share of the group; and
  - (e) the gearing position.
- (7) The approvals required from the relevant authorities and the conditions imposed by such authorities (if any).
- (8) The details of the interests of the directors, major shareholders and/or persons connected with them in the proposed Scheme.
- (9) Where applicable, the details of the transferee corporation which must include but not be limited to the history and business of the operation.

[ End of Appendix ]

**Appendix 13B**  
**Contents of explanatory statement/circular for the proposed Scheme**

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**APPENDIX 13B****Contents of explanatory statement/circular in relation to the proposed Scheme**  
(Rule 13.03(1))

- (1) A heading drawing attention to the importance of the document and advising holders of securities who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that the explanatory statement/circular has been reviewed and approved by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the explanatory statement/circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the explanatory statement/circular. In relation to an explanatory statement/circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (4) The purpose of the document.
- (5) The date of the restraining order (where applicable).
- (6) The duration of the restraining order (where applicable).
- (7) A list of the corporations (listed corporation and its subsidiaries) which are involved in the proposed Scheme.
- (8) The details of the proposed Scheme.
- (9) All steps proposed to be taken for the completion of the proposed Scheme.
- (10) The effects of the proposed Scheme, including the effect on -
  - (a) where applicable, the group structure before and after the proposed Scheme;
  - (b) the share capital;
  - (c) the substantial shareholding structure;
  - (d) the net assets per share and the earnings per share of the group; and
  - (e) the gearing position.
- (11) The approvals required from the relevant authorities and the conditions imposed by such authorities (if any).
- (12) The details of the interests of the directors, major shareholders and/or persons connected with them in the proposed Scheme.

**Appendix 13B**

**Contents of explanatory statement/circular for the proposed Scheme**

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- (13) Where applicable, the details of the transferee corporation which must include but not be limited to -
- (a) the history and business of the operation;
  - (b) the share capital;
  - (c) the information on directors, substantial shareholders and their shareholdings in the transferee;
  - (d) the details of its subsidiaries and associated companies;
  - (e) the details of its profit and dividend record; and
  - (f) the accountants' report on the transferee corporation and the corporations to be acquired.
- (14) A statement by the board of the directors as to whether the proposed Scheme is in the best interests of the listed corporation.
- (15) Where voting is required, a recommendation from the board of directors as to the voting action that securities holders should take.
- (16) An appendix containing the following information:
- (a) a responsibility statement by the directors that the explanatory statement/circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the explanatory statement/circular misleading;
  - (b) where a person is named in the explanatory statement/circular as having advised the listed corporation or its directors, a statement that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name and/or letter (where applicable) in the form and context in which it is included;
  - (c) a statement of all material contracts (not being contracts entered into in the ordinary course of business), entered into by the listed corporation and/or its subsidiaries and the transferee (where applicable) within 2 years immediately preceding the date of the explanatory statement/circular. The following particulars must be disclosed in respect of each of such contract:
    - (i) the date of the contract;
    - (ii) the parties of the contract;
    - (iii) the general nature; and
    - (iv) the consideration and the mode of satisfaction;



**Appendix 13B**

**Contents of explanatory statement/circular for the proposed Scheme**

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- (d) a statement of all material litigation, claims or arbitration involving the listed corporation and/or any of its subsidiaries and the transferee (where applicable) including those pending or threatened against such corporations. The following particulars must be disclosed:
- (i) the background;
  - (ii) the date of the suit;
  - (iii) the names of the plaintiff(s) and defendant(s);
  - (iv) the estimate of the maximum exposure to liabilities;
  - (v) directors'/solicitors' opinion of the outcome; and
  - (vi) the status;
- (e) a statement that from the date of the explanatory statement/circular to the date of the meeting, the following documents (or copies of the documents) in respect of the listed corporation and the transferee, where applicable, may be inspected at the registered office of the listed corporation:
- (i) the memorandum and articles of association;
  - (ii) the audited financial statements of the listed corporation/group and transferee (where applicable) for the past 2 financial years preceding the publication of the explanatory statement/circular and the latest unaudited results since the last audited financial statements;
  - (iii) all reports, letters or other documents, ~~balance sheets~~[statement of financial position](#), valuations and statements by any expert, any part of which is extracted or referred to in the explanatory statement/circular;
  - (iv) the letters of consent referred to in subparagraph (b) above;
  - (v) the material contracts referred to in subparagraph (c) above; and
  - (vi) the relevant cause papers in respect of the material litigation referred to in subparagraph (d) above.
- (17) Any other information which the securities holders and their advisers would reasonably expect to find in an explanatory statement/circular of that nature for the purpose of making an informed decision.

[ End of Appendix ]

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**APPENDIX 13C****PART A****Contents of an application for subdivision of shares**

(Rule 13.06(1) and 13.14(1)(b))

- (1) Title Page showing -
  - (a) the name of the listed corporation;
  - (b) the full title or designation of the listed corporation's existing shares and shares proposed for subdivision;
  - (c) the date of application and formal request for subdivision, specifying the amount, par value and the title of the shares after the subdivision, and whether the shares are fully paid; and
  - (d) the purpose of subdivision.
- (2) A table showing before and after the subdivision, the following:
  - (a) the designation or title of each class of shares;
  - (b) the par value;
  - (c) the number of shares authorised by the memorandum and articles of association and number of shares issued;
  - (d) the number of unissued shares reserved for issuance for any specific purpose, and purpose for which reserved or an appropriate negative statement; and
  - (e) the ranking of the shares.
- (3) The details of the proposed subdivision.
- (4) The details of approvals from the other relevant authorities in relation to the proposed subdivision, if applicable.
- (5) A confirmation from the listed corporation that the proposed subdivision of shares is allowed under its articles of association.
- (6) A confirmation from the listed corporation that it complies with Rule 13.05.
- (7) The dates of meeting of directors and shareholders at which the subdivision of shares was authorised and the date of approval(s) of the relevant authorities.
- (8) A statement as to whether there has been any important development affecting the listed corporation or its business since the latest annual report of the listed corporation. If so, a description of such development.

**Appendix 13C**  
**Contents of application for subdivision of shares**

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- (9) The expected timeframe for completion of the proposed subdivision.
- (10) A statement whether the subdivision is conditional upon any other corporate proposal including -
  - (a) the details of such other corporate proposals; and
  - (b) the estimated timeframe for completion of the other corporate proposals.

**Part B****Additional contents of an application for subdivision of shares which is a Specified Subdivision**  
(Rule 13.06(1))

The following documents:

- (1) an undertaking that the subdivided shares will rank pari passu in all respects with each other;
- (2) an undertaking that all notices of allotment will be issued and despatched to the shareholders as expeditiously as possible and in any event, not later than 4 market days after the date of listing and quotation of the subdivided shares;
- (3) an undertaking that all conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the subdivided shares will be met;
- (4) an undertaking that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the subdivided shares including any order, injunction or any other directive issued by any court of law; and
- (5) an undertaking to immediately inform the Exchange upon becoming aware, after submission of the application, that the listed corporation has failed to meet any of the above undertakings referred to in subparagraphs (1) to (3) above or of any circumstances or facts referred to in subparagraph (4) above.

**Part C****Contents of an application for quotation of subdivided shares where the subdivision is not a Specified Subdivision**  
(Rule 13.06(4))

- (1) The number, type and par value of the existing and proposed subdivided shares.
- (2) A confirmation that all notices of allotment have been issued and despatched to the shareholders.
- (3) A confirmation from the listed corporation that the Depository is ready to credit the subdivided shares to the accounts of the shareholders, after receiving the allotment information for crediting of the subdivided shares.
- (4) A confirmation that the subdivided shares will rank pari passu in all respects with each other.

**Appendix 13C**  
**Contents of application for subdivision of shares**

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- (5) A certified true copy of the relevant resolution passed by shareholders in general meeting.
- (6) A confirmation that all conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the subdivided shares have been met.
- (7) A confirmation that that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the subdivided shares including any order, injunction or any other directive issued by any court of law.

[ End of Appendix ]

**Appendix 13D**  
**Contents of announcement for a proposed subdivision of shares**

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**APPENDIX 13D****Contents of announcement in relation to a proposed subdivision of shares**  
(Rule 13.10)

- (1) The number, type and par value of the existing and proposed subdivided shares.
- (2) The ranking of the proposed subdivided shares.
- (3) The reasons for and purpose of the proposed subdivision.
- (4) The details of the proposed subdivision.
- (5) The effect of the proposed subdivision on -
  - (a) the issued and paid-up capital and shares to be issued pursuant to existing share option schemes or shares to be issued pursuant to the exercise and/or conversion of existing convertible securities;
  - (b) the net assets per share based on the latest audited consolidated financial statements; and
  - (c) the earnings per share of the group.
- (6) The approvals required for the proposed subdivision of shares and the estimated time frame for submission of the application to the relevant authorities.
- (7) Whether a suspension will be imposed on the trading of the shares in view of the proposed subdivision.

[ End of Appendix ]

**Appendix 13E**  
**Contents of circular for a proposed subdivision of shares**

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**APPENDIX 13E****Contents of circular in relation to a proposed subdivision of shares**

(Rule 13.11(1))

- (1) A heading drawing attention to the importance of the circular and advising holders of shares who are in any doubt as to what action to take to consult appropriate independent professional advisers.
- (2) A statement that the circular has been reviewed and approved by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (4) The purpose of the circular.
- (5) The reasons for and purposes of the proposed subdivision of shares.
- (6) The details of the proposed subdivision and date on which the proposed subdivision of shares was announced.
- (7) The number, type and par value of the existing and proposed subdivided shares.
- (8) The listed corporation's share price adjusted for the subdivision and the basis of determining the price.
- (9) The ranking of the proposed subdivided shares and treatment of any fractions.
- (10) The details of any other intended corporate exercise/scheme which have been announced but not yet completed before the printing of the circular.
- (11) The effects of the proposed subdivision on -
  - (a) the issued and paid-up capital and shares to be issued pursuant to existing share option schemes or shares to be issued pursuant to the exercise and/or conversion of existing convertible securities;
  - (b) the net assets per share based on the latest audited consolidated financial statements; and
  - (c) the earnings per share of the group.
- (12) The expected timeframe for completion of the proposed subdivision.
- (13) The monthly highest and lowest market prices of the listed shares transacted for the 12 months preceding the date of the circular and the last transacted price immediately before the announcement of the subdivision of shares and as at the latest practicable date before the printing of the circular.

**Appendix 13E**

**Contents of circular for a proposed subdivision of shares**

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- (14) The approvals required for the proposed subdivision of shares and dates on which such approvals were obtained and conditions of the approvals.
- (15) A statement by the board of directors stating whether the exercise is in the best interest of the listed corporation.
- (16) A recommendation from the board of directors as to the voting action that shareholders should take.
- (17) An appendix containing the following information:
- (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the circular misleading;
  - (b) where a person is named in the circular as having advised the listed corporation or its directors, a statement that such adviser or expert has given and has not withdrawn its written consent to the inclusion of the adviser's or expert's name and/or letter (if applicable) in the form and context in which it is included;
  - (c) a statement that from the date of the circular until the date of the general meeting the following documents (or copies of the documents) may be inspected at the registered office of the listed corporation:
    - (i) the memorandum and articles of association;
    - (ii) the audited financial statements of the listed corporation and/or group for the past 2 financial years (if applicable) and the latest unaudited results since the last audited financial statements;
    - (iii) all reports, letters or other documents, ~~balance sheets~~statement of financial position, valuations and statements by any expert, any part of which is extracted or referred to in the circular; and
    - (iv) the letters of consent referred to in subparagraph (17)(b) above.
- (18) Any other information which the shareholders and their advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

[ End of Appendix ]

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**APPENDIX 13F****Notice of subdivision of shares**  
(Rule 13.11(2))

- (1) A heading drawing attention to the importance of the notice and advising holders of shares who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that the notice has been reviewed and approved by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the notice, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the notice. In relation to a notice which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (4) The purpose of the notice.
- (5) The details of the proposed subdivision and date on which the proposed subdivision of shares was announced.
- (6) The approvals required for the proposed subdivision of shares and dates on which such approvals were obtained and conditions of the approvals.
- (7) The number, type and par value of the existing and subdivided shares.
- (8) The time and date on which the listed corporation's shares will be suspended from trading.
- (9) The details relating to the books closing date, including last date and time for transfer, deposit and purchase of shares (where applicable).
- (10) The details relating to the crediting of the subdivided shares.
- (11) The details relating to allotment of the subdivided shares and the submission of application for quotation of the subdivided shares.
- (12) A responsibility statement by the directors that the notice has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the notice misleading.

[ End of Appendix ]



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**CHAPTER 14 DEALINGS IN LISTED SECURITIES****PART A – GENERAL****14.01 Introduction**

This Chapter sets out the requirements that must be complied with by a listed corporation, its directors and principal officers in relation to dealings by its directors and principal officers in listed securities.

**PART B – DEFINITIONS****14.02 Definitions**

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

- (a) **“1 full market day”** excludes the day on which an announcement is made. Therefore, for the purposes of Rule 14.08(c), regardless of what time the Exchange receives an announcement on a given day, dealings can only commence after 1 full market day from the day on which the announcement is made;
- (b) **“closed period”** means a period commencing 30 calendar days before the targeted date of announcement to the Exchange of a listed corporation’s quarterly results, up to the date of the announcement of the quarterly results;
- (c) **“dealing”** includes any one or more of the following actions, whether undertaken as principal or as agent:
  - (i) acquiring or disposing of securities or any interest in securities;
  - (ii) subscribing for or underwriting securities;
  - (iii) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into -
    - (aa) any agreement for or with a view to acquiring or disposing of securities or any interest in securities;
    - (bb) any agreement for or with a view to subscribing for or underwriting securities; or
    - (cc) any agreement the purpose or avowed purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the values of securities; and
  - (iv) granting, accepting, acquiring, disposing of, exercising or discharging an option (whether for the call or put or both) or any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities or any interest in securities;
- (d) **“deal”** will be construed in accordance with the meaning of **“dealing”** as defined above;
- (e) **“interest in securities”** has the meaning given to it under section 4 of the CMSA;

- 
- (f) “**other listed corporations**” in relation to an affected person, means listed corporations other than the affected person’s own listed corporation;
- (g) “**own listed corporation**” in relation to an affected person, means the listed corporation in which an affected person holds the position of a director or a principal officer;
- (h) “**price-sensitive information**” means information that “on becoming generally available would or would tend to have a material effect on the price or value of securities” as referred to in section 185 of the CMSA; and
- (i) “**principal officer**” means in relation to a listed corporation or its major subsidiary, the chief executive who is not a director, chief financial officer or any other employee of the listed corporation or its major subsidiary respectively who has access or is privy to price-sensitive information in relation to the listed corporation.

## PART C – APPLICATION

### 14.03 Application

The requirements in this Chapter apply to dealings in any listed securities by the following categories of persons (collectively referred to as “**affected persons**”):

- (a) a director of the listed corporation or its major subsidiary; and
- (b) a principal officer of the listed corporation or its major subsidiary,

as the case may be.

## PART D – RESTRICTIONS

### 14.04 Possession of price-sensitive information

An affected person must not deal in the listed securities of his own listed corporation or of other listed corporations as long as he is in possession of price-sensitive information relating to such listed securities.

### 14.05 General restriction on dealings

An affected person who is not in possession of price-sensitive information relating to listed securities may engage in dealings with such listed securities during a closed period provided that he complies with the procedures set out in Rule 14.08 below.

## PART E – EXEMPTIONS

### 14.06 Exemptions

The following categories of dealings are exempted from the restrictions or requirements of Rules 14.04 and 14.05 respectively:

- (a) the acceptance or exercise of options or rights under ~~an employee share~~ [Share Issuance Scheme](#) or share option scheme;
- (b) the exercise of warrants;

- 
- (c) the conversion of convertible securities;
  - (d) the acceptance of entitlements under an issue or offer of securities, where such issue or offer is made available to all holders of a listed corporation's securities or to all holders of a relevant class of its securities, on the same terms;
  - (e) the undertaking to accept, or the acceptance of a take-over offer; and
  - (f) the undertaking to accept, or the acceptance of securities as part of a merger by way of scheme of arrangement.

#### 14.07 Subsequent dealings

For the avoidance of doubt, subsequent dealings in any securities obtained as a result of the dealings stated in Rule 14.06 are not exempted from the restrictions in Rules 14.04 and 14.05.

### PART F – PROCEDURES FOR DEALINGS

#### 14.08 Procedures for dealings during closed periods

An affected person who wishes to deal in the listed securities of his own listed corporation ("**affected company**") during a closed period must comply with the following procedures:

- (a) before the proposed dealing, the affected person must give notice of intention to deal in writing to the affected company;
- (b) upon receipt of such notice, the affected company must immediately announce to the Exchange, among others, the following information:
  - (i) the affected person's current holdings of securities in the affected company; and
  - (ii) the affected person's intention to deal in the securities of the affected company during a closed period;
- (c) the proposed dealing can only be effected after 1 full market day from the date of the announcement made pursuant to sub-Rule (a) above;
- (d) the affected person must give notice of the dealing in writing to the company secretary of the affected company within 1 full market day after the dealing has occurred and the affected company must immediately announce such notice to the Exchange. The affected company must include the following in the notice and announcement:
  - (i) the date on which the dealing occurred;
  - (ii) the consideration for the dealing; and
  - (iii) the number of securities involved in the dealing, both in absolute terms and as a percentage of all issued securities of that class in the affected company;
- (e) a listed corporation must maintain a proper record of all notices received by it pursuant to sub-Rule (d) above; and
- (f) the company secretary of a listed corporation must, at each meeting of the board of directors, table a summary of dealings notified to the listed corporation since the last board meeting.

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**14.09 Procedures for dealings outside closed periods**

Where an affected person deals in the listed securities of the affected company outside closed periods, the affected person, the affected company and the company secretary of the affected company must comply with the following requirements:

- (a) the affected person must, within 3 market days after the dealing has occurred, give notice of the dealing in writing to the company secretary of the affected company and the affected company must immediately announce such notice to the Exchange. The affected company must include the information set out in Rule 14.08(d) in the notice and announcement;
- (b) the listed corporation must maintain a proper record of all notices received by it pursuant to sub-Rule(a) above; and
- (c) the company secretary of the listed corporation must, at each meeting of the board of directors, table a summary of dealings notified to the listed corporation since the last board meeting.

[ End of Chapter ]

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**CHAPTER 15 CORPORATE GOVERNANCE****PART A – GENERAL****15.01 Introduction**

This Chapter sets out the requirements that must be complied with by a listed corporation and its directors with regard to corporate governance.

**PART B – DIRECTORS****15.02 Composition of the board of directors**

- (1) A listed corporation must ensure that at least 2 directors or 1/3 of the board of directors of a listed corporation, whichever is the higher, are independent directors.
- (2) If the number of directors of the listed corporation is not 3 or a multiple of 3, then the number nearest 1/3 must be used.
- (3) In the event of any vacancy in the board of directors, resulting in the non-compliance with sub-Rule (1) above, a listed corporation must fill the vacancy within 3 months.

**15.03 Undertaking and letter by directors**

- (1) A person who is appointed as a director of a listed corporation must give to the Exchange immediately after his appointment and in any event not later than 14 days after that, an undertaking in the form as may be prescribed by the Exchange in respect of that listed corporation.

*[Cross reference: Annexure GN15-C of Guidance Note 15]*

- (2) A person who is appointed as an independent director must give to the Exchange immediately after his appointment and in any event not later than 14 days after that, a letter in the form as may be prescribed by the Exchange.

*[Cross-reference: Annexure GN15-D of Guidance Note 15]*

**15.04 Rights of directors**

Unless otherwise provided by or subject to any applicable laws or these Requirements, a listed corporation must ensure that every director has the right to the resources, whenever necessary and reasonable for the performance of his duties, at the cost of the listed corporation and in accordance with a procedure to be determined by the board of directors, including but not limited to -

- (a) obtaining full and unrestricted access to any information pertaining to the listed corporation;
- (b) obtaining full and unrestricted access to the advice and services of the company secretary; and
- (c) obtaining independent professional or other advice.

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**15.05 Qualification, vacation of office and removal of directors**

- (1) A listed corporation must ensure that no person is appointed or allowed to act as a director of the corporation or be involved whether directly or indirectly in the management of the corporation, including acting in an advisory capacity in relation to the corporation, if he –
- (a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
  - (b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
  - (c) has been convicted by a court of law of an offence under the securities laws or the Companies Act 1965,

within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

- (2) For the purpose of sub-Rule (1) above, “**securities laws**” means the CMSA, the Securities Industry (Central Depositories) Act 1991 the Securities Commission Act 1993.
- (3) The office of a director will become vacant if the director -
- (a) becomes of unsound mind;
  - (b) becomes bankrupt;
  - (c) is absent from more than 50% of the total board of directors’ meetings held during a financial year; or
  - (d) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in sub-Rules (1)(a), (b) or (c) above.
- (4) For purposes of sub-Rule (3)(c) above, if a director is appointed after the commencement of a financial year, then only the remaining board of directors’ meetings held after his appointment will be taken into account.
- (5) Where a director is removed from office, the listed corporation must forward to the Exchange a copy of any written representations made by the director in question at the same time as copies of such representations are sent to members of the listed corporation under section 128(3)(b) of the Companies Act 1965, unless copies of such representations need not be sent out by reason of the circumstances specified in section 128(4) of the Companies Act 1965.

**15.06 Restriction on directorships**

- (1) A director of an applicant or a listed corporation must not hold more than 25 directorships in companies, of which -
- (a) the number of directorships in listed companies must not be more than 10; and
  - (b) the number of directorships in companies other than listed companies must not be more than 15.

- (2) For the purposes of this Rule, “**companies**” means companies incorporated under or corporations registered as foreign companies under the Companies Act 1965, regardless of whether such companies are public or private companies or whether they are listed companies or not.

[Cross reference: Guidance Note 9]

#### 15.07 Method of computation

For the purposes of Rule 15.06, a director of an applicant or a listed corporation must comply with the method of calculation of number of directorships prescribed by the Exchange.

[Cross reference: Guidance Note 9]

#### 15.08 Directors’ training

- (1) A director of a listed corporation must ensure that he attends such training programmes as may be prescribed by the Exchange from time to time.
- (2) The Exchange considers continuous training for directors of listed corporations as important to enable the directors to effectively discharge their duties. In this respect, the board of directors of a listed corporation must on a continuous basis, evaluate and determine the training needs of its directors. The subject matter of training must be one that aids the director in the discharge of his duties as a director. The board of directors must disclose in the annual report of the listed corporation whether its directors have attended training for the financial year. Where any of its directors have not attended any training during the financial year, the board of directors must state the reasons for the non-attendance in the annual report for each director.

[Cross reference: Guidance Note 10]

### PART C – AUDIT COMMITTEE

#### 15.09 Composition of the audit committee

- (1) A listed corporation must appoint an audit committee from amongst its directors which fulfils the following requirements:
- (a) the audit committee must be composed of no fewer than 3 members;
  - (b) all the audit committee members must be non-executive directors, with a majority of them being independent directors; and
  - (c) at least one member of the audit committee -
    - (i) must be a member of the Malaysian Institute of Accountants; or
    - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years’ working experience and -
      - (aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

- (bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
  - (iii) fulfils such other requirements as prescribed or approved by the Exchange.
- (2) A listed corporation must ensure that no alternate director is appointed as a member of the audit committee.

[Cross reference: Guidance Note 9]

#### 15.10 Chairman of the audit committee

The members of an audit committee must elect a chairman among themselves who is an independent director.

#### 15.11 Written terms of reference

An audit committee must have written terms of reference which deal with its authority and duties.

#### 15.12 Functions of the audit committee

Without limiting the generality of Rule 15.11 above, a listed corporation must ensure an audit committee must, amongst others, discharge the following functions:

- (1) review the following and report the same to the board of directors of the listed corporation:
  - (a) with the external auditor, the audit plan;
  - (b) with the external auditor, his evaluation of the system of internal controls;
  - (c) with the external auditor, his audit report;
  - (d) the assistance given by the employees of the listed corporation to the external auditor;
  - (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
  - (g) the quarterly results and year end financial statements, before the approval by the board of directors, focusing particularly on -
    - (i) changes in or implementation of major accounting policy changes;
    - (ii) significant and unusual events; and
    - (iii) compliance with accounting standards and other legal requirements;
  - (h) any related party transaction and conflict of interests situation that may arise within the listed corporation or group including any transaction, procedure or course of conduct that raises questions of management integrity;



- 
- (i) any letter of resignation from the external auditors of the listed corporation; and
  - (j) whether there is reason (supported by grounds) to believe that the listed corporation's external auditor is not suitable for re-appointment; and
- (2) recommend the nomination of a person or persons as external auditors.

### 15.13 Attendance of other directors and employees

A listed corporation must ensure that other directors and employees attend any particular audit committee meeting only at the audit committee's invitation, specific to the relevant meeting.

### 15.14 Procedure of audit committee

An audit committee may regulate its own procedure, in particular -

- (a) the calling of meetings;
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

### 15.15 Audit committee report

- (1) A listed corporation must ensure that its board of directors prepares an audit committee report at the end of each financial year that complies with sub-Rules (2) and (3) below.
- (2) The audit committee report must be clearly set out in the annual report of the listed corporation.
- (3) The audit committee report must include the following:
  - (a) the composition of the audit committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors are independent or otherwise);
  - (b) [the summary of the terms of reference of the audit committee, or the key functions, roles and responsibilities of the audit committee;](#)
  - (c) the number of audit committee meetings held during the financial year and details of attendance of each audit committee member;
  - (d) a summary of the activities of the audit committee in the discharge of its functions and duties for that financial year of the listed corporation; and
  - (e) a summary of the activities of the internal audit function or activity.

**15.16 Reporting of breaches to the Exchange**

Where an audit committee is of the view that a matter reported by it to the board of directors of a listed corporation has not been satisfactorily resolved resulting in a breach of these Requirements, the audit committee must promptly report such matter to the Exchange.

**15.17 Rights of the audit committee**

A listed corporation must ensure that wherever necessary and reasonable for the performance of its duties, an audit committee must, in accordance with a procedure to be determined by the board of directors and at the cost of the listed corporation -

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the listed corporation;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the listed corporation, whenever deemed necessary.

**15.18 Quorum of an audit committee**

In order to form a quorum in respect of a meeting of an audit committee, the majority of members present must be independent directors.

**15.19 Retirement and resignation**

In the event of any vacancy in an audit committee resulting in the non-compliance of Rule 15.09(1) above, a listed corporation must fill the vacancy within 3 months.

**15.20 Review of the audit committee**

The board of directors of a listed corporation must review the term of office and performance of an audit committee and each of its members at least once every 3 years to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

**PART D – AUDITORS****15.21 External auditors**

~~A listed corporation must appoint a suitable accounting firm to act as its external auditors, and amongst others, the factors to be considered for the appointment are In appointing an external auditor, a listed corporation must consider among others –~~

- ~~(a) the adequacy of the experience and resources of the accounting firm; and~~
- ~~(b) the persons assigned to the audit;~~

- 
- (c) [the accounting firm's audit engagements;](#)
  - (d) [the size and complexity of the listed corporation's group being audited; and](#)
  - (e) [the number and experience of supervisory and professional staff assigned to the particular audit.](#)

#### 15.22 Removal or resignation of external auditors

Where external auditors are removed from office or give notice to the listed corporation of their desire to resign as external auditors of the listed corporation, the listed corporation must forward to the Exchange a copy of any written representations or written explanations of the resignation made by the external auditors at the same time as copies of such representations or explanations are submitted to the Registrar of the Companies pursuant to section 172A of the Companies Act 1965.

#### 15.23 Review of statements

A listed corporation must ensure that the external auditors review a statement made by the board of directors of a listed corporation pursuant to Rule 15.26(b) below, with regard to the state of internal control of the listed corporation and report the results to the board of directors of the listed corporation.

#### 15.24 Right to request for meeting

Upon the request of the external auditor, the chairman of the audit committee must convene a meeting of the committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.

### PART E – CORPORATE GOVERNANCE DISCLOSURE

#### 15.25 Disclosure pursuant to the Code

A listed corporation must ensure that its board of directors makes the following statements in relation to its compliance with the Malaysian Code on Corporate Governance in its annual report:

- (a) a narrative statement of how the listed corporation has applied the principles set out in Part 1 of the Malaysian Code on Corporate Governance to their particular circumstances; and
- (b) a statement on the extent of compliance with the Best Practices in Corporate Governance set out in Part 2 of the Malaysian Code on Corporate Governance which statement must specifically identify and give reasons for any areas of non-compliance with Part 2 and the alternatives to the Best Practices adopted by the listed corporation, if any.

[Cross reference: Guidance Note 11]

#### 15.26 Additional statements by the board of directors

A listed corporation must ensure that its board of directors makes the following additional statements in its annual report:

- (a) a statement explaining the board of directors' responsibility for preparing the annual audited financial statements; and
- (b) a statement about the state of internal control of the listed corporation as a group.

[Cross reference: Guidance Note 11]

**PART F – INTERNAL AUDIT****15.27 Internal audit**

- (1) A listed corporation must establish an internal audit function which is independent of the activities it audits.
- (2) A listed corporation must ensure its internal audit function reports directly to the audit committee.

[ End of Chapter ]

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**CHAPTER 16 SUSPENSION, DE-LISTING AND ENFORCEMENT****PART A – GENERAL****16.01 Introduction**

This Chapter sets out the following:

- (a) the requirements that must be complied with by a listed corporation in respect of voluntary suspension and withdrawal by the listed corporation from the Official List; and
- (b) the powers of the Exchange with regard to -
  - (i) trading halt, suspension and de-listing of a listed corporation or any class of its listed securities by the Exchange; and
  - (ii) enforcement of these Requirements.

**PART B – TRADING HALT AND SUSPENSION****16.02 Suspension of trading imposed by the Exchange**

- (1) The Exchange may at any time suspend the trading of listed securities in any of the following circumstances:
  - (a) in the event of any substantial corporate exercise or capital restructuring of a listed corporation;
  - (b) where, in the opinion of the Exchange, it is necessary or expedient in the interest of maintaining an orderly and fair market in securities traded on the Exchange;
  - (c) in any circumstances as provided in these Requirements;
  - (d) in the event of any breach of these Requirements by a listed corporation;
  - (e) upon notice by the SC to the Exchange that in its opinion a listed corporation has breached or has failed to comply with any provision of the CMSA, the Securities Industry (Central Depositories) Act 1991, the Securities Commission Act 1993 or any guidelines issued by the SC for the ACE Market, or that it is necessary or expedient in the public interest and where it would be for the protection of investors;
  - (f) in the event of maturity of a listed debt security or convertible security;
  - (g) upon the suspension of the trading of such securities listed on another stock exchange;
  - (h) upon the commencement of a voluntary winding-up of a listed corporation in accordance with the Companies Act 1965; or
  - (i) where the Exchange deems it appropriate for some other reason.

- 
- (2) Subject to sub-Rule (3) below, where the public shareholding spread of a listed corporation is 10% or less of its total listed shares (excluding treasury shares), the Exchange shall suspend trading of the securities of the listed corporation upon expiry of 30 market days from the date of immediate announcement by the listed corporation pursuant to -
- (a) Rule 8.02(3); or
  - (b) Rule 9.19(48) where the listed corporation has announced that the offeror intends to maintain the listed corporation's listing status.

In this regard, the suspension will only be uplifted upon the listed corporation's full compliance with the public shareholding spread requirements under Rule 8.02(1) or as may be determined by the Exchange.

- (3) In a take-over offer for the acquisition of the listed shares of a listed corporation pursuant to the Take-Overs and Mergers Code or a corporate proposal undertaken by or in relation to a listed corporation, the Exchange shall suspend trading of the securities of the listed corporation upon expiry of 5 market days from the date of immediate announcement by the listed corporation that the offeror does not intend to maintain the listed corporation's listing status pursuant to Rule 9.19(48).
- (4) The Exchange will notify the SC of any decision to suspend the trading of any class of the listed securities of a listed corporation pursuant to sub-Rules (1)(b), (d) or (g) above.

*[Cross reference: Guidance Notes 2 and 3]*

### **16.03 Voluntary suspension**

The Exchange may at any time, at its discretion, suspend trading of the listed securities at the request of the listed corporation.

*[Cross reference: Guidance Note 12]*

### **16.04 Trading Halt**

Without prejudice to the powers of the Exchange under Rule 16.02, the Exchange may at any time, halt the trading of any listed securities upon –

- (a) the listed corporation releasing a material announcement; or
- (b) the Exchange being notified that the trading of the securities is halted or suspended on the securities exchange where it is quoted.

*[Cross reference: Guidance Note 14]*

## **PART C – WITHDRAWAL OF LISTING AND DE-LISTING BY THE EXCHANGE.**

### **16.05 Withdrawal of listing**

- (1) The Exchange may grant a listed corporation's request for withdrawal from the Official List.
- (2) The Exchange will notify the SC of any decision to approve a request for withdrawal from the Official List.

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**16.06 Request for withdrawal**

Subject to Rule 16.07, a listed corporation may not request to withdraw its listing from the Official List, unless -

- (a) the listed corporation convenes a general meeting to obtain its shareholder approval and a separate meeting for the approval of the holders of any other class of listed securities, if applicable, and the circular sent to the shareholders and the holders of any other class of listed securities includes the information set out in Part A of Appendix 16A. The circular must be submitted to the Exchange together with a checklist showing compliance with Part A of Appendix 16A;
- (b) the resolution for the withdrawal of its listing is approved by a majority in number representing three fourths in value of the shareholders and holders of any other class of listed securities, if applicable, present and voting either in person or by proxy at the meetings and provided that such shareholders and holders of any other class of listed securities who object to the withdrawal is not more than 10% of the value of the shareholders and holders of any other class of listed securities present and voting either in person or by proxy. Where the constituent document of the listed corporation imposes a stricter condition in respect of the votes required to approve the withdrawal of listing, such stricter condition will apply in substitution of the foregoing provision;
- (c) the shareholders and holders of any other class of listed securities, if applicable, are offered a reasonable cash alternative or other reasonable alternative (“**exit offer**”); and
- (d) the listed corporation appoints an independent adviser from the Register of Sponsors, which meets the approval of the independent directors, to advise and make recommendations for the consideration of the shareholders and holders of any other class of listed securities, if applicable, in connection with the withdrawal of its listing as well as the fairness and reasonableness of the exit offer.

**16.07 Withdrawal in a take-over offer or a corporate proposal**

Notwithstanding Rule 16.06, a listed corporation may withdraw its listing from the Official List in the following circumstances:

- (a) in a take-over offer, upon 90% or more of its listed shares (excluding treasury shares) being held by a shareholder either individually or jointly with associates of the said shareholder; or
- (b) in relation to a corporate proposal undertaken by or in relation to the listed corporation, upon 100% of the listed shares of the listed corporation being held by a shareholder either individually or jointly with the associated of the said shareholder,

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).

**16.08 Application for withdrawal**

A listed corporation intending to withdraw its listing from the Official List must file with the Exchange an application which includes the information set out in Part B of Appendix 16A.

**16.09 Additional requirements**

The Exchange may at its discretion impose any additional condition for the withdrawal of any listed corporation from listing on the Official List.

**16.10 Withdrawal of other securities**

Where a listed corporation applies to withdraw its ordinary shares from the Official List, such application will be deemed to apply to the withdrawal of other classes of securities issued by the listed corporation and listed on the Official List.

**16.11 De-listing by the Exchange**

- (1) The Exchange may at any time de-list a listed corporation or listed securities from the Official List in any of the following circumstances:
  - (a) where the listed corporation fails to comply with these Requirements, subject to consultation with the SC;
  - (b) in other circumstances as provided under Rules 8.03, 8.04, 8.05, 9.28 and paragraph 2.0 of Guidance Note 20, upon which the Exchange will notify the SC of the same;  
*[Cross reference: Guidance Note 20]*
  - (c) upon the de-listing of the listed corporation or the de-listing of such securities on another stock exchange;
  - (d) in circumstances provided under Rule 4.19(e), subject to consultation with the SC; or
  - (e) where in the opinion of the Exchange, circumstances exist which do not warrant the continued listing of a listed corporation or any class of its listed securities, subject to consultation with the SC where applicable.
- (2) The Exchange shall de-list a listed corporation in any one of the following circumstances:
  - (a) pursuant to a directive, requirement or condition imposed by the SC, after which the Exchange will notify the SC of the decision to de-list;
  - (b) upon the maturity or expiry of a class of securities;
  - (c) upon the commencement of a voluntary winding-up of a listed corporation in accordance with the Companies Act 1965;
  - (d) upon a winding-up order being made against a listed corporation.
- (3) For the purpose of sub-Rule 1(a) above, failure to comply with these Requirements will exclude failure to comply with Rules 8.03, 8.04, 8.05 and 9.28.

*[Cross reference: Guidance Notes 2 and 3]*

**PART D – ENFORCEMENT****16.12 Breach by subsidiaries**

A breach of these Requirements by any one of the subsidiaries of a listed corporation will be deemed a breach of these Requirements by the listed corporation.



**16.13 Breach by directors**

A director of a listed corporation must not -

- (a) cause, aid or abet a breach of these Requirements by such listed corporation; or
- (b) permit, either knowingly or where he had reasonable means of obtaining such knowledge, such listed corporation to commit a breach of these Requirements.

**16.14 Provision of information by directors**

Where a listed corporation makes an enquiry with any one of its directors for the purpose of making a disclosure pursuant to these Requirements, such director must provide information promptly to the listed corporation that -

- (a) is clear, unambiguous and accurate;
- (b) does not contain any material omission; and
- (c) is not false or misleading.

**16.15 Attendance before the Exchange**

The directors, officers, employees or advisers of a listed corporation or any other person to whom these Requirements are directed must, if so required by the Exchange, attend personally before the Board, any committee or officer(s) of the Exchange to provide any document, information and/or explanation for any purpose deemed appropriate by the Exchange and the Exchange may record statements from such persons.

**16.16 Power to obtain documents**

The Exchange may, for investigation purposes -

- (a) by notice in writing require an applicant, a listed corporation, its directors, officers, employees, advisers or any other person to whom these Requirements are directed, to produce for inspection any documents, books, papers, registers, records or accounts (whether recorded in documentary or electronic form) (referred to collectively as "**Information**" in this Part D) that are held by the person concerned or to which the person concerned has control or access over;
- (b) inspect and make copies of, or take notes from, such Information;
- (c) retain such Information for such periods as the Exchange deems fit; or
- (d) disclose or forward such Information to such authorities as the Exchange deems fit.

**16.17 Listed corporation to ensure compliance**

Where a direction is issued or an obligation is placed on an officer or other employee of an applicant or a listed corporation under these Requirements, such applicant or listed corporation must ensure that such officer or employee complies with the said direction or obligation.

**16.17A Breach of undertakings**

For the purpose of this Chapter, any breach of an undertaking given to the Exchange pursuant to these Requirements will be treated as a breach of these Requirements.

**16.18 Breach of these Requirements**

- (1) In the event of any breach of these Requirements by any applicant, listed corporation or its directors, officers, advisers or any other person to whom these Requirements are directed, the Exchange may take or impose such actions or penalties as it considers appropriate.
- (2) The Exchange will notify the SC of any decision to take or impose any action or penalty referred to in Rule 16.19 below, except where the decision is made in consultation with the SC.

**16.19 Types of actions or penalties**

- (1) Without prejudice to any of the powers granted to the Exchange under any written law in relation to the enforcement of these Requirements, the types of action or penalty that the Exchange may take or impose for a breach of these Requirements include any one or more of the following:
  - (a) in relation to applicants and listed corporation -
    - (i) issuance of a caution letter;
    - (ii) issuance of a private reprimand;
    - (iii) issuance of a public reprimand;
    - (iv) imposition of a fine not exceeding RM1 million;
    - (v) issuance of a letter directing the listed corporation to rectify the non-compliance, which direction will remain in force until it is revoked;
    - (vi) imposition of one or more condition(s) for compliance;
    - (vii) non-acceptance of applications or submissions, with or without conditions imposed (after consultation with the SC);
    - (viii) imposition of condition(s) on the delivery or settlement of trades entered into in respect of the listed corporation's securities;
    - (ix) suspension of trading of the listed securities;
    - (x) de-listing of any listed securities;
    - (xi) de-listing of a listed corporation or any class of its listed securities; or
    - (xii) mandate education or training program to be undertaken/implemented by the corporation for its directors and/or management;
    - (xiii) any other action which the Exchange may deem appropriate;

- 
- (b) in relation to directors or officers of an applicant or a listed corporation, a Controlling Person as defined in Rule 2.22 or any other person to whom these Requirements are directed -
- (i) issuance of a caution letter;
  - (ii) issuance of a private reprimand;
  - (iii) issuance of a public reprimand;
  - (iv) imposition of a fine not exceeding RM1 million;
  - (v) issuance of a letter directing the person in default to rectify the non-compliance, which direction will remain in force until it is revoked;
  - (vi) imposition of one or more condition(s) for compliance;
  - (vii) imposition of a moratorium on or prohibition of dealings in the listed corporation's and/or other listed securities by the relevant director, officer or other person; or
  - (viii) any other action which the Exchange may deem appropriate;
- (c) in relation to advisers -
- (i) issuance of a caution letter;
  - (ii) issuance of a private reprimand;
  - (iii) issuance of a public reprimand;
  - (iv) imposition of a fine not exceeding RM1 million;
  - (v) issuance of a letter directing the adviser to rectify the non-compliance, which direction will remain in force until it is revoked;
  - (vi) imposition of one or more condition(s) for compliance;
  - (vii) non-acceptance of applications or submissions or documents made or prepared by the adviser, with or without conditions imposed (after consultation with the SC);
  - (viii) in the case of an Adviser or Sponsor, suspension of any or all rights attaching to registration on the Register of Sponsors on such terms and for such period as the Exchange thinks fit;
  - (ix) removal of the Adviser or Sponsor from the Register of Sponsors; or
  - (x) any other action which the Exchange may deem appropriate.

- (2) Where an applicant, a listed corporation or its directors, officers or advisers, or any other person to whom these Requirements are directed, has failed to comply with a direction or pay any fine imposed by the Exchange under sub-Rule (1) above, the Exchange may impose additional actions or penalties as specified in sub-Rule (1) on such persons. Such additional actions or penalties may include, without limitation, the imposition of additional fines in such manner as the Exchange deems fit (e.g. additional fines on a daily basis until the full amount due is paid to the Exchange) or suspension of trading or de-listing of securities in the case of a listed corporation.

#### **16.20 Cumulative actions or penalties**

The imposition of any one or more of the actions or penalties set out in Rule 16.19 does not preclude the Exchange from later taking or imposing such further actions or penalties, as stipulated under Rule 16.18 above against an applicant, a listed corporation, a director or officer of a listed corporation, an adviser or any other person to whom the Requirements are directed, as the Exchange thinks fit on the same facts or further facts, including de-listing in the case of a listed corporation.

#### **16.21 Other rights**

The exercise of the powers in Rules 16.18 and 16.19 does not in any way prejudice the other rights of the Exchange against an applicant, a listed corporation, a director or officer of a listed corporation, an adviser or a person to whom the Requirements are directed.

#### **16.22 Confirmation by the Exchange**

The confirmation given by the Exchange that it has no further comments on any document that is submitted to the Exchange for perusal pursuant to these Requirements will not preclude the Exchange from taking enforcement action against the listed corporation, its advisers, or both in the event of any failure by such listed corporation, its advisers, or both to comply with these Requirements pertaining to the form and content of the said document.

#### **16.23 Notification by the Exchange**

The Exchange may, at any time, and in its absolute discretion, refer the conduct of any applicant, listed corporation, or its directors, officers, advisers or any other person to whom these Requirements are directed, to any relevant authority or professional body, without giving notice to such persons.

#### **16.24 Committee or sub-committee to decide**

The Exchange will appoint a committee or sub-committee or officer(s) of the Exchange or Exchange Holding Company to discharge the exercise of its powers under Rules 16.18 and 16.19.

#### **16.25 Rights of person**

The person who is the subject of enforcement proceedings by the Exchange may request for an oral hearing before the Exchange, make submissions, and procure the attendance of witnesses to answer the case made against him by the Exchange.

[ End of Chapter ]

**Appendix 16A**  
**Contents of circular and application for withdrawal of listing****APPENDIX 16A****Part A****Contents of circular in relation to withdrawal of listing**

(Rule 16.06(a))

- (1) A heading drawing attention to the importance of the circular and advising holders of securities who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that the circular has been reviewed and approved by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (4) The reasons and facts concerning the withdrawal of securities of the listed corporation.
- (5) The opinion of the board of directors in respect of the withdrawal.
- (6) A letter of opinion of the independent adviser in connection with the withdrawal of the securities of the listed corporation as well as the fairness and reasonableness of the exit offer by way of an appendix.
- (7) An appendix containing the following information:
  - (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the circular misleading;
  - (b) where a person is named in the circular as having advised the listed corporation or its directors, a statement that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name and/or letter (where applicable) in the form and context in which it is included;
  - (c) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the listed corporation or its subsidiaries within 2 years immediately preceding the date of the circular. The following particulars must be disclosed in respect of each such contract:
    - (i) the date of the contract;
    - (ii) the parties of the contract;
    - (iii) the general nature; and
    - (iv) the consideration and mode of satisfaction;

**Appendix 16A**  
**Contents of circular and application for withdrawal of listing**

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- (d) a statement of all material litigation, claims or arbitration involving the listed corporation or any of its subsidiaries, including those pending or threatened against such corporations. The following particulars must be disclosed:
- (i) the background;
  - (ii) the date of the suit;
  - (iii) the names of the plaintiff(s) and defendant(s);
  - (iv) the estimate of the maximum exposure to liabilities;
  - (v) the directors'/solicitors' opinion of the outcome; and
  - (vi) the status;
- (e) a statement that from the date of the circular to the date of the general meeting the following documents (or copies of the documents) may be inspected at the registered office of the listed corporation:
- (i) the memorandum and articles of association;
  - (ii) the audited financial statements of the listed corporation/group for the past 2 financial years and the latest unaudited results since the last audited financial statements;
  - (iii) all reports, letters or other documents, ~~balance sheets~~[statement of financial position](#), valuations and statements by any expert, any part of which is extracted or referred to in the circular;
  - (iv) the letters of consent referred to in subparagraph (b) above;
  - (v) the material contracts referred to in subparagraph (c) above; and
  - (vi) the relevant cause papers in respect of the material litigation referred to in subparagraph (d) above.
- (8) Any other information which the shareholders and holders of any other class of listed securities and their advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

**Part B****Contents of application for withdrawal**

(Rule 16.08)

- (1) The full and detailed reasons for the withdrawal.
- (2) The board resolution for the withdrawal.
- (3) The confirmation that the approval of any other relevant authority, if required, has been obtained.

**Appendix 16A**  
**Contents of circular and application for withdrawal of listing**

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- (4) The confirmation that the listed corporation has obtained approval of its shareholders and the holders of any other class of listed securities, if applicable, in accordance with Rule 16.06.
- (5) Any other information or explanation as may be required by the Exchange.

[ End of Appendix ]

## BURSA MALAYSIA SECURITIES BERHAD

## GUIDANCE NOTE 8

## RECURRENT RELATED PARTY TRANSACTIONS

Details		Cross References
Effective date:	3 July 2006	Rules 10.08 and 10.09
Revision date:	3 August 2009, <a href="#">22 September 2011</a> , <a href="#">3 January 2012</a>	

**1.0 Introduction**

- 1.1 Rule 10.08 of the Listing Requirements stipulates the obligations that a listed corporation must comply with in relation to a related party transaction.
- 1.2 Rule 10.08 must be read together with Rule 10.09 of the Listing Requirements which is in relation to a Recurrent Related Party Transaction.
- 1.3 This Guidance Note sets out the following:
- (a) clarification of the disclosure obligations in relation to Recurrent Related Party Transactions;
  - (b) clarification of the application of Rules 10.08 and 10.09 of the Listing Requirements to Recurrent Related Party Transactions ("**Requirements**"); and
  - (c) the additional information required for the circular and announcement referred to under Rules 10.09(2)(c) and 10.09(2)(e) of the Listing Requirements respectively.
- 1.4 This Guidance Note must be read in conjunction with the Listing Requirements.
- 1.5 For the purpose of this Guidance Note, a "**listed corporation**" includes the listed corporation's subsidiaries.

**2.0 Application of Rules 10.08 and 10.09 of the Listing Requirements to Recurrent Related Party Transactions**

- 2.1 In addition to the obligation to immediately announce of a related party transaction, Rule 10.08(2) of the Listing Requirements states that where any one of the percentage ratios of a related party transaction is 5% or more, a listed corporation must issue a circular to its shareholders, obtain specific shareholder approval of the transaction, appoint an independent adviser and a Sponsor or Adviser.



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- 2.2 However, pursuant to Rule 10.09 of the Listing Requirements, a listed corporation is allowed to obtain a mandate from its shareholders in respect of Recurrent Related Party Transactions (“Mandate”).
- 2.3 Where a listed corporation has obtained a Mandate in respect of any Recurrent Related Party Transactions, the requirements of Rule 10.08 of the Listing Requirements will not apply to the Recurrent Related Party Transactions which are comprised in the Mandate. This means, during the period of validity of the Mandate, the disclosure obligation as set out in Rule 10.09(1) of the Listing Requirements, as well as the obligation to procure shareholder approval as set out under Rule 10.08 of the Listing Requirements will not apply to the Recurrent Related Party Transactions which are comprised in the Mandate.
- 2.4 However, pursuant to Rule 10.09(2)(e) of the Listing Requirements, a listed corporation is required to immediately announce to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the listed corporation exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more.

### 3.0 Clarification on the Requirements

- 3.1 A listed corporation that wishes to obtain a Mandate must comply with all the requirements as set out under Rule 10.09 of the Listing Requirements. This paragraph sets out the clarification in relation to the following requirements stipulated under Rule 10.09(2):

#### 3.1.1 Recurrent Related Party Transactions

In this respect, the frequency or regularity of the transaction has to be considered. A transaction which has been made or will be made by the listed corporation at least once in 3 years in the course of its business will be considered recurrent.

#### 3.1.2 Revenue nature necessary for day-to-day operations

In this respect, a related party transaction of a revenue nature which is necessary for day-to-day operations must either contribute directly or indirectly to the generation of revenue for the listed corporation. As an example, in the case of an information technology corporation, the following transactions, which are by no means exhaustive, are considered to be of a revenue nature:

- (a) the purchase and sale of computer peripherals, accessories and components such as data storage products (e.g. micro floppy discs, audio and videotape) and optical data storage media (e.g. compact discs);
- (b) the appointment of third parties to sell its products;
- (c) the purchase of insurance policies for its properties, assets and employees;
- (d) the purchase of office supplies; and
- (e) the provision of storage and other infrastructure facilities.

### 3.1.3 In the ordinary course of business

A related party transaction is in the ordinary course of business, if it is a transaction which would reasonably be expected to be carried out by the listed corporation given the type of business the listed corporation is involved in.

The fact that the transaction is envisaged in the memorandum of association of the listed corporation will not be a conclusive factor of determination. As an example, in respect of a listed corporation involved in activities relating to information technology, the following transactions, which are by no means exhaustive, are considered to be in the ordinary course of business of the listed corporation:

- (a) the purchase of raw materials and supplies for its business;
- (b) rental of office space for its operations;
- (c) payment of insurance premium for coverage of corporation assets, staff and projects;
- (d) the purchase and maintenance of computers for corporation or project use; and
- (e) the requisition of management, secretarial, internal audit and other support services for its business.

### 3.1.4 Annual renewal

The Mandate is subject to annual renewal. In this respect, any authority conferred by a Mandate will only continue to be in force until -

- (a) the conclusion of the first annual general meeting of the listed corporation following the general meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 ("CA") (but will not extend to such extension as may be allowed pursuant to section 143(2) of CA); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

### 3.1.5 Annual report

In making the disclosure of the aggregate value of Recurrent Related Party Transactions conducted pursuant to the Mandate in a listed corporation's annual report, a listed corporation must provide a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:

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Recurrent Related Party Transactions**

- 
- (a) the type of the Recurrent Related Party Transactions made; and
  - (b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the listed corporation.
- 3.2 Notwithstanding the clarifications above, the following are not regarded as Recurrent Related Party Transactions and as such the Mandate does not apply:
- (a) the acquisition or disposal of land or land-based property except in circumstances set out in paragraph 3.3(a) below;
  - (b) the acquisition or disposal of vessels, air crafts and plants;
  - (c) the entry into a lease of -
    - (i) a property for a period exceeding 3 years; or
    - (ii) such other assets,which involve payments of rental or such consideration on a lump sum basis (i.e. other than on an equal pro-rated monthly or annual instalments);
  - (d) the provision of financial assistance pursuant to Rule 8.25 of the Listing Requirements;
  - (e) the acquisition or disposal of securities except in the circumstances set out in paragraph 3.3(b) below;
  - (f) the entry into joint ventures;
  - (g) the grant or exercise of an option in relation to matters set out in subparagraphs (a), (b), (c) and (e) above; and
  - (h) such other transactions as may be determined by the Exchange from time to time.
- 3.3 Notwithstanding paragraph 3.2 of this Guidance Note -
- (a) a listed corporation classified under the Exchange's property sector may procure a Mandate for acquisition or disposal of land or land-based property provided that the transaction is a Recurrent Related Party Transaction and any one of the percentage ratios is not more than 10%; and
  - (b) a listed corporation under Rule 9.20(2)(a) and (c) of the Listing Requirements may procure a Mandate for acquisition or disposal of securities which is a Recurrent Related Party Transaction.
- 3.4 Notwithstanding paragraph 3.2(d) above and subject to Rule 10.09 of the Listing Requirements and the other provisions of this Guidance Note, a listed corporation may obtain a Mandate in respect of the following Recurrent Related Party Transactions:
- (a) the pooling of funds within the listed corporation's group of companies via a centralised treasury management function or such similar arrangements which entails the provision of financial assistance by the listed corporation, its unlisted subsidiaries or both, on a short or medium term basis provided that -

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- 
- (i) the listed corporation in seeking such a mandate in accordance with Rules 8.25 and 10.09 of the Listing Requirements, must include in its circular, in addition to such other information as prescribed under the Listing Requirements, the estimated amounts or value of financial assistance ("**Estimate**"); and
  - (ii) notwithstanding Rule 10.09(2)(e) of the Listing Requirements, if the actual amount of financial assistance provided or rendered exceeds the Estimate, the listed corporation must immediately announce the same to the Exchange. If the percentage ratio of the amount of financial assistance provided or rendered in excess of the Estimate is 5% or more, the listed corporation must comply with Rule 10.08 of the Listing Requirements.

For purposes of this paragraph -

- (aa) "**short or medium term basis**" means for a duration not exceeding 3 years; and
  - (bb) "**group of companies**" means the subsidiaries, associated companies of the listed corporation and the listed corporation's immediate holding company which is listed.
- (b) provision of guarantee, indemnity or such other collateral to or in favour of another person which is necessary in order to procure a contract or secure work from the other person or to enable the other person to commence and/or complete a contract or work for the listed corporation or its subsidiaries.
- (c) provision of financial assistance in respect of the business of -
- (i) leasing, factoring or hire purchase carried out by a listed corporation or its unlisted subsidiaries; or
  - (ii) share financing or share margin financing carried out by a listed corporation or its unlisted subsidiaries which is a Participating Organisation; or
  - (iii) such other similar business that may be determined by the Exchange.

**4.0 Information in circular and announcement**

- 4.1 A listed corporation must include such information as set out in Annexure GN8-A and Annexure GN8-B respectively in the circular and announcement required under Rule 10.09(2)(c) and (e) of the Listing Requirements.

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**ANNEXURE GN8-A****Contents of circular to shareholders for shareholder mandate**  
(paragraph 4.1)

- (1) A heading drawing attention to the importance of the circular and advising holders of shares who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (3) The principal business activity of the listed corporation and its subsidiaries, the details of the nature of the Recurrent Related Party Transactions contemplated under the Mandate including the activities, products, and the estimated aggregate value of the respective Recurrent Related Party Transactions contemplated under the Mandate, and the details of the class of related parties with whom the Recurrent Related Party Transactions will be carried out including the relationship with the listed corporation and the names of these parties. Where it is not possible to determine the estimated value of the Recurrent Related Party Transaction, to state the reason.
- (4) The rationale for, and the benefit to, the listed corporation or its subsidiary transacting with the related party.
- (5) The listed corporation's methods or procedures to ensure that the Recurrent Related Party Transactions contemplated under the Mandate are undertaken on transaction prices and terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders.
- (6) The audit committee's view on whether the procedures above are sufficient to ensure that Recurrent Related Party Transactions are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders.
- (7) The interest, direct or indirect, of the directors and/or major shareholders and/or persons connected with a director or major shareholder in the proposal and the related party's direct and indirect shareholdings in the listed corporation;
- (8) A statement that the interested directors have abstained and/or will abstain from board deliberation and voting on the relevant resolution.
- (9) A statement that the director, major shareholder and/or person connected with a director or major shareholder, which has/have any interest, direct or indirect, in the proposal will abstain from voting in respect of his/their direct and/or indirect shareholdings. Where the person connected with a director or major shareholder has any interest, direct or indirect, in the proposal, a statement that the director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Further, a statement that such interested director and/or major shareholder has/have undertaken that he/they will ensure that the persons connected with him/them will abstain from voting on the resolution deliberating or approving the proposal at the general meeting.
- (10) A statement by the board of directors whether the proposal is in the best interest of the listed corporation and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.

Annexure GN8-A  
Contents of circular for shareholder mandate

- 
- (11) The thresholds for the approval of Recurrent Related Party Transactions within the listed corporation's group of companies.
- (12) A statement that at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), to state how the transaction price will be determined and ensure that the Recurrent Related Party Transaction is not detrimental to the listed corporation or its group of companies.
- (13) A statement by the audit committee that the group of companies has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner, and the frequency of review of these procedures and processes.
- (14) The actual value transacted of each Recurrent Related Party Transaction, from the date on which the existing mandate was obtained up to the latest practicable date before the printing of the circular ("**Actual Value**").
- (15) The estimated value of each Recurrent Related Party Transaction as disclosed in the preceding year's circular to shareholders ("**Estimated Value**").
- (16) The reasons for the deviation, where the Actual Value exceeds the Estimated Value by 10% or more.
- (16A) Where a sum is due and owing to a listed corporation by its related party pursuant to a Recurrent Related Party Transaction, a breakdown of the principal sum and interest for the total outstanding amount due under the Recurrent Related Party Transaction which exceeded the credit term for the following periods as at the end of each financial year:
- (a) a period of 1 year or less;
  - (b) a period of more than 1 to 3 years;
  - (c) a period of more than 3 to 5 years; and
  - (d) a period of more than 5 years.
- (16B) The following particulars must be disclosed together with the information in paragraph 16A above:
- (a) any late payment charges imposed and where no late payment charges are imposed, to state the reasons;
  - (b) the course of action(s) taken or to be taken by the listed corporation to recover the outstanding amount due; and
  - (c) the listed corporation's board of directors' opinion on any outstanding amount long overdue including comments on its recoverability.

**Annexure GN8-A**  
**Contents of circular for shareholder mandate**

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- (17) A recommendation from the board of directors (other than the interested directors) as to the voting action that shareholders should take.
- (18) An appendix containing the following information:
- (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the circular misleading;
  - (b) where a person is named in the circular as having advised the listed corporation or its directors, a statement that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name or letter (where applicable), or both, in the form and context in which it is included;
  - (c) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the listed corporation and/or its subsidiaries within 2 years immediately preceding the date of the circular. The following particulars must be disclosed in respect of each such contract:
    - (i) the date of the contract;
    - (ii) the parties of the contract;
    - (iii) the general nature; and
    - (iv) the consideration and mode of satisfaction;
  - (d) a statement of all material litigation, claims or arbitration involving the listed corporation and/or any of its subsidiaries, including those pending or threatened against such corporations. The following particulars must be disclosed:
    - (i) the background;
    - (ii) the date of the suit;
    - (iii) the names of the plaintiff(s) and defendant(s);
    - (iv) the estimate of the maximum exposure to liabilities;
    - (v) directors' or solicitors' opinion of the outcome; and
    - (vi) the status;
  - (e) a statement that for a period from the date of the circular to the date of the general meeting the following documents (or copies of the said documents) may be inspected at the registered office of the listed corporation:
    - (i) the memorandum and articles of association;
    - (ii) the audited financial statements of the listed corporation/group for the past 2 financial years and the latest unaudited results since the last audited financial statements;

**Annexure GN8-A**  
**Contents of circular for shareholder mandate**

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- (iii) all reports, letters or other documents, ~~balance sheets~~[statement of financial position](#), valuations and statements by any expert, any part of which is extracted or referred to in the circular;
  - (iv) the letters of consent referred to in subparagraph (b) above;
  - (v) the material contracts referred to in subparagraph (c) above; and
  - (vi) the relevant cause papers in respect of material litigation referred to in subparagraph (d) above.
- (19) Any other information concerning the proposal as shareholders and their advisers would reasonably require and would reasonably expect to find in the circular for the purposes of making an informed assessment as to the merits of approving the proposal and the extent of the risks involved in doing so.

[ End of Annexure ]



**Annexure GN8-B**

**Contents of announcement for a Recurrent Related Party Transaction**

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**ANNEXURE GN8-B**

**Contents of announcement for a Recurrent Related Party Transaction**  
(paragraph 4.1)

- (1) The estimated value of the Recurrent Related Party Transaction as disclosed in the circular to the shareholders ("**Estimated Value**").
- (2) The actual value of the Recurrent Related Party Transaction transacted, from the date on which the existing Mandate was obtained up to the date of the announcement ("**Actual Value**").
- (3) The difference (in value and percentage) for the variation between the Actual Value and the Estimated Value by 10% or more, and the reason for the difference.

[ End of Annexure ]

**BURSA MALAYSIA SECURITIES BERHAD****GUIDANCE NOTE 15****LISTING PROCEDURES FOR INITIAL ADMISSION**

	<b>Details</b>	<b>Cross References</b>
Effective date:	3 August 2009	Rules 3.02, 5.02, 8.18 and 15.03
<a href="#">Revision date:</a>	<a href="#">22 September 2011, 3 January 2012</a>	

**1.0 Introduction**

1.1 This Guidance Note sets out the following requirements in relation to an application for admission under Rule 3.02 of the Listing Requirements:

- (a) the procedures for admission;
- (b) the listing application form and supporting documents; and
- (c) the undertakings and confirmation by an applicant and its directors; and
- (d) other relevant requirements.

1.2 The requirements set out in this Guidance Note also apply to a listed corporation that undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed corporation. However, when such a listed corporation issues new securities, the listed corporation must also comply with the requirements under Guidance Note 17, where applicable.

**2.0 Procedures relating to admission**

2.1 The following procedures apply to the admission of an applicant to the Official List, with the necessary modifications, as may be applicable:

- (a) applicant files with the Exchange a listing application together with supporting documents;
- (b) applicant files the final copy of its prospectus with the relevant authorities;
- (c) Exchange grants approval for the admission of securities;

- 
- (d) applicant -
    - (i) issues its prospectus and the offer period opens, if the listing entails an offer of securities to the public;
    - (ii) advertises its prospectus;
    - (iii) provides the Exchange with such number of copies of the printed prospectus as may be determined by the Exchange from time to time; and
    - (iv) announces to the Exchange the indicative timetable of the initial public offering containing the information set out in paragraph 8.1 below;
  - (e) if the listing entails an offer of securities to the public, the applicant announces the level of subscription and the basis of allocation;
  - (f) applicant issues securities and notices of allotment;
  - (g) applicant announces to the Exchange the relevant information in accordance with paragraph 8.2 below; and
  - (h) the securities are admitted to the Official List and quoted on the Exchange.

### **3.0 Listing application form and supporting documents**

3.1 An applicant must file with the Exchange a listing application which consists of the following:

- (a) an application, in the form of Part A of Annexure GN15-A; and
- (b) the supporting documents specified in Part B of Annexure GN15-A.

### **4.0 Undertakings and confirmation**

4.1 An applicant must give the Exchange an undertaking in the form of Annexure GN15-B.

4.2 An applicant must ensure that -

- (a) every one of its directors gives the Exchange an undertaking in the form of Annexure GN15-C; and
- (b) every director who is or has been appointed as an independent director gives the Exchange a letter in the form of Annexure GN15-D.

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**5.0 Notification/Advertisement of securities prescribed by the Exchange to be deposited with the Depository**

5.1 In relation to the prescription by the Exchange of the securities of the applicant to be deposited with the Depository pursuant to section 14 of the Securities Industry (Central Depositories) Act 1991 (“**Prescription**”), the applicant must submit to the Exchange either one of the following:

(a) a written confirmation to the Exchange that the information set out in its register including the addresses of its shareholders are updated and accurate as at a date not more than 14 days before -

(i) the issuance date of the prospectus; or

(ii) proposed books closing date,

as the case may be, for purposes of notification to its shareholders of the Prescription; or

(b) where the applicant is unable to provide the confirmation set out in sub-paragraph (a) above, payment to the Exchange, as stipulated in the Schedule of Fees, for the advertisement charges incurred or to be incurred by the Exchange pursuant to section 14(2) of the Securities Industry (Central Depositories) Act 1991 in relation to the Prescription.

5.2 The applicant must submit the confirmation referred to in paragraph 5.1(a) above 3 clear market days before –

(a) the issuance date of the prospectus; or

(b) the proposed books closing date,

as the case may be.

**6.0 Listing of issued and unissued securities**

6.1 An applicant must apply for approval to list only -

(a) that part of the securities which have been issued; and

(b) securities to be issued in connection with the listing application.

6.2 If an additional unissued amount is reserved for subsequent issuance for a specific purpose, an applicant must apply for an approval to add that amount to the Official List in the future for that specific purpose.

6.3 An applicant must not apply for an approval for the listing of any security which is not reserved for subsequent issuance for a specific purpose.

6.4 An applicant must submit an application for quotation for such reserved amount for which approval has been granted pursuant to paragraph 6.1(b) above, upon actual issuance of such amount in accordance with the provisions of Chapter 6 of the Listing Requirements.

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**7.0 Classification of an applicant**

- 7.1 An applicant must propose to the Exchange its classification into any one of the sectors prescribed by the Exchange, in accordance with the criteria prescribed by the Exchange.
- 7.2 The applicant must furnish to the Exchange a proposal of its classification made in accordance with paragraph 7.1 above in a form prescribed by the Exchange.
- 7.3 The classification is subject to the approval of the Exchange. The Exchange may in its absolute discretion classify the applicant into such other sector as it deems fit.

**8.0 Announcements to the Exchange**

- 8.1 An applicant must announce the indicative timetable of the initial public offering as follows upon the issuance of the prospectus and before the listing date:
- (a) the opening and closing date of the offer period;
  - (b) the balloting date, if any;
  - (c) the allotment date of the initial public offering securities; and
  - (d) the tentative listing date.
- 8.2 An applicant must immediately announce the following upon receipt of the relevant confirmation from the Depository that the shares are ready to be credited into the respective securities accounts:
- (a) actual date of listing;
  - (b) enlarged issued and paid-up capital of the applicant indicating the number of shares and their par value, if any;
  - (c) stock short name, stock code and ISIN code; and
  - (d) sector and market under which the securities will be listed.

ANNEXURE GN15-A

PART A

**Listing application for admission of securities**

(paragraph 3.1(a); paragraph 3.1(a) of Guidance Note 16; Rule 5.02(5) of the Listing Requirements)

Please tick wherever applicable. If not applicable, please indicate "N/A"  
[You may tick more than one box, where applicable]

# Delete as appropriate

1.	<b>Name of company</b>		
2.	<b>Types of corporate proposal</b>	2.1 Initial Public Offerings ("IPO")	<input type="checkbox"/>
		2.2 Proposals resulting in a significant change in business direction or policy of the listed corporation ("RTO")	<input type="checkbox"/>
	<b>Details of proposals which form part of the IPO/ RTO proposals</b>		
	<b>Number &amp; types of securities applied for listing, par value &amp; issue price (if any)</b>		

3.	<b>Currency denomination which the new securities will be listed and quoted</b>	<p>(a) Ringgit Malaysia (“RM”) <input type="checkbox"/></p> <p>(b) Others: (Please indicate) -----</p> <p>In the event the new securities are listed and quoted in currencies other than RM, whether the approval of the Controller of Foreign Exchange has been obtained?</p> <p style="text-align: right;">Yes <input type="checkbox"/></p> <p style="text-align: right;">No <input type="checkbox"/></p>	
4.	<b>INITIAL PUBLIC OFFERINGS (“IPO”)</b>		
4A	<b>Proforma public shareholdings spread</b>	<p>(a) <b>ORDINARY SHARES</b> [ ]% and [ ] public shareholders</p> <p>(b) <b>CONVERTIBLE SECURITIES/ PREFERENCE SHARES</b> [ ] Holders</p>	
4B	<b>Tentative listing date (to specify)</b>		
4C	<b>Top 3 preferences for stock short name (limited to 7 characters)</b>	<p>(a) Option 1:</p> <p>(b) Option 2:</p> <p>(c) Option 3:</p>	
4D	<b>Confirmation of chain listing</b>	<p>(a) Our Company is a subsidiary or holding company of a corporation currently listed on the Main Market or ACE Market of Bursa Malaysia Securities Berhad (“Exchange”)</p> <p>(b) All requirements relating to chain listing pursuant to Rule 3.03 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements (“LR”) have been complied with</p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>

4E	<b>Other confirmations</b>	<p>We confirm that:</p> <ul style="list-style-type: none"> <li>(a) The core business of the applicant is not the holding of investments in other listed corporations (Rule 3.04 of the LR)</li> <li>(b) The applicant has sufficient working capital available for its present requirements and for at least 12 months from the date of its prospectus for an IPO (Rule 3.05 of the LR)</li> <li>(c) The applicant complies with the requirement on management continuity pursuant to Rule 3.06 of the LR</li> <li>(d) The public shareholding spread based on the enlarged issued and paid-up capital of the applicant will be in compliance with Rule 3.10 of the LR.</li> </ul>
4F	<b>Undertakings</b>	<p>We undertake the following:</p> <ul style="list-style-type: none"> <li>(a) the return of allotment will be filed with the Registrar of Companies pursuant to the Companies Act, 1965 or in relation to a foreign corporation, the relevant document showing its latest issued and paid-up capital will be filed with the relevant authority pursuant to the laws of the place of incorporation;</li> <li>(b) all notices of allotment will be issued and despatched to all successful applicants prior to the date of listing and quotation of the securities;</li> <li>(c) the securities will rank pari passu in all respects with each other;</li> <li>(d) the public shareholding spread based on the enlarged issued and paid up share capital of the applicant will be in compliance with Rule 3.10 of the LR;</li> <li>(e) a schedule of actual distribution of the public shareholding spread mentioned in item (d) above, as per Part B(1)(d) of Annexure GN15-A, will be furnished to the Exchange on the first day of listing;</li> <li>(f) the following information on the moratorium on the sale of securities will be submitted to Depository prior to the listing: <ul style="list-style-type: none"> <li>(i) the names of securities holders;</li> <li>(ii) the number of securities; and</li> <li>(iii) the dates(s) of expiry of the moratorium;</li> </ul> </li> <li>(g) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met prior to the listing and quotation of the securities will be met;</li> </ul>



**Annexure GN15-A  
Listing application for admission**

		<p>(h) all allotment information of new securities will be submitted to Depository for the crediting of securities into the respective securities holders' accounts;</p> <p>(i) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law;</p> <p>(j) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the applicant has failed to meet any of the above undertakings referred to in paragraphs (a) to (h) or of any circumstances or facts referred to in paragraph (i) above;</p> <p>(k) to announce to the Exchange the relevant information in accordance with paragraphs 8.1 and 8.2 of Guidance Note 15; and</p> <p>(l) to announce the latest quarterly results, where applicable, at least 2 market days prior to the date of listing.</p>
<b>5.</b>	<b>PROPOSALS RESULTING IN SIGNIFICANT CHANGE IN BUSINESS DIRECTION OR POLICY OF THE LISTED CORPORATION ("RTO")</b>	
<b>5A</b>	<b>Confirmation of Guidance Note 2</b>	<p>(a) Our Company is a Cash Company Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(b) The proposal(s) in item (2) #is/are a regularisation proposal as referred in Rule 8.03(5) of the LR Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<b>5B</b>	<b>Confirmation of Guidance Note 3 ("GN3")</b>	<p>(a) Our Company is a GN3 Company Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(b) The proposal(s) in item (2) #is/are a regularisation plan as referred in Rule 8.04(3) of the LR Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<b>5C</b>	<b>Confirmation of chain listing</b>	<p>(a) Our Company is a subsidiary or holding company of a corporation currently listed on the Main Market or ACE Market of the Exchange Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(b) All requirements relating to chain listing pursuant to Rule 3.03 of the LR have been complied with Yes <input type="checkbox"/> No <input type="checkbox"/></p>

**Annexure GN15-A**  
**Listing application for admission**

5D	<b>Ranking of the new securities</b>	<p>The new securities #will/will not be listed and quoted as the existing listed securities of the same class.</p> <p>If the new securities will be separately quoted on listing date, details of the non-entitlement(s):</p> <p>_____</p> <p>_____</p>
5E	<b>Conditionality of proposals/ pricing</b>	<p>(a) The issue price #is/ is not conditional upon any other proposal.</p> <p>(b) This proposal #is/is not conditional upon any other proposal.</p> <p>If in the affirmative, to provide details of the other corporate exercises, including the estimated time frame for completion:</p> <p>_____</p>
5F	<b>Proforma public shareholdings spread</b>	<p>(a) <b><u>ORDINARY SHARES</u></b></p> <p>[ ]% and [ ] public shareholders</p> <p>(b) <b><u>CONVERTIBLE SECURITIES/ PREFERENCE SHARES</u></b></p> <p>[ ] Holders</p>
5G	<b>Other confirmations</b>	<p>We confirm that:</p> <p>(a) The core business of the applicant is not the holding of investments in other listed corporations (Rule 3.04 of the LR)</p> <p>(b) The applicant has sufficient working capital available for its present requirements and for at least 12 months from the date of its prospectus for an IPO</p> <p>(c) The applicant complies with the requirement on management continuity pursuant to Rule 3.06 of the LR</p> <p>(d) The public shareholding spread based on the enlarged issued and paid-up capital of the applicant will be in compliance with Rule 3.10 of the LR.</p>
5H	<b>Undertakings for RTO proposal</b>	<p>We undertake the following:</p> <p>(a) the return of allotment will be filed with the Registrar of Companies pursuant to the Companies Act, 1965 or in relation to a foreign corporation, the relevant document showing its latest issued and paid-up capital will be filed with the relevant authority pursuant to the laws of the place of incorporation;</p>

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**Listing application for admission**

		<p>(b) all notices of allotment will be issued and despatched to the entitled holders as expeditiously as possible and in any event, no later than 4 market days after the date of listing and quotation;</p> <p>(c) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met prior to the listing and quotation of the securities, will be met;</p> <p>(d) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law;</p> <p>(e) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the listed corporation has failed to meet any of the above undertakings referred to in paragraphs (a) to (c) or of any circumstances or facts referred to in paragraph (d) above; and</p> <p>(f) to announce to the Exchange the relevant information in accordance with paragraph 12.2 of Guidance Note 17, where applicable.</p>
<b>6.</b>	<b><u>SHARES SCHEME FOR EMPLOYEES (“ESOS”) SHARE ISSUANCE SCHEME (AS PART OF AN IPO PROPOSAL)</u></b>	
<b>6A</b>	<b>Confirmation</b>	We confirm that the <a href="#">ESOS Share Issuance Scheme</a> is in full compliance with Part G, Chapter 6 of the LR.
<p>_____ [Authorised signatory of the Sponsor] Name: Designation: Date:</p>		<p>_____ [Authorised signatory of the Sponsored Corporation] Name: Designation: Date:</p>

**PART B****Documents to be filed with a listing application**

(paragraph 3.1(b); paragraph 3.1(b) of Guidance Note 16; Rule 5.02(5) of the Listing Requirements)

- (1) An applicant must file the following documents in support of a listing application:
- (a) a copy each of the articles of association and all amendments to-date and one copy each of the certificate of incorporation, certificate of change of status and certificate of change of name, if any, together with a letter of compliance pursuant to Rule 2.12 of the Listing Requirements and a checklist showing compliance with the relevant provisions of Chapter 7 of the Listing Requirements;

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- (b) a copy of the draft prospectus submitted to the relevant authorities;
- (c) a specimen copy of each denomination of certificates of the class to be listed. If transfer offices and registrars are maintained in more than one place, one specimen of each denomination of certificates used in each office (see Chapter 8 of the Listing Requirements for form and content of certificates);
- (d) a statement on the percentage of the total number of shares for which listing is sought which are held by the public, the number of public shareholders and a pro forma distribution of the shares in the following format:

Particulars	No of shares	No of shareholders	Percentage %
Issued and paid-up capital			
Less:			
Directors of the applicant and its subsidiaries			
Substantial shareholders of the applicant (except where such shareholder may be included as "public")			
Associates of directors or substantial shareholders of the applicant			
Shareholders holding less than 100 shares	-----		
Public shareholdings			

- (e) a letter of undertaking in the form of Annexure GN15-B duly executed by the applicant together with a certified true extract of the applicant's board of directors' resolution authorising the signatory;
- (f) a letter of undertaking in the form of Annexure GN15-C duly executed by each director of the applicant;
- (g) a letter in the form of Annexure GN15-D duly executed by each independent director of the applicant;

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Listing application for admission**

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- (h) a letter from the listed corporation's Sponsor, confirming all approvals of relevant authorities have been obtained;
  - (i) a copy each of all letters of approval from the relevant authorities;
  - (j) a proposal as to classification of the applicant in a specific sector in the prescribed form;
  - (k) 2 copies of the valuation report on the real estate concerned and a copy of the valuer's undertaking letter in the form of Appendix 6D of the Listing Requirements (where applicable);
  - (l) details of conflict of interests situation (if any) as follows:
    - (i) nature and extent of the conflict of interests or potential conflict of interests;
    - (ii) the parties to the conflicts; and
    - (iii) measures taken for resolving, eliminating or mitigating the situations of conflict of interests;
  - (m) details of -
    - (i) any conviction or charge with any offence under the securities laws, corporations laws or other laws involving fraud or dishonesty in a court of law, on the applicant, for the last 10 years before the submission; and
    - (ii) any action by the Exchange on the applicant for any breach of the Listing Requirements or the Rules of Bursa Malaysia Securities Berhad ("**Rules of the Exchange**"), for the past 5 years before the submission;
  - (n) confirmation by directors of the applicant that they -
    - (i) are not undischarged bankrupts nor presently subjected to any proceeding under bankruptcy laws;
    - (ii) have never been charged with, convicted for or compounded for any offence under securities laws, corporations laws or any other law involving fraud or dishonesty in a court of law;
    - (iii) have had no action taken against them for any breach of the listing requirements or rules issued by the Exchange for the past five years; and
    - (iv) have not been subjected to any inquiry or investigation by any government or regulatory authority or body for the past five years;
  - (o) a checklist showing compliance with Guidance Note 18;

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- 
- (p) a letter of notification issued by the applicant for the appointment of stabilizing manager which includes -
- (i) where the stabilizing manager is a Participating Organisation, the name, business address and contact person of the Participating Organisation, name of the Capital Markets Services Representative's License holder thatwho will be conducting the stabilizing action;
  - (ii) where the stabilizing manager is not a Participating Organisation, the name and business address of the person appointed as the stabilizing manager and a contact person, the name of the Participating Organization and the Capital Markets Services Representative's License holder thatwho has been appointed to conduct the stabilizing action;
  - (iii) where a stabilizing manager is appointed outside Malaysia, the name, address and contact person of the stabilizing manager appointed at that jurisdiction, the name, address and contact person of the Participating Organisation appointed in Malaysia to conduct the stabilizing action in Malaysia, along with the name of the Capital Markets Services Representative's License holder thatwho will be conducting the stabilizing action in Malaysia; or
  - (iv) an undertaking to inform the Exchange of any subsequent change of the stabilizing manager, Capital Markets Services Representative's License holder or Participating Organisation, where applicable, immediately upon such change; and
- (q) a cheque drawn to the order of Bursa Malaysia Securities Berhad for the listing fees (see Schedule of Fees for computation of amount) together with a copy of the details of the computation of the amount of listing fees payable.
- (2) If any of the above documents are not filed because they are not applicable or available in any case, an applicant must submit a separate exhibit explaining why such documents are not applicable or available.

[ End of Annexure ]

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**ANNEXURE GN15-B****Undertaking by an applicant**

(paragraph 4.1; paragraph 4.1 of Guidance Note 16)

To  
Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Dear Sirs,

Compliance with ACE Market Listing Requirements and Rules of Bursa Malaysia Securities Berhad (“**Bursa Securities**”)

In consideration of Bursa Securities approving the application for admission of ..... (“**Corporation**”) to the Official List of Bursa Securities (“**Official List**”) and for official quotation of the securities described in the Corporation’s listing application, WE ACKNOWLEDGE that the Corporation shall remain on the Official List, and official quotation of any of the Corporation’s securities shall continue only during the pleasure of Bursa Securities.

WE FURTHER UNDERTAKE AND AGREE to comply with Bursa Securities ACE Market Listing Requirements and the Rules of Bursa Securities, including any amendment as may be made from time to time, insofar as the same apply to the Corporation.

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

The above Undertaking has been signed by me as ....[title] of ...[name of Corporation] pursuant to the authority granted to me by the resolution of the Board of Directors of the Corporation on....

Date:

Signature:

Name:

\*\* Applicable to a foreign applicant only.

[ End of Annexure ]

## ANNEXURE GN15-C

**Undertaking by a director of an applicant/listed corporation**

(paragraph 4.2(a); paragraph 4.2(a) of Guidance Note 16; Rule 8.18 and Rule 15.03(1) of the Listing Requirements)

To  
Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Compliance with ACE Market Listing Requirements

I, .....[name of director], am a director of ..... [name (s) of applicant/listed corporation(s)] ("**Corporation(s)**") which #has/have submitted an application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") to be admitted to the Official List of the Bursa Securities ("**Official List**") / #is/are listed on the Official List of Bursa Securities ("**Official List**").

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

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

Yours faithfully,

.....  
Name:

NRIC No. (Old & New)

\*\* Passport No. & Country of Issuance

Designation:

Date:

# Delete as appropriate.

\*\* Applicable to a foreign director only

[ End of Annexure]



Annexure GN15-D  
Confirmation by an independent director

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ANNEXURE GN15-D

**Letter of confirmation by an independent director of an applicant/a listed corporation**

(paragraph 4.2(b); paragraph 4.2(b) of Guidance Note 16; Rule 8.18 and Rule 15.03(2) of the Listing Requirements)

To  
Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Confirmation of "independence" pursuant to ACE Market Listing Requirements

I, ..... [name of director], am a director of .... [name(s) of applicant/listed corporation(s)] which #has/have submitted an application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") to be admitted to the Official List of the Bursa Securities / #is/are listed on the Official List of the Bursa Securities.

I CONFIRM AND DECLARE that I am an independent director as defined under Rule 1.01 of Bursa Securities ACE Market Listing Requirements.

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

Yours faithfully,

.....  
Name:

NRIC No. (Old & New)

\*\* Passport No. & Country of Issuance

Designation:

Date:

Note:

# Delete as appropriate

\*\* Applicable to a foreign independent director only.

[ End of Annexure ]

**BURSA MALAYSIA SECURITIES BERHAD****GUIDANCE NOTE 17****LISTING PROCEDURES FOR NEW ISSUES OF SECURITIES**

Details		Cross References
Effective date:	3 August 2009	Rules 6.02, 6.12, 6.18, 6.30, 6.37, 6.47 and 6.50
<a href="#">Revision date:</a>	<a href="#">3 January 2012</a>	

**1.0 Introduction**

1.1 This Guidance Note sets out the following requirements in relation to an application for listing of new issues of securities under Chapter 6 of the Listing Requirement:

- (a) the procedures for listing of new issues of securities;
- (b) the listing and quotation (where applicable) application form and supporting documents; and
- (c) other relevant requirements.

1.2 In relation to a new issue of securities pursuant to or which will result in a significant change in business direction or policy of a listed corporation, the listed corporation must comply with the requirements under Guidance Note 15, where applicable, as if it were an applicant seeking admission to the Official List. However, when such a listed corporation issues new securities, the listed corporation must also comply with the requirements under this Guidance Note, where applicable.

**PART I – APPLICATION PROCEDURES AND ADMISSION PROCESS****2.0 Procedures relating to listing of a new issue of securities**

2.1 The following procedures apply to the listing of a new issue of securities by a listed corporation, which do not fall within paragraphs 3.0 or 4.0 below, with the necessary modifications, as may be applicable -

- (a) listed corporation immediately announces the new issue of securities to the Exchange upon the approval of the board of directors of the listed corporation;
- (b) listed corporation files with the Exchange a listing application for the new issue of securities together with supporting documents;
- (c) Exchange grants approval-in-principle for the listing of the new issue of securities;
- (d) listed corporation obtains shareholder approval, if required;

**Guidance Note 17**  
**Listing Procedures for New Issues of Securities**

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- (e) listed corporation fixes relevant books closing and entitlement dates, where applicable and immediately announces such dates to the Exchange;
- (f) listed corporation issues and allots the securities;
- (g) listed corporation files with the Exchange a quotation application together with supporting documents; and
- (h) securities are admitted to the Official List and quoted on the Exchange 2 market days after receipt of the quotation application together with the requisite documents and/or confirmations and the same have been found to be complete in all respects.

**3.0 Procedures relating to listing of a bonus issue of securities and listing of convertibles securities arising from bonus issue**

3.1 The following procedures apply to the listing of -

- (a) a bonus issue of securities by a listed corporation; and
- (b) any issue of convertible securities arising from adjustments due to the bonus issue ("**consequential securities**"),

with the necessary modifications, as may be applicable:

- (i) listed corporation immediately announces the bonus issue to the Exchange upon the approval of the board of directors of the listed corporation;
- (ii) listed corporation files with the Exchange a listing application for the bonus issue and the consequential securities, if any, together with supporting documents;
- (iii) Exchange grants approval for the listing and quotation of the bonus issue securities and consequential securities, if any;
- (iv) listed corporation obtains shareholder approval;
- (v) listed corporation fixes the books closing date for the bonus issue and consequential securities, if any, and immediately announces such dates to the Exchange in accordance with Rule 6.36 of the Listing Requirements;
- (vi) listed corporation issues and allots the securities. Where the bonus issue is a Specified Bonus Issue, the listed corporation must issue and allot the securities on the books closing date;
- (vii) listed corporation announces to the Exchange the number of securities which will be listed and quoted; and
- (viii) securities are admitted to the Official List and quoted on the Exchange. Where the bonus issue is a Specified Bonus Issue, the bonus issue securities and consequential securities, if any, are admitted to the Official List and quoted on the Exchange on the next market day after the books closing date.

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**4.0 Procedures relating to the listing of additional securities of the same type and class**

4.1 The procedures in paragraph 4.2 below apply to the listing of additional securities, with the necessary modifications, as may be applicable, where the additional securities will be listed and quoted as the existing listed securities of the same type and class.

4.2 The procedures referred to in paragraph 4.1 above are as follows:

- (a) listed corporation immediately announces the new issue of securities to the Exchange upon the approval of the board of directors of the listed corporation being given;
- (b) listed corporation files with the Exchange a listing application for the additional securities together with supporting documents;
- (c) Exchange grants approval for the listing of the additional securities;
- (d) listed corporation obtains its shareholder approval, if required;
- (e) listed corporation fixes relevant books closing and entitlement dates, where applicable and immediately announces such dates to the Exchange;
- (f) listed corporation issues and allots the additional securities;
- (g) listed corporation announces listing of the additional securities in accordance with paragraph 12.2 below; and
- (h) additional securities are listed and quoted on the Exchange.

4.3 The procedures in paragraph 4.2 above do not apply to the issuance of additional securities -

- (a) which is conditional upon any other corporate proposal which involves -
  - (i) issuance of additional securities which will not be listed and quoted to form part of the existing listed securities of the same class; or
  - (ii) issuance of a new type of securities; or
- (b) which securities are attached with a new type of securities.

4.4 For the purpose of this paragraph, “**additional securities**” refers to a further issue of the same type and class of listed securities.

**5.0 Summary of listing procedures**

5.1 Annexure GN17-A summarises the application of listing procedures set out in paragraphs 2.0, 3.0 and 4.0 above.

**6.0 Listing and quotation application form and supporting documents**

6.1 A listed corporation must file with the Exchange a listing application for a new issue of securities which consists of the following:

- 
- (a) the application, in the form of Part A of Annexure GN17-B; and
  - (b) the supporting documents specified in Part B of Annexure GN17-B.
- 6.2 Subject to paragraph 6.3 below, a listed corporation must also file with the Exchange a quotation application of a new issue of securities which is accompanied by the documents specified in Part C of Annexure GN17-B and such other documents as may be specified in the approval-in-principle granted by the Exchange.
- 6.3 A quotation application is not required for a listing application which is subject to the procedures of listing as set out in paragraphs 3.0 and 4.0 above.

### **7.0 Listing and quotation application form for debt securities**

- 7.1 For a listing application for debt securities, in addition to the documents set out in paragraph 6.1 above, a listed corporation must also include the following:
- (a) the information set out in Part D of Annexure GN17-B, subject to the necessary adaptations; and
  - (b) the supporting documents specified in Part E of Annexure GN17-B.

### **8.0 Listing and quotation application for convertible securities**

- 8.1 For a listing application for convertible securities, in addition to the documents set out in paragraph 6.1 above, a listed corporation must also file with the Exchange together with the listing application, the supporting documents specified in Part F of Annexure GN17-B.

## **PART II – OTHER RELEVANT REQUIREMENTS**

### **9.0 Listing of issued and unissued securities**

- 9.1 A listed corporation must comply with paragraph 6.0 of Guidance Note 15 as if it were the applicant, with the necessary modifications. For this purpose, the “**approval**” referred to in paragraph 6.0 of Guidance Note 15 includes an “**approval-in-principle**”.

### **10.0 Crediting of securities**

- 10.1 Subject to paragraph 10.3 below, a listed corporation must ensure that all new issues of securities for which listing is sought are by way of crediting the securities accounts of the allottees with such securities.
- 10.2 For the above purpose, the listed corporation must notify the Depository of all such particulars required by the Depository, to enable the Depository to make the appropriate entries in the securities accounts of such allottees.
- 10.3 Paragraph 10.1 above does not apply where a listed corporation is specifically exempted from compliance with section 38 of the Securities Industry (Central Depositories) Act 1991.

**11.0 Issue or allotment of securities**

- 11.1 A listed corporation must not issue or allot securities until after it has filed with the Exchange a listing application for such new issue of securities and has been notified by the Exchange that such new issue of securities has been approved or approved in principle for listing, as the case may be.

**12.0 Announcement in relation to a new issue or issue of securities**

- 12.1 If a listed corporation fails to make an application to the Exchange by the date specified in the announcement made under paragraphs 2.0, 3.0 or 4.0 above, it must immediately announce to the Exchange the fact of such failure, its reasons and when it expects to make the application.
- 12.2 Where the additional securities are listed in accordance with the procedures set out in paragraph 4.0 above, a listed corporation must announce the following information immediately upon receipt of confirmation from the Depository that the securities are ready to be credited into the securities accounts of the respective holders:
- (a) details of the corporate proposal;
  - (b) total number of securities issued under each proposal and the issue price per share, if any;
  - (c) date of listing and quotation; and
  - (d) latest issued and paid-up capital of the listed corporation after the proposal indicating the number of shares (in unit and RM) and their par value, if any.

## ANNEXURE GN17-A

Summary of listing procedures  
(paragraph 5.0)

No.	Proposals	Procedures Applicable (paragraph of Guidance Note 17)	Quotation Application Required?	Listing Date
Bonus Issue				
A	A bonus issue of securities ("BI") which is a Specified Bonus Issue.	3.0	No	B + 1
B	BI which is conditional upon D			
	BI	3.0	No	Relevant Date
	D	4.0	No	Relevant Date
C	BI which is conditional upon –			
	(i) E; or			
	(ii) F; or			
	(iii) E or F, and D or			
	(iv) E, F, and D			
	BI	3.0	No	Relevant Date (which must be Q + 2 of D, E, F)
	D, E, F	2.0	Yes	Q + 2
Others				
D	Proposal which involves issuance of <b>additional</b> securities which will be listed and quoted as the existing listed securities of the same class and is not conditional upon E or F	4.0	No	Relevant Date
E	Proposal which involves issuance of <b>additional</b> securities which will not be listed and quoted as the existing listed securities of the same class	2.0	Yes	Q + 2

**Annexure GN17-A**  
**Summary of listing procedures**

No.	Proposals	Procedures Applicable (paragraph of Guidance Note 17)	Quotation Application Required?	Listing Date
F	Proposal which involves issuance of <b>new</b> type of securities e.g. warrants, irredeemable convertible unsecured loan stocks (ICULS), preference shares, etc.	2.0	Yes	Q + 2
G	Proposal which involves issuance of additional securities which will be listed and quoted as the existing listed securities of the same class and such additional securities are <b>attached</b> with a new type of securities.	2.0	Yes	Q + 2

**Interpretation**

- (a) “**B**” means books closing date.
- (b) “**BI**” means a bonus issue of securities.
- (c) “**Q**” means the date on which the quotation application is submitted to the Exchange.
- (d) “**Relevant Date**” has the meaning given to it in Rule 6.36(3) of the Listing Requirements.
- (e) “**Specified Bonus Issue**” has the meaning given to it in Rule 6.01(4) of the Listing Requirements.

[ End of Annexure ]



**ANNEXURE GN17-B**

**Part A**

**Listing application in relation to a new issue of securities**  
(paragraphs 6.1(a), 7.1 and 8.1)

Please tick wherever applicable. If not applicable, please indicate "N/A"  
[You may tick more than one box, where applicable]

# *Delete as appropriate*

<b>1.</b>	<b>Name of corporation</b>																	
<b>2.</b>	<b>Types of corporate proposal</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">(a) Acquisitions (which do not result in a significant change in business direction or policy of the corporation)</td> <td style="width: 20%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(b) Rights Issue</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(c) Special Issue</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(d) Private Placement</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(e) Bonus Issue</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(f) <del>Share Scheme for Employees (ESOS)</del> Share Issuance Scheme</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(g) Others: _____</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	(a) Acquisitions (which do not result in a significant change in business direction or policy of the corporation)	<input type="checkbox"/>	(b) Rights Issue	<input type="checkbox"/>	(c) Special Issue	<input type="checkbox"/>	(d) Private Placement	<input type="checkbox"/>	(e) Bonus Issue	<input type="checkbox"/>	(f) <del>Share Scheme for Employees (ESOS)</del> Share Issuance Scheme	<input type="checkbox"/>	(g) Others: _____	<input type="checkbox"/>		
(a) Acquisitions (which do not result in a significant change in business direction or policy of the corporation)	<input type="checkbox"/>																	
(b) Rights Issue	<input type="checkbox"/>																	
(c) Special Issue	<input type="checkbox"/>																	
(d) Private Placement	<input type="checkbox"/>																	
(e) Bonus Issue	<input type="checkbox"/>																	
(f) <del>Share Scheme for Employees (ESOS)</del> Share Issuance Scheme	<input type="checkbox"/>																	
(g) Others: _____	<input type="checkbox"/>																	
	<b>Percentage ratios (where applicable)</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">(a) Acquisition of _____ %</td> <td style="width: 20%;"></td> </tr> <tr> <td>_____</td> <td></td> </tr> <tr> <td>_____</td> <td></td> </tr> <tr> <td>(b) Acquisition of _____ %</td> <td></td> </tr> <tr> <td>_____</td> <td></td> </tr> <tr> <td>_____</td> <td></td> </tr> <tr> <td>(c) Acquisition of _____ %</td> <td></td> </tr> <tr> <td>_____</td> <td></td> </tr> </table>	(a) Acquisition of _____ %		_____		_____		(b) Acquisition of _____ %		_____		_____		(c) Acquisition of _____ %		_____	
(a) Acquisition of _____ %																		
_____																		
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(b) Acquisition of _____ %																		
_____																		
_____																		
(c) Acquisition of _____ %																		
_____																		

Annexure GN17-B  
Listing application for new issue of securities

3.	<b>Confirmation by listed corporation</b>	<p>We, the listed corporation, confirm that we -</p> <p>(a) #have/have not been convicted or charged with any offence under the securities laws, corporations laws or other laws involving fraud or dishonesty in a court of law, for the last 10 years before the submission; and</p> <p>(b) #have/have not been subjected to any action by the Exchange for any breach of Bursa Malaysia Securities Berhad (“Exchange”) ACE Market Listing Requirements (“LR”) or the Rules of Bursa Malaysia Securities Berhad (“Rules of the Exchange”), for the past 5 years before the submission.</p> <p>If in the affirmative, please provide the details in attachment</p>
4.	<b>Confirmation by directors of listed corporation</b>	<p>We attach the declarations by each of our directors that he/she -</p> <p>(a) is not an undischarged bankrupt nor presently subjected to any proceeding under bankruptcy laws;</p> <p>(b) has never been charged with, convicted for or compounded for any offence under securities laws, corporations laws or any other law involving fraud or dishonesty in a court of law;</p> <p>(c) has had no action taken against him/her for any breach of the listing requirements or rules issued by the Exchange for the past five years; and</p> <p>(d) has not been subjected to any inquiry or investigation by any government or regulatory authority or body for the past five years.</p>
5.	<b>Confirmation relating to conflict of interests</b>	<p>The proposals in item (2) above #do/ do not give rise to any conflict of interests situation.</p> <p>If in the affirmative, please provide the details in attachment.</p>
6.	<b>Confirmation of Guidance Note 2</b>	<p>(a) Our Company is a Cash Company Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(b) The proposal(s) in item (2) #is/are a proposal to regularise the Cash Company’s condition as referred to in Rule 8.03(5) of the LR Yes <input type="checkbox"/> No <input type="checkbox"/></p>
7.	<b>Confirmation of Guidance Note 3 (“GN3”)</b>	<p>(a) Our Company is a GN3 Company Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(b) The proposal(s) in item (2) #is/are a proposal to regularize the GN3 Company’s condition as referred to in Rule 8.04(3) of the LR Yes <input type="checkbox"/> No <input type="checkbox"/></p>

**Annexure GN17-B**  
**Listing application for new issue of securities**

8.	<b>Details of proposals including number &amp; types of securities applied for listing, par value &amp; issue price (if any)</b>	
9.	<b>Currency denomination which the new securities will be listed and quoted</b>	<p>(a) Ringgit Malaysia ("RM") <input type="checkbox"/></p> <p>(b) Others: (Please indicate)</p> <p>-----</p> <p>In the event the new securities are listed and quoted in currencies other than RM, whether the approval of the Controller of Foreign Exchange has been obtained?</p> <p align="right">Yes <input type="checkbox"/></p> <p align="right">No <input type="checkbox"/></p>
10.	<b>Ranking of the new securities</b>	<p>The new securities #will/will not be listed and quoted as the existing listed securities of the same class.</p> <p>If the new securities will be separately quoted on listing date, details of the non-entitlement(s):</p> <p>_____</p> <p>_____</p>
11.	<b>Debt securities</b>	<p>Additional information for debt securities as set out in Part D, Annexure GN17-B is attached <input type="checkbox"/></p>
12.	<b>Directorships and/or substantial shareholdings of the controlling shareholder</b>	<p>A list setting out directorships and/or substantial shareholdings of the controlling shareholder(s) in all other listed corporations in Malaysia for the past 3 years, is attached. <input type="checkbox"/></p>
13.	<b>Issuance of securities on non-pro rata basis</b>	<p>Where the new issuance of securities is on a non-pro rata basis - <input type="checkbox"/></p>

**Annexure GN17-B**  
**Listing application for new issue of securities**

		<p>A list setting out the class of placees (i.e. whether they are public investors or directors/substantial shareholders of the applicant) and the amount of securities to be allocated to each placee or each class of placees, is attached.</p> <p>Note: Where the identified placees are nominee corporations or funds, the names of the ultimate beneficiaries must be disclosed.</p>
14.	<b>Conditionality of proposals/ pricing</b>	<p>(a) The issue price # is/is not conditional upon any other proposal</p> <p>(b) This proposal # is/is not conditional upon any other proposal</p> <p>If in affirmative, to provide details of the other corporate exercises, including the estimated time frame for completion:</p> <p>_____</p>
15.	<b>Public shareholding spread</b>	<p>(a) <b><u>ORDINARY SHARES</u></b></p> <p>Where the proposal results in non-compliance with Rule 8.02(1) of the LR, details of the public shareholdings as per Part B(1)(d) of Annexure GN15-A and the reasons are attached. <input type="checkbox"/></p> <p>(b) <b><u>CONVERTIBLE SECURITIES/ PREFERENCE SHARES</u></b></p> <p>(i) There will be 100 holders or more <input type="checkbox"/></p> <p>(ii) There will be less than 100 holders. <input type="checkbox"/></p> <p>In the event of (ii), to provide reasons: _____</p> <p>_____</p>
16.	<b><u>SHARE SCHEME FOR EMPLOYEES (“ESOS”) SHARE ISSUANCE SCHEME</u></b>	
16A	<b>Confirmation</b>	We confirm that the <u>ESOS Share Issuance Scheme</u> is in full compliance with Part G of Chapter 6 of the LR
17.	<b>BONUS ISSUE &amp; TWO-CALL RIGHTS ISSUE</b>	
17A	<b>Confirmation of compliance and adequacy of reserves</b>	<p>(a) The bonus issue/two-call rights issue is in full compliance with Rule 6.31 of the LR <input type="checkbox"/></p> <p>(b) The reporting accountant or external auditor has confirmed that the available reserves for capitalisation are adequate to cover the entire bonus issue/two-call rights issue in accordance with Rule 6.31(3), if applicable <input type="checkbox"/></p>
17B	<b>Bonus issue/two-call rights issue will be fully capitalized from the</b>	<p>(a) Retained Profit Account <input type="checkbox"/></p> <p>(b) Share Premium Account <input type="checkbox"/></p> <p>(c) Surplus arising from the revaluation of investments in subsidiaries and associated companies <input type="checkbox"/></p>

**Annexure GN17-B**  
**Listing application for new issue of securities**

	<b>following:</b>	(d) Surplus arising from the revaluation of real estate (at least 20% of the valuation amount will be retained) <input type="checkbox"/>
<b>17C</b>	<b>Conditionality</b>	<p>(i) The bonus issue/two-call rights issue is not conditional upon another corporate proposal <input type="checkbox"/></p> <p>(ii) The bonus issue/two-call rights issue is conditional upon a concurrent subdivision or consolidation <input type="checkbox"/></p> <p>(iii) The bonus issue/two-call rights issue is conditional upon another corporate proposal. <input type="checkbox"/></p> <p>To specify details of the other corporate proposals and the estimated time frame for completion of the same</p>
<b>17D</b>	<b>Undertakings for bonus issue/two-call rights issue</b>	<p>We undertake the following:</p> <p>(i) the return of allotment will be filed with the Registrar of Companies pursuant to the Companies Act, 1965 or in relation to a foreign corporation, the relevant document showing its latest issued and paid-up capital will be filed with the relevant authority pursuant to the laws of the place of incorporation;</p> <p>(ii) all notices of allotment will be issued and despatched to the entitled holders as expeditiously as possible and in any event, not later than 4 market days after the date of listing and quotation;</p> <p>(iii) the new securities will be listed and quoted as the existing listed securities of the same class;</p> <p>(iv) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities will be met;</p> <p>(v) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law; and</p> <p>(vi) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the listed corporation has failed to meet any of the above undertakings referred to in paragraphs (i) to (iv) or of any circumstances or facts referred to in paragraph (v) above.</p>
<b>18.</b>	<b>ISSUES OF SECURITIES ON A NON-PRO RATA BASIS UNDER A GENERAL MANDATE</b>	
<b>18A</b>	<b>Confirmation from Sponsor or Adviser, as the case may be</b>	<p>We confirm that –</p> <p>(i) Rule 6.04 of the LR has been complied with <input type="checkbox"/></p> <p>(ii) Rule 6.05 of the LR has been complied with <input type="checkbox"/></p>

19.	<b>CORPORATE PROPOSALS WHICH FALL UNDER PARAGRAPH 4.0 OF GUIDANCE NOTE 17</b>	
19A	<b>Undertakings for corporate proposal which applies the procedure under paragraph 4.0</b>	<p>We undertake the following:</p> <ul style="list-style-type: none"> <li>(a) the return of allotment will be filed with the Registrar of Companies pursuant to the Companies Act, 1965 or in relation to a foreign corporation, the relevant document showing its latest issued and paid-up capital will be filed with the relevant authority pursuant to the laws of the place of incorporation;</li> <li>(b) all notices of allotment will be issued and despatched to the entitled holders as expeditiously as possible and in any event, not later than 4 market days after the date of listing and quotation;</li> <li>(c) the new securities will be listed and quoted as the existing listed securities of the same class;</li> <li>(d) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities will be met;</li> <li>(e) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law;</li> <li>(f) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the listed corporation has failed to meet any of the above undertakings referred to in paragraphs (a) to (d) or of any circumstances or facts referred to in paragraph (e) above; and</li> <li>(g) to announce to the Exchange the relevant information in accordance with paragraph 12.2 of Guidance Note 17.</li> </ul>
<p>_____ [Authorised signatory of the Sponsor/Adviser] Name: Designation: Date:</p>		<p>_____ [Authorised signatory of the listed corporation] Name: Designation: Date:</p>

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**Part B****Documents to be filed with a listing application for a new issue of securities**

(paragraphs 6.1(b), 7.1 and 8.1)

- (1) A listed corporation must file the following documents in support of a listing application for a new issue of securities:
  - (a) a copy of the announcement, circular, prospectus or abridged prospectus which is registered with the relevant authorities;
  - (b) a certified true copy of the relevant resolution passed by securities holders in general meeting;
  - (c) a letter from the listed corporation's Sponsor or Adviser, as the case may be, confirming all approvals of relevant authorities have been obtained;
  - (d) a copy each of all letters of approval from the relevant authorities;
  - (e) in the case of a ~~share scheme for employees~~ Share Issuance Scheme, a draft copy of the bylaws; and
  - (f) for proposals which apply the procedures under paragraphs 3.0 and 4.0 of Guidance Note 17, a cheque drawn to the order of Bursa Malaysia Securities Berhad for the processing and listing fees (see the Schedule of Fees for the computation of the amount), together with a copy of the details of the computation of the amount of listing fees payable.
- (2) If any of the above documents are not filed because they are not applicable or available in any case, a listed corporation must submit a separate exhibit explaining why such documents are not applicable or available.

**Part C****Documents to be filed with a quotation application for a new issue of securities**

(paragraph 6.2)

A listed corporation must file the following documents in support of quotation application for a new issue of securities:

- (a) a confirmation from the listed corporation as to its latest issued and paid-up capital;
- (b) a confirmation that all notices of allotment have been issued and despatched to the entitled holders;
- (c) a confirmation from the listed corporation that the Depository is ready to credit the new securities to the accounts of the entitled holders, after receiving the allotment information for crediting of the new securities;
- (d) a cheque drawn to the order of Bursa Malaysia Securities Berhad for the listing fees (see Schedule of Fees for computation of amount) together with a copy of the details of the computation of the amount of listing fees payable;

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**Listing application for new issue of securities**

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- (e) a confirmation from the listed corporation's Sponsor or Adviser, as the case may be, of whether the new issue of securities will be listed and quoted as the existing securities of the same class or will be separately quoted on the listing date. If the new issue of securities will be separately quoted on the listing date, to specify the entitlement that the holders of the new issue of securities will not be entitled to;
  - (f) a confirmation from the listed corporation's Sponsor or Adviser, as the case may be, that all conditions including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities have been met;
  - (g) a confirmation from the listed corporation's Sponsor or Adviser, as the case may be, that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law; and
  - (h) such other documents which are not/have not been submitted pursuant to Part B of Annexure GN17-B.

**Part D****Additional information for debt securities**

(paragraph 7.1(a))

- (1) The full title of issue and ranking of the debt securities.
- (2) The title of instrument under which the debt securities were created or are proposed to be created.
- (3) The name of trustee.
- (4) The issue and maturity dates.
- (5) The amount authorised, amount issued to-date, amount retired, amount outstanding and amount proposed to be issued.
- (6) The interest rate and interest payment dates.
- (7) The method of redemption.
- (8) Whether the issue qualifies for any tax exemption.
- (9) The denominations issuable.
- (10) The manager and lead underwriter of the issue.
- (11) The method of distribution of the issue.
- (12) Whether bank guaranteed and if so, details of the amount guaranteed by the respective guarantor banks.
- (13) Whether secured and if so, details of such security.
- (14) A summary of other material terms of issue.



**Part E****Additional supporting documents to be filed with a listing application for debt securities**  
(paragraph 7.1(b))

- (1) A listed corporation must file the following additional documents in support of a listing application for debt securities:
  - (a) a copy of the mortgage indenture, or equivalent instrument certified by the trustee; and
  - (b) a copy of the duly executed trust deed.
- (2) If any of the above documents are not filed because they are not applicable in any case, a listed corporation must submit a separate exhibit explaining why such documents are not applicable.

**Part F****Additional supporting documents to be filed with a listing application for convertible securities**  
(paragraph 8.1)

- (1) A listed corporation must file a copy of the duly executed deed poll in support of a listing application for convertible securities.
- (2) If the above document is not filed because it is not applicable in any case, a listed corporation must submit a separate exhibit explaining why such document is not applicable.

[ End of Annexure ]

**BURSA MALAYSIA SECURITIES BERHAD****GUIDANCE NOTE 19****APPOINTMENT OF ADVISER FOR CORPORATE PROPOSALS**

Details		Cross References
Effective date:	3 August 2009	Rules 4.16, 4.25 and 8.06
<a href="#">Revision date:</a>	<a href="#">3 January 2012</a>	

**1.0 Introduction**

1.1 Rule 8.06 of the Listing Requirements provides as follows:

- (a) a listed corporation must engage the services of an Adviser where it undertakes such corporate proposal or activity prescribed by the Exchange to require the services of an Adviser; and
- (b) a listed corporation must ensure that the circular or document in respect of such corporate proposal is prepared, reviewed and approved by its Adviser before it is issued to its securities holders.

1.2 This Guidance Note sets out the corporate proposals where a listed corporation -

- (a) must appoint and engage the services of an Adviser; and
- (b) need not appoint an Adviser.

1.3 A listed corporation must consult the Exchange if the corporate proposal undertaken by it does not fall under paragraphs 2.0 or 3.0 below, and appoint an Adviser for the corporate proposal if so required by the Exchange.

**2.0 Corporate proposals or activities that require the services of an Adviser**

2.1 A listed corporation must appoint an Adviser for the following corporate proposals or activities:

- (a) significant change of a business direction or policy in a listed corporation;
- (b) a new issuance of securities;
- (c) a transaction where any one of the percentage ratio is 25% or more and shareholder approval is required pursuant to Rule 10.07 of the Listing Requirements;
- (d) a related party transaction where any one of the percentage ratio is 5% or more, excluding a shareholder mandate for a Recurrent Related Party Transaction;

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- (e) a proposal by Cash Companies pursuant to Rule 8.03(5) of the Listing Requirements;
- (f) a regularisation plan by GN3 Companies pursuant to Rule 8.04(3)(a) of the Listing Requirements;
- (g) provision of financial assistance to associated companies;
- (h) a scheme of compromise, arrangement, amalgamation, reconstruction or restructuring scheme in general;
- (i) a capital distribution, repayment or reduction;
- (j) a subdivision or consolidation of shares;
- (k) a corporate proposal which may result in material dilution of its principal subsidiary pursuant to Rule 8.23 of the Listing Requirements;
- (l) a corporate proposal which may result in diversification in the listed corporation's operations pursuant to Rule 10.13 of the Listing Requirements;
- (m) an extension of time for maturity or expiry of convertible securities;
- (n) a withdrawal of listing; ~~and~~
- (nA) a Dividend Reinvestment Scheme; and
- (o) such other corporate proposal or activity which may be prescribed or determined by the Exchange.

### 3.0 Corporate proposals or activities that do not require the services of an Adviser

3.1 A listed corporation need not appoint an Adviser for the following corporate proposals or activities:

- (a) a share buy-back;
- (b) a shareholder mandate for a Recurrent Related Party Transaction;
- (c) amendments to or adoption of Memorandum and Articles of Association;
- (d) amendments to trust deeds or deed polls;
- (e) increase in its authorised share capital;
- (f) notices of adjustments to warrants;
- (g) redemption of irredeemable convertible loan stocks;
- (h) notices of maturity or expiry of convertible securities;
- (i) ~~termination of share scheme for employee~~[deleted];
- (j) change of name of listed corporation;

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**Appointment of Adviser for Corporate Proposals**

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- (k) change of auditors of listed corporation; and
- (l) change to the board of directors of listed corporation.

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**Schedule of Fees (subject to change from time to time)****1. Introduction**

## 1.1 Computation of listing fees

For the purposes of computing the listing fees set out under this Schedule, unless otherwise stated, the market value of the security:

- (a) in the case of initial listing fees -
  - (i) shall be based on the issue or offer price of the securities or where there is more than one issue or offer price, the average issue or offer price; or
  - (ii) where there is no issue or offer price:
    - (aa) shall be based on the last traded price on the first day of listing; or
    - (bb) such other valuation as may be determined by the Exchange;
- (b) if quoted in non-Ringgit, the amount will be converted into Ringgit based on the foreign exchange rate prescribed by the Exchange in accordance with the prevailing foreign exchange rate, before applying the formula in this Schedule.

1.2 The Exchange reserves the right to add to, vary or delete any of the fees from the Schedule from time to time, as it deems fit.

1.3 Any late payment of fees will result in late payment charges calculated based on 10% per annum on daily rest basis.

1.4 No refund of any fees paid will be allowed.

1.5 All payments to the Exchange must be made by cheques drawn to the order of Bursa Malaysia Securities Berhad.

1.6 A listed corporation must pay to the Exchange an annual listing fees set out in this Schedule of Fees annually in advance and not later than 31 January each year. All payments of initial, additional and annual listing fees to the Exchange must be accompanied with a copy of the details of the computation of the amount of listing fees payable.

**A. Applicant and Listed Corporation****2. Listing fees for shares**

## 2.1 Initial listing fees

0.01% of the total market value of the issued capital of the listed corporation is payable for initial listing, subject to a minimum fee of RM10,000 and a maximum fee of RM20,000.

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2.2 Additional listing fees

A fixed fee of RM10,000 (for each class of securities) is payable for additional listing.

2.3 Annual listing fees

(a) Where the nominal value of the issued capital of the listed corporation as at 31 December is below RM50 million, the annual listing fees payable is RM10,000.

(b) Where the nominal value of the issued capital of the listed corporation as at 31 December is RM50 million and above, the annual listing fees payable is RM20,000.

**3. Listing fees for convertible debt securities and non-convertible debt securities**

3.1 Initial listing fees

0.0025% of the total market value of the securities listed is payable for initial listing, subject to a minimum fee of RM2,500 and a maximum fee of RM10,000.

3.2 Additional listing fees

No additional listing fee is payable.

3.3 Annual listing fees

A fixed fee of RM2,000\* (for each class of securities) is payable as annual listing fees.

\* pro-rated according to the number of months the securities is listed in the year of maturity.

**4. Listing fees for convertible equity securities**

4.1 Initial listing fees

A fixed fee of RM7,500 (for each class of securities) is payable as initial listing fees.

4.2 Additional listing fees

No additional listing fee is payable

4.3 Annual listing fees

(a) Where the nominal value of the securities or in the case of warrants, the total number of units, as at 31 December is below RM50 million or 50 million units, as the case may be, the annual listing fees payable is RM10,000\*.

- (b) Where the nominal value of the securities or in the case of warrants, the total number of units, as at 31 December is RM50 million and above or 50 million units or more, as the case may be, the annual listing fees payable is RM20,000\*.

\* pro-rated according to the number of months the securities is listed in the year of maturity.

## 5. Perusal fees

For the perusal of documents, e.g. circulars, notices and reporting thereon, the Exchange will charge fees as determined from time to time.

## 6. Processing fees

### 6.1 Subdivision/[Consolidation](#) of shares

For the processing of applications for subdivision/[consolidation](#) of shares, a listed corporation must pay RM10,000 upon submission of the application.

### 6.2 Listing on the ACE Market/[Corporate proposal which will result in a significant change in the business direction or policy of a listed corporation](#)

A fixed fee of RM30,000

### 6.3 Secondary offerings of securities and/or bonus issues

A fixed fee of RM5,000

### 6.4 ~~Share scheme for employees~~[Share Issuance Scheme](#)

A fixed fee of RM3,000

### 6.5 Applications for waiver, modification and/or extension of time of the Listing Requirements

A fixed fee of RM500 for each application

## 7. Valuation Review Fee

- 7.1 Where a valuation report is prepared for the purpose of disclosure in circulars and documents which require prior perusal by the Exchange, a valuation review fee will be charged as follows:

0.01% of the total market value of the real estate, subject to a minimum fee of RM3,000 and a maximum fee of RM 25,000.

- 7.2 The valuation review fee must be paid to the Exchange upon submission of the valuation report to the Exchange.

**8. Charges for advertisement of securities prescribed**  
(Paragraph 5 of Guidance Note 15)

Advertisement charges incurred or to be incurred by the Exchange pursuant to section 14(2) of the Securities Industry (Central Depositories) Act 1991 as notified by the Exchange.

**B. Sponsor**

**9. Sponsor**

9.1 Initial admission fee

A fee of RM250,000 is payable for initial admission.

9.2 Annual fee

A fee of RM25,000 is payable as annual fees.

[ End of Schedule ]