

## CHAPTER 1 DEFINITIONS AND INTERPRETATION

## PART A – DEFINITIONS

## 1.01 Definitions

In these Requirements, unless the context otherwise requires:-

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| admission        | means admission of securities to the LEAP Market of the Exchange and “ <b>admitted</b> ” will be construed accordingly.   |
| adviser          | in relation to a listed corporation, means – <ul style="list-style-type: none"> <li>(a) an Adviser;</li> <li>(b) 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</li> <li>(c) 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.</li> </ul>   |
| Adviser          | means either an Approved Adviser or a Continuing Adviser, or both, who is registered in the Register of Advisers.   |
| Advisory Period  | means the period referred to in Rule 3.12.  |
| amendment        | in relation to a document or information, includes any addition, deletion, modification or variation of any part of such document or information and “ <b>amended</b> ” will be construed accordingly.  |
| applicant        | means a corporation which is applying for admission of its securities.  |
| Approved Adviser | means an Adviser authorised by the Exchange to carry out both the initial listing activities and post-listing activities.   |
| associate        | in relation to any person (referred to as “ <b>Said Party</b> ”), means a person who falls under any one of the following categories: <ul style="list-style-type: none"> <li>(a) a family member of the Said Party;</li> <li>(b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Said Party or a family member of the Said Party is the sole beneficiary;</li> <li>(c) a person or where it is a body corporate, its directors, who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Said Party;</li> </ul> |

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|  | (d) | a person or where it is a body corporate, its directors, in accordance with whose directions, instructions or wishes the Said Party is accustomed or is under an obligation, whether formal or informal, to act;                 |
|  | (e) | a body corporate in which the director, shareholder or a family member of the Said Party is entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or |
|  | (f) | a holding company or subsidiary of the Said Party, or a subsidiary of the Said Party's holding company.  |
| auditor  |     | means an auditor who is registered as a registered auditor or recognised as a recognised auditor under section 31O of the Securities Commission Malaysia Act 1993.   |
| Audit Oversight Board                                    |     | means the board established under section 31C of the Securities Commission Malaysia Act 1993.  |
| Bank Negara Malaysia                                     |     | means the Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009.  |
| 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.                 |
| change in the board of directors of a listed corporation |     | means a change within a 12-month period from the date of the acquisition in -  |
|  | (a) | at least one-half of the membership of the board of directors of the listed corporation; or  |
|  | (b) | at least one-third of the membership of the board of directors of the listed corporation, including the chief executive.   |
| 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.   |
| CMSA   |     | means the Capital Markets and Services Act 2007.   |
| Companies Act  |     | means the Companies Act 2016.  |
| Continuing Adviser                                       |     | means an Adviser authorised by the Exchange to carry out only post-listing activities.   |

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| controlling shareholder       | means any person who is, or a group of persons who collectively are, entitled to exercise or control the exercise of more than 33% of the voting shares or voting rights in a corporation (or such other percentage as may be prescribed in the Take-Overs and Mergers Code including any amendments that may be made from time to time, 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 corporation. |
| 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.   |
| depositor                     | means a holder of a securities account established by the Depository.  |
| Depository                    | means Bursa Malaysia Depository Sdn. Bhd.  |
| director                      | has the meaning given in section 2(1) of the CMSA.   |
| Exchange                      | means Bursa Malaysia Securities Berhad.  |
| Exchange Holding Company      | means Bursa Malaysia Berhad.   |
| excluded issue                | has the meaning given in section 226 of the CMSA.  |
| expert                        | includes an engineer, valuer, accountant and any other person whose profession and reputation gives authority to a statement made by him.  |
| family                        | in relation to a person, means such person who falls within any one of the following categories:<br><br>(a) spouse;<br><br>(b) parent;<br><br>(c) child including an adopted child and step-child;<br><br>(d) brother or sister; or<br><br>(e) spouse of the person referred to in sub-Rules (c) or (d) above.   |
| Goods and Services Tax or GST | means the goods and services tax payable pursuant to the Goods and Services Tax Act 2014.  |

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| 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.   |
| initial listing activities                   | means the activities set out in Part D of Chapter 4 which may be undertaken by an Approved Adviser in relation to the admission of an applicant to the LEAP Market pursuant to Chapter 3.   |
| listed                                       | means admitted to the LEAP Market of the Exchange 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 LEAP Market and not removed.  |
| major associated company or major subsidiary | <p>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.</p> <p>For the purpose of this definition, “<b>associated company</b>” has the meaning given to “<b>associate</b>” under the accounting standards issued or adopted by the Malaysian Accounting Standards Board.</p>   |
| major shareholder                            | <p>means a person who has an interest of 10% or more of the total number of all the voting shares in a corporation.</p> <p>For the purpose of this definition, “<b>interest</b>” shall have the meaning of “<b>interest in shares</b>” given in section 8 of the Companies Act.</p>   |
| market day                                   | means a day on which the stock market of the Exchange is open for trading in securities.  |
| net assets                                   | refers to the net assets attributable to ordinary equity holders of the listed corporation.   |
| offer for sale                               | means an invitation by, or on behalf of, an existing securities holder to purchase securities of a corporation already in issue or allotted.  |
| 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> <p>(a) a person with whom the director, major shareholder or person connected with the director or major shareholder, is in or proposes to enter into partnership with. “<b>Partnership</b>” for this purpose refers to a “<b>partnership</b>” as defined in section 3 of the Partnership Act 1961 or “<b>limited liability partnership</b>” as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or</p> |

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|                         | (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.   |
| person                  | includes a body of persons, corporate or unincorporate (including a trust).   |
| person connected        | in relation to a director or major shareholder of an applicant or listed corporation, means an associate or partner of the director or major shareholder.   |
| post-listing activities | means the activities set out in Part E of Chapter 4 which may be undertaken by a Continuing Adviser in advising or guiding the listed corporation on its continuing listing obligations.  |
| promoter                | includes a controlling shareholder, a person connected to a controlling shareholder and an executive director who is a substantial shareholder of an applicant or listed corporation.   |
| public                  | means all persons but excludes - <ul style="list-style-type: none"> <li>(a) directors of an applicant and its subsidiaries;</li> <li>(b) substantial shareholders of an applicant; and</li> <li>(c) associates of directors or substantial shareholders of an applicant.</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.   |
| Register of Advisers    | means a register maintained by the Exchange for the LEAP Market specifying all persons which have been approved to act either as an Approved Adviser or a Continuing Adviser by the Exchange pursuant to Chapter 4 of these Requirements and such approval has not been revoked or suspended. |
| related party           | means a director or major shareholder of the applicant or listed corporation or person connected with such a director or major shareholder. For the purpose of this definition, “ <b>director</b> ” and “ <b>major shareholder</b> ” have the meanings given in Rule 7.02.                    |
| 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 Malaysia established under section 3 of the Securities Commission Malaysia Act 1993.  |

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| securities   | has the meaning given in section 2(1) of the CMSA.   |
| significant change in the business direction or policy | <p>in relation to a listed corporation means -</p> <p>(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 in a business similar to the core business of the listed corporation;</p> <p>(b) an acquisition of assets which results in a change in the controlling shareholder of the listed corporation;</p> <p>(c) an acquisition of assets which results in a change in the board of directors of the listed corporation; or</p> <p>(d) a restructuring exercise involving the transfer of the listed corporation's listing status and the introduction of new assets to the other corporation.</p> <p>For the purpose of this definition, “percentage ratios” have the same meaning as set out in Rule 7.02.</p> |
| sophisticated investor                                 | means any person who falls within any of the categories of investors set out in Part I of Schedule 6 or Part I of Schedule 7 of the CMSA.  |
| substantial shareholder                                | has the meaning given in section 136 of the Companies Act.   |
| Take-Overs and Mergers Code                            | means the Malaysian Code on Take-Overs and Mergers 2016 and the Rules on Take-Overs, Mergers and Compulsory Acquisition 2016, including any amendment that may be made from time to time.  |
| these Requirements                                     | means Bursa Malaysia Securities Berhad LEAP Market Listing Requirements including any amendment that may be made from time to time.  |

## 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, when used in these Requirements, have the same meanings as in the Companies Act.
- (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.

### 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**

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

**1.08 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 unless otherwise stated are to be construed as references to Appendices 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 the general requirements of the Exchange which apply to all applicants, listed corporations, their directors, advisers or any other person to whom these Requirements are directed.

**2.02 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, 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.

**PART B – APPLICATION OF THESE REQUIREMENTS****2.03 Obligation to comply, waivers and modifications**

- (1) A listed corporation is, by virtue of its admission to the LEAP Market, bound by these Requirements, the Rules of the Exchange and the Rules of the Depository.
- (2) A listed corporation, its directors, advisers or any other person to whom these Requirements are directed must –
  - (a) comply with these Requirements for so long as the listed corporation or its securities remain listed on the LEAP Market. This applies even during periods when a listed corporation's securities are suspended from trading; and
  - (b) comply and give effect to any decision made, conditions imposed, and instruction or directive issued, by the Exchange, within the time stipulated by the Exchange.
- (3) 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.

**2.04 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.

**PART C – INFORMATION AND DOCUMENTS****2.05 Form of information**

- (1) Any information required to be provided to the Exchange under these Requirements must be provided in writing unless otherwise specified by the Exchange.



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- (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 specified by the Exchange.

#### 2.06 Giving the Exchange information

- (1) The Exchange may by notice in writing require an applicant, a listed corporation, its directors, 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) that are held by the person concerned or to which the person concerned has control or access over.
- (2) An applicant, a listed corporation, its directors, 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.

#### 2.07 Personal Data Notice

- (1) Any person who provides or has provided personal data to the Exchange or the Exchange Holding Company pursuant to or in connection with these Requirements should read and be aware of the relevant notification in relation to the Personal Data Protection Act 2010 (“**PDPA**”), available at the Exchange Holding Company’s website at [www.bursamalaysia.com](http://www.bursamalaysia.com) (“**Personal Data Notice**”).
- (2) Where the personal data provided is of another individual (“**data subject**”), the person providing such data must have notified the data subject in writing of the Personal Data Notice before providing the personal data unless:
- (a) section 41 of the PDPA applies; or
  - (b) the Exchange otherwise specifies in connection with the PDPA.
- (3) For the purposes of this paragraph, “**personal data**” shall have the same meaning given in section 4 of the PDPA.

#### 2.08 The Exchange’s power to deal with documents and information

- (1) All documents and information (including confidential document and information) forwarded to or procured by the Exchange will become and remain the property of the Exchange.
- (2) The Exchange may, in its absolute discretion, deal with the document and information as the Exchange deems fit.

#### 2.09 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 (“**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.

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- (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 Document to the Exchange that the Document did fulfil the requirements of sub-Rule (1) above.
- (3) Where any 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 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, Rule 6.10 applies, in substitution of sub-Rules (1) to (3) above.

### **2.10 Attendance before the Exchange**

The directors 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.

### **2.11 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 D – ISSUANCE OF DOCUMENTS BY ELECTRONIC MEANS**

### **2.12 Issuance of documents by electronic means by a listed corporation to its securities holders**

- (1) If these Requirements require a listed corporation to send any documents to its securities holders, the listed corporation may send the documents by electronic means if –
- (a) the constitution of the listed corporation —
    - (i) provides for the use of electronic means to communicate with its securities holders; and
    - (ii) specifies the manner in which electronic means is to be used; and

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- (b) the securities holders are given a right to request for a hard copy of such document.
  - (2) In the event a securities holder requests for a hard copy of such document, the listed corporation must forward a hard copy of the document to the securities holder as soon as reasonably practicable after the receipt of the request, free of charge.
  - (3) If the listed corporation publishes the documents on its website as a form of electronic means used to communicate with its securities holders, the listed corporation must separately and immediately notify the securities holders of this in writing.

## **PART E – FEES, OTHER CHARGES AND GOODS AND SERVICES TAX**

### **2.13 Fees, other charges and Goods and Services Tax**

- (1) An applicant, a listed corporation and an adviser must pay to the Exchange such fees and charges of such amount as may be prescribed by the Exchange from time to time, and the Goods and Services Tax payable on the same. The Exchange may add, vary or remove any fees and charges.
- (2) Any late payment of fees and charges or the GST amount will result in late payment charges at the rate as may be prescribed by the Exchange from time to time.
- (3) No refund of any fees and charges or GST amount paid will be allowed.
- (4) All payments to the Exchange must be made by cheques drawn to the order of Bursa Malaysia Securities Berhad or in such other manner as may be allowed by the Exchange from time to time.
- (5) A listed corporation must pay to the Exchange annual listing fees annually in advance no later than 31 January each year.

## **PART F – ADVISERS**

### **2.14 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 an Approved Adviser or a Continuing Adviser, must have lodged with the Exchange an undertaking duly executed by the adviser in the form as may be prescribed by the Exchange.
- (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.

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**PART G – OTHERS****2.15 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, 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.

**2.16 Conditions imposed by the Exchange**

The Exchange may impose conditions in relation to any application made to the Exchange, as it deems fit. The Exchange also reserves the right to vary any such conditions or impose additional or special conditions.

**2.17 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.

**2.18 Conduct**

- (1) 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) The Exchange may, at any time, and in its absolute discretion, refer the conduct of any applicant, listed corporation, director, adviser or any other person to whom these Requirements are directed, to any relevant authority or professional body, without giving notice to such persons.

**2.19 Notices by the Exchange**

- (1) All notices or written communications required to be sent by the Exchange to a listed corporation, its director or its adviser under these Requirements will be sent to their last known address as contained in the records of the Exchange.
- (2) Any notice or written communication required to be sent by the Exchange under these Requirements 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; or
  - (c) if sent by facsimile transaction, electronic mail, other electronic medium or advertisement in newspaper, immediately.

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**PART H – AMENDMENTS TO THESE REQUIREMENTS****2.20 Amendments to these Requirements**

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

**2.21 Validity of actions**

Unless otherwise specified by the Exchange, any amendment to these Requirements will not affect any action proposed to be taken, or is in the process of being taken, or has been taken by the Exchange in relation to the provision which is effective prior to the amendments.

**PART I – EXCHANGE HOLDING COMPANY AND THE EXCHANGE****2.22 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, 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.

**2.23 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.

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**PART J – QUALIFIED MARKET****2.24 Qualified market for sophisticated investors only**

- (1) The LEAP Market is a market designed to accommodate corporations to which a higher investment risk may be attached. It is a qualified market which is meant mainly for sophisticated investors only.
- (2) An applicant or a listed corporation on the LEAP Market must ensure that all securities offered or issued in conjunction with its listing or post-listing fall within Schedule 6 or 7 of the CMSA and are to its existing securities holders or sophisticated investors only.
- (3) In the LEAP Market, investors will have the full responsibility for evaluating the disclosed information, the merits and risks of investing in a particular applicant or listed corporation. Investors should be aware of the greater risk profile and other characteristics of the LEAP Market, and should make the decision to invest only after due and careful consideration.

**2.25 Notification of risk**

A listed corporation must ensure that any information memorandum, circular, semi-annual financial statement and annual audited financial statement issued by a listed corporation pursuant to these Requirements contains, at a prominent position in the document, and in bold type, a statement in the following terms concerning the characteristics of the LEAP Market:

“Characteristics of the LEAP Market of Bursa Malaysia Securities Berhad (the “Exchange”)

The LEAP Market has been positioned as a market designed to accommodate corporations to which a higher investment risk may be attached than other corporations listed on the Exchange. It is a qualified market which is meant mainly for sophisticated investors only. Only existing securities holders and sophisticated investors are allowed to participate in corporate exercises undertaken by the listed corporation. Investors should be aware of the potential risks of investing in such corporations and should make the decision to invest only after due and careful consideration.”

[End of Chapter]

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**CHAPTER 3 ADMISSION****PART A – ADMISSION****3.01 Admission**

- (1) The Exchange will exercise discretion over the admission and continued listing of securities on the LEAP Market and may approve or reject applications for listing, as it deems fit.
- (2) An applicant must be a public company incorporated in Malaysia and apply for admission to the LEAP Market through an Approved Adviser.
- (3) An applicant must be suitable for listing on the LEAP Market as assessed by an Approved Adviser appointed by the applicant in accordance with Rule 4.10.
- (4) The applicant, Approved Adviser 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.
- (5) 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 LEAP Market. In such instance, the listed corporation must comply with the requirements under this Chapter, where applicable.
- (6) Where any document submitted to the Exchange contains reference to a financial estimate, forecast or projection, the listed corporation and its Approved Adviser must ensure that the financial estimate, forecast or projection is prepared with reasonable bases and assumptions, reviewed and reported by the external auditors or reporting accountants, as the case may be.

**3.02 Core Business**

- (1) An applicant must have a clearly identifiable core business.
- (2) An applicant must not be considered as suitable for listing if it is –
  - (a) a subsidiary or holding company of a corporation currently listed on the Main Market or ACE Market of the Exchange and the listing of such applicant will result in the existing listed corporation within the group ceasing to have a separate autonomous business of its own and not be capable of sustaining its listing in the future;
  - (b) an investment holding corporation with no immediate or prospective business operations within its group; or
  - (c) an incubator, including a technology incubator which may apply for admission to the Main Market only.

**3.03 Shareholding spread**

An applicant must have at least 10% of the total number of ordinary shares for which listing is sought in the hands of public shareholders at admission.

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### 3.04 Listing of securities

An applicant may issue and list ordinary shares, preference shares and convertible securities on the LEAP Market. For issues of convertible securities, the applicant must comply with the requirements set out in Part F of Chapter 5.

## PART B – METHODS OF OFFERING OF SECURITIES

### 3.05 General

- (1) An applicant seeking listing on the LEAP Market may –
  - (a) issue new securities by way of an excluded issue; or
  - (b) list its existing securities by way of introduction.
- (2) An applicant which makes an excluded issue may distribute its securities either by way of a public offer, placement or book building, or a combination of these methods.
- (3) An offer for sale by the promoters of the applicant is not allowed, unless –
  - (a) the applicant has generated 1 full financial year of operating profit based on its latest audited financial statements;
  - (b) the promoters are corporations undertaking venture capital or private equity activity and registered with SC pursuant to the SC's Guidelines on the Registration of Venture Capital and Private Equity Corporations and Management Corporations; and
  - (c) the applicant is able to ensure that the promoters' shareholding to be placed under moratorium will amount to at least 45% of the enlarged number of issued shares of the applicant at the date of admission to the LEAP Market.

### 3.06 Placement of securities

- (1) The Approved Adviser must avoid any conflict of interest in an exercise of placement of securities.
- (2) An Approved Adviser must not allow placement of securities to be made to nominee corporations unless the names of the ultimate beneficiaries are disclosed.

### 3.07 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 12 months from the date of admission to the LEAP Market.
  - (b) Upon the expiry of the 12-month period stated above, the listed corporation must ensure that the promoters' aggregate shareholdings amounting to at least 45% of the total number of issued shares of the listed corporation remain under moratorium, for another period of 36 months.
  - (c) Thereafter, subject to sub-Rule (d) below, the promoters may sell, transfer or assign the shares held under moratorium.



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- (d) Where a listed corporation has not generated 1 full financial year of operating revenue based on the latest audited financial statements, the moratorium in sub-Rule (b) will continue to apply until 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 must amount to 45% of the enlarged number of issued shares of the applicant assuming full conversion or exercise of such securities owned by the promoters.
- (2) Where the promoter or vendor 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 not sell, transfer or assign their securities in the unlisted corporation for the period stipulated in sub-Rule (1) above.

### **3.08 Prior approval from the Exchange**

An applicant must not collect any monies from investors for subscription to its securities or allot new securities to any investor until the Exchange has granted its approval-in-principle for its admission to the LEAP Market.

### **3.09 Procedures for admission to the LEAP Market**

- (1) An applicant and each of its directors must give the Exchange an undertaking to comply with these Requirements in the form prescribed by the Exchange.
- (2) The following procedures apply to the admission of an applicant to the LEAP Market, with the necessary modifications, as may be applicable:
- (a) the applicant issues and deposits the information memorandum containing the information set out in Appendix 3A with the SC and concurrently submits the listing application, the information memorandum and other supporting documents to the Exchange as set out in the form prescribed by the Exchange;
  - (b) the Exchange grants approval-in-principle for the admission of the securities;
  - (c) the applicant announces to the Exchange the indicative timetable of the excluded issue as follows upon the approval for the admission of securities:
    - (i) the opening and closing date of the offer period, if any;
    - (ii) the balloting date, if any;
    - (iii) the allotment date of the securities; and
    - (iv) the tentative listing date;
  - (d) the applicant applies to the Exchange for the prescription of their securities;
  - (e) the applicant issues the securities and notices of allotment;
  - (f) the applicant announces the following to the Exchange immediately upon receipt of the relevant confirmation from the Depository that the securities are ready to be credited into the respective securities accounts:

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- (i) the actual date of listing;
  - (ii) the enlarged share capital of the applicant;
  - (iii) stock short name, stock code and ISIN code; and
  - (iv) market under which the securities will be listed; and
- (g) the securities are admitted to the LEAP Market and quoted on the Exchange.

### 3.10 Application of monies from subscription of securities paid into a trust account

- (1) All monies received from investors pursuant to a subscription of securities in an applicant must be kept in trust in a trust account opened with a financial institution licensed by Bank Negara Malaysia and jointly operated by both the applicant and a custodian ("**Trust Account**"). For the purpose of this sub-Rule (1), a "**custodian**" means any of the following:
- (a) the applicant's Approved Adviser; or
  - (b) a placement agent or an issuing house appointed by the applicant.
- (2) Both the applicant and the custodian must ensure that the monies deposited in the Trust Account are not withdrawn, until upon the listing date or in accordance with sub-Rule (3) below.
- (3) The applicant and custodian must forthwith repay to the investors, without interest all monies received from the investors if –
- (a) the listing of the applicant does not take place within 6 months from the date the Exchange approves the listing on the LEAP Market or such further extension of time as the Exchange may allow; or
  - (b) the applicant aborts its proposed listing on the LEAP Market.
- (4) The applicant must repay all monies received from investors within 14 days from the end of the period referred to in sub-Rule (3)(a) above, or the date when it notifies the Exchange of its decision to abort its listing plan. In the event an applicant fails to do so, in addition to the liability of the applicant, the directors of the applicant shall be jointly and severally liable to repay such money with interest at the rate of 10% per annum from the end of that period or such other rate as the Exchange may prescribe.

### 3.11 Notification/Advertisement of securities prescribed by the Exchange to be deposited with the Depository

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 securities holders are updated and accurate as at a date not less than 14 days from the date of submitting the application to the Exchange for the prescription of its securities for the purposes of notification to its securities holders of the Prescription; or
- (b) where the applicant is unable to provide the confirmation set out in sub-Rule (a) above, payment to the Exchange, as prescribed, 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.

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**PART C – CONTINUING ADVISERS****3.12 Continuing Adviser**

- (1) An applicant must secure and maintain the services of a Continuing Adviser for –
  - (a) at least 3 full financial years after its admission to the LEAP Market; or
  - (b) at least 1 full financial year after the applicant has generated operating revenue,whichever is the later.
- (2) The applicant's Approved Adviser who submitted its application for admission to the LEAP Market must act as its Continuing Adviser for at least 1 full financial year following the applicant's admission. During the said period of 1 year, the Adviser cannot resign, neither can the applicant terminate the Adviser's appointment.

[End of Chapter]

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**APPENDIX 3A****Contents of information memorandum**

(Rule 3.09(2))

- (a) Information on the applicant's principal activities, business model and future plans, including steps taken and to be taken to realise the plans.
- (b) Date of incorporation, registration number and date of commencement of business.
- (c) History of business from the inception date.
- (d) Group structure, where applicable.
- (e) The shareholding structure of the applicant, including the method of offering, the number and indicative price of securities being issued/offered, and the terms of the convertible securities, if any.
- (f) The risk factors in relation to the applicant's business including any dependencies on customers or suppliers and internal control weaknesses, if any.
- (g) Competitive analysis and prospects of the applicant's business.
- (h) The licences and permits held by the applicant.
- (i) The consolidated or combined historical audited financial information of the applicant for the last 2 financial years (or from date of incorporation if incorporated less than 2 financial years) together with management discussion and analysis. The latest consolidated or combined audited financial statement must be audited by an auditor who is registered with the Audit Oversight Board. If the issuance date of the information memorandum is later than 6 months after the end of the most recent financial year, an interim financial report must be provided.
- (j) Any conflict of interest situation involving direct and indirect interest of directors and substantial shareholders.
- (k) Any related party transaction entered or proposed to be entered into by the applicant or its subsidiaries in the last financial year and the subsequent period up to the latest practicable date prior to initial listing application.
- (l) The details of promoters, substantial shareholders, directors and key management of the applicant:
  - (i) name, nationality, age, profession, qualification and past experiences; and
  - (ii) interests outside the group at present and past 3 years.
- (m) A description of the proposed utilisation for the total amount of funds to be raised including the proposed timeframe for such proposed utilisation upon listing.
- (n) Any material agreement including shareholder agreement entered into between the applicant and shareholders.
- (o) The details of moratorium on promoters and other shareholders, where applicable.

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- (p) The name and address of the following parties, where applicable:
- (i) Approved Adviser
  - (ii) Auditor
  - (iii) Solicitor
  - (iv) Principal banker
  - (v) Placement agent
  - (vi) Valuer
  - (vii) Trustee
  - (viii) Custodian
- (q) Approvals required for listing.
- (r) A statement that –
- (i) the applicant undertakes to open a trust account in accordance with Rule 3.10 where all monies received from investors pursuant to subscription of securities will be deposited into a trust account jointly operated by both the applicant and a custodian;
  - (ii) the applicant and custodian undertake that all monies deposited in the trust account will not be withdrawn until the listing date; and
  - (iii) the applicant undertakes to forthwith repay without interest all monies received from the investors if –
    - (aa) the listing of the applicant does not take place within 6 months from the date the Exchange's approval for listing on the LEAP Market or such further extension of time as the Exchange may allow; or
    - (bb) the applicant aborts its proposed listing on the LEAP Market.
- (s) A statement on the mode of communication between the applicant and its securities holders in accordance with Rule 2.12 of these Requirements.
- (t) A statement that the SC and the Exchange take no responsibility for the contents of the information memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the information memorandum. The Exchange does not make any assessment on the suitability, viability or prospects of the applicant. Sophisticated investors are expected to make their own assessment on the applicant or seek appropriate advice before making their investment decisions.
- (u) Any other material information.

[End of Appendix]

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**CHAPTER 4 ADVISERS****PART A - DEFINITIONS****4.01 Definitions**

In this Chapter, the following terms and expressions have the following meanings:

- (a) “**conflict of interest**” in relation to an Adviser means circumstances or relationships which affect or may affect the ability of an 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 the independence and objectivity of the Adviser; and
- (b) “**Public Document**” means any document issued by a listed corporation to the public or to the securities holders of a listed corporation pursuant to these Requirements.

**PART B - ADMISSION OF ADVISERS****4.02 Admission as an Adviser**

- (1) The Exchange may authorise an Adviser to act as an Approved Adviser or Continuing Adviser, if it deems fit.
- (2) An Approved Adviser is authorised to undertake both initial listing activities and post-listing activities, whilst a Continuing Adviser may undertake post-listing activities only.
- (3) Any person wishing to act as an Approved Adviser must -
  - (a) be a corporate finance adviser licensed by the SC;
  - (b) have in its full-time employment at all times, at least 1 personnel (“**Eligible Person**”) licensed by the SC to advise on corporate finance, with the following competency and experience as a supervisor or manager, who has:
    - (i) been involved in at least 1 initial public offering or a transaction resulting in a significant change in the business direction or policy of a listed issuer of the Main Market or ACE Market in the 7 years immediately preceding the date of application for admission to the Register of Advisers;
    - (ii) been involved in at least 3 initial listings on the LEAP Market;
    - (iii) been involved in at least 3 corporate proposals of the Main Market or ACE Market relating to a rights issue, major disposal, withdrawal of listing, a scheme of compromise, arrangement, amalgamation or reconstruction in the 7 years immediately preceding the date of application for admission to the Register of Advisers;
    - (iv) acted as an independent adviser for at least 3 corporate proposals pursuant to the requirements of the Take-Overs and Mergers Code in the 7 years immediately preceding the date of application for admission to the Register of Advisers; or
    - (v) been involved in or acted for a combination of at least 3 activities referred in sub-Rules (ii), (iii) or (iv) above;

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- (c) maintain sufficient professional indemnity insurance for the purposes of listing activities and post-listing activities, where applicable;
  - (d) have a satisfactory reputation and work record;
  - (e) lodge with the Exchange an undertaking in the form as prescribed by the Exchange; and
  - (f) satisfy such conditions as may be imposed by the Exchange.
- (4) For the purpose of fulfilling the Eligible Person's criteria under sub-Rule (3)(b)(i) above, the Exchange may take into account relevant experience from any initial public offering, reverse take-over or back door listing completed in respect of a corporation listed on a comparable stock exchange.
- (5) Any person wishing to act as Continuing Adviser must –
- (a) be a corporate finance adviser licensed by the SC;
  - (b) have a satisfactory reputation and work record;
  - (c) lodge with the Exchange an undertaking in the form as prescribed by the Exchange; and
  - (d) satisfy such conditions as may be imposed by the Exchange.
- (6) Fulfilment of the requirements of sub-Rules (3) and (5) above does not in itself ensure a person's admission to the Register of Advisers for the LEAP Market. The Exchange retains an absolute discretion to –
- (a) admit the person to the Register of Advisers ;
  - (b) subject the admission to such other conditions as the Exchange thinks fit;
  - (c) decline an admission which is contrary to public interest, having particular regard to the need for investor protection; or
  - (d) decline an admission which will or is likely to adversely affect the reputation of the Exchange or the integrity of the market.

## **PART C – ADVISER'S OBLIGATIONS**

### **4.03 Compliance with these Requirements**

An Adviser must at all times observe and comply with these Requirements and any other instruction or directive issued or condition imposed by the Exchange.

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**4.04 Conflict of interest involving an Adviser**

- (1) An Adviser must have controls, procedures and other safeguards to maintain its independence and avoid conflict of interest in relation to its role as an Adviser to the applicant or listed corporation. Where a conflict of interest exists or is likely to exist, all possible steps must be taken to avoid or resolve such conflict of interest. An Adviser must make full disclosure to the board of directors of the applicant or listed corporation and in the Public Document of the nature and extent of the conflict of interest and the steps taken to address such conflict. Where a conflict of interest cannot be resolved satisfactorily, an Adviser must not act for an applicant or listed corporation.
- (2) An Adviser must ensure that none of its directors, principal officers or persons related with any such director or principal officer, holds the position of a director of an applicant or a listed corporation for whom it acts as an Adviser.
- (3) An Adviser must not advise an applicant or a listed corporation if it has 10% or more of the enlarged number of issued shares in the applicant or listed corporation. However, an asset management company licensed by the SC or a venture capital company registered with the SC and operated by the Adviser is not subject to this restriction.
- (4) An applicant and Adviser must declare the following in the listing application:
  - (a) nature and extent of the conflict of interest or potential conflict of interest (if any);
  - (b) the parties to the conflict; and
  - (c) measures taken for resolving, eliminating, or mitigating the situations or conflict of interest.

**4.05 Act with integrity, due care and skill**

An Adviser must act with integrity, and use due care and skill at all times when acting for any applicant or listed corporation.

**4.06 Liaison with the Exchange**

An Adviser must liaise with the Exchange on matters concerning the Adviser's responsibilities and other matters which should be brought to the Exchange's attention. In this regard, an Adviser must, among others -

- (a) notify the Exchange immediately when it believes or becomes aware that a matter reported by it to the board of directors of its listed corporation has not been satisfactorily resolved resulting in a breach of these Requirements;
- (b) notify the Exchange if there is any change to its Eligible Person;
- (c) notify the Exchange when it receives any written warning or disciplinary inquiry from any other regulatory authority; and
- (d) notify the Exchange of any material adverse change in its financial or operating position.

**4.07 Appropriate and adequate systems, procedures, policies and resources**

An Adviser must, on a continuous basis, have adequate systems, procedures, policies and resources to discharge its obligations under these Requirements.



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#### 4.08 Record-keeping

An Adviser must maintain and retain sufficient information about its advisory activities and a record of-

- (a) the due diligence enquiries on an applicant or listed corporation;
- (b) key discussions, advice and decision-making processes in relation to the listed corporation and the basis for the advice and decisions; and
- (c) compliance with these Requirements which are applicable to Adviser, any conditions imposed by the Exchange on the Adviser and all applicable legislation and guidelines issued by regulatory authorities.

### PART D – LISTING ACTIVITIES

#### 4.09 Sound understanding of an applicant

An Approved Adviser must have a sound understanding and updated knowledge of the applicant, its business, operation, the industry it operates in and any other issues that might affect the business and industry of the applicant.

#### 4.10 Suitability of an applicant for listing

- (1) An Approved Adviser must assess the suitability of an applicant seeking admission to the LEAP Market.
- (2) In assessing whether an applicant is suitable for listing, an Approved Adviser must make all reasonable due diligence enquiries and consider all relevant matters, including the following:
  - (a) the applicant's business and operation, the industry it operates in, its future plans, historical financial information and other corporate information, as well as any issues relating to the applicant's operations;
  - (b) whether the corporate governance record of the applicant, applicant's substantial shareholders, directors and key management personnel is satisfactory. This includes whether there has been any previous action taken against the applicant or its promoters by the relevant authorities including the SC and the Exchange;
  - (c) whether all conflict of interest or potential conflict of interest have been sufficiently resolved, eliminated or mitigated. An applicant and its Approved Adviser must consider the following factors to determine if a conflict of interest arises:
    - (i) whether any interested persons (which includes directors, major shareholders and chief executive) of the applicant or its subsidiary companies have personal financial interests which are in conflict with those of the applicant or its subsidiary companies;
    - (ii) whether the relationship between a major shareholder and the applicant or its subsidiary companies could result in a conflict between the applicant's obligations towards that major shareholder and its duties to the general body of shareholders;
    - (iii) whether the professional judgment of any interested person to act in the best interests of the applicant or its subsidiary companies is compromised;

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- (iv) whether any interested person is otherwise engaged in an activity which detracts time and commitment from managing the applicant or its subsidiary companies; and
  - (v) whether the conflict is significant in relation to the nature, scale and complexity of the businesses of the applicant or its subsidiary companies;
  - (d) whether the admission of the applicant to the LEAP Market will be contrary to public interest;
  - (e) whether the applicant has put in place sufficient systems, policies, controls and resources to comply with these Requirements;
  - (f) whether the applicant has adequate internal controls and risk management systems; and
  - (g) the adequacy of the disclosures by the applicant.
- (3) An Approved Adviser must conduct, actively participate and oversee the preparation and due diligence process for the admission document and comply with the SC's Guidelines on Due Diligence Conduct for Corporate Proposals, where applicable.
- (4) Where reliance is placed on other experts, the Approved Adviser must undertake reasonable steps to assess the credibility and integrity of the experts. The opinion of the experts should only be relied on after taking due care and consideration and after making appropriate enquiries.

## **PART E – POST-LISTING ACTIVITIES**

### **4.11 Guiding the listed corporation and its directors**

A Continuing Adviser advising a listed corporation post-listing must, where applicable -

- (a) maintain regular contact with the listed corporation, including being available at all times to advise and guide the listed corporation and its directors of their responsibilities and obligations under these Requirements and to ensure their compliance on an on-going basis with these Requirements and all relevant legislation and guidelines issued by regulatory authorities; and
- (b) advise the listed corporation if the trading of the listed corporation's listed securities will or should be halted or suspended.

### **4.12 Documents by a listed corporation**

- (1) A Continuing Adviser must review any Public Document to be submitted or disclosed by the listed corporation to the Exchange and circulars to securities holders prior to their release to ensure compliance by the listed corporation.
- (2) A Continuing Adviser must ensure that any Public Document that it makes, prepares or submits or any information that it provides, whether solely or jointly with a listed corporation complies with these Requirements.

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**4.13 Proposal by a listed corporation**

- (1) Subject to sub-Rule (3) below, where a listed corporation undertakes a corporate proposal prescribed by the Exchange to require the services of an Adviser and the listed corporation appoints its existing Continuing Adviser to act on its behalf, the Continuing Adviser, having made reasonable due diligence enquiries (including complying with the SC's Guidelines on Due Diligence Conduct for Corporate Proposals, where applicable) and having considered all relevant matters, must do the following:
  - (a) assess and be satisfied with the suitability and competency of other professionals and consultants involved in the corporate proposal;
  - (b) review and be satisfied with the adequacy of disclosure set out in any Public Documents relating to the corporate proposal to ensure compliance with these Requirements;
  - (c) ensure that the execution of the corporate proposal is in compliance with these Requirements, guidelines issued by the relevant regulatory authorities and other applicable laws; and
  - (d) ensure that any difference in the effect of the corporate proposal on minority shareholders compared to the other shareholders, is clearly disclosed in the Public Documents.
- (2) An Adviser appointed by a listed corporation for any corporate proposals prescribed by the Exchange to require the services of an Adviser, must comply with sub-Rule (1) above with the necessary modifications.
- (3) Where a listed corporation appoints another Adviser to undertake a corporate proposal during the Advisory Period, the Continuing Adviser is not required to comply with sub-Rule (1) above.

**PART F – ENDING ADVISORY SERVICES OR REMOVAL FROM THE REGISTER OF ADVISERS****4.14 Removal of an Adviser from the Register of Advisers**

- (1) The Exchange may remove an Adviser from the Register of Advisers in the following circumstances:
  - (a) upon the Adviser's request;
  - (b) if the Adviser fails to comply with these Requirements; or
  - (c) in the Exchange's opinion, the removal is in the interest of the public or the Exchange.
- (2) An entity removed pursuant to this Rule 4.14 will remain responsible under these Requirements for all its actions, conduct, omission or breaches during its tenure as an Adviser.
- (3) An Approved Adviser which is unable to meet the eligibility criteria as a result of the Eligible Person leaving the full-time employment of the Approved Adviser must notify the Exchange in writing immediately.

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- (4) Where an Approved Adviser is unable to meet the eligibility criteria in Rule 4.02 after admission to the Register of Advisers, the Approved Adviser will be given a grace period of 3 months to meet the requirements. After the grace period, the Approved Adviser will not be allowed to submit applications to the Exchange if it is still unable to meet the eligibility criteria specified in Rule 4.02.

#### **4.15 Cessation of activities**

If an entity ceases to be registered on the Register of Advisers for any reason whatsoever including voluntary cessation or removal by the Exchange, that entity must, unless otherwise directed by the Exchange, immediately cease all listing and post-listing activities in relation to the listed corporation.

### **PART G – RULES GOVERNING LISTED CORPORATIONS IN DEALING WITH ADVISERS**

#### **4.16 Appointment of Adviser to undertake a proposal**

Where a listed corporation appoints another Adviser to undertake a corporate proposal prescribed by the Exchange to require the services of an Adviser during the Advisory Period, the listed corporation must obtain the prior written consent of its existing Continuing Adviser for such appointment, and such consent must not be unreasonably withheld by the existing Continuing Adviser.

#### **4.17 Engagement and consultation with Continuing Adviser**

- (1) A listed corporation must consult and seek the advice of its Continuing Adviser on a timely basis in the following circumstances:
- (a) where it contemplates a corporate proposal or transaction, which if carried out, would require a listed corporation, at the minimum, to announce the proposal or transaction to the Exchange;
  - (b) where it contemplates a new issue of securities;
  - (c) where it contemplates a change to the utilisation of proceeds raised by the listed corporation from the issuance of securities that deviates by 25% or more from the original utilisation of proceeds; or
  - (d) in such other circumstances as may be prescribed by the Exchange.
- (2) The listed corporation must take into account the advice of its Continuing Adviser in considering the proposal or transaction referred to in sub-Rule (1) above.

#### **4.18 Review of Public Document**

- (1) A listed corporation must ensure that its Adviser reviews any Public Document to be submitted or disclosed by the listed corporation to the Exchange, to ensure compliance with these Requirements.
- (2) During the Advisory Period, a listed corporation must include a statement that its admission to the LEAP Market was advised by the Approved Adviser in all its Public Documents. The statement must be in print no smaller than the main text and positioned on the front page of the Public Document.

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**4.19 Provision of information and assistance to Advisers**

A listed corporation must provide its Adviser all necessary and reasonable assistance to enable the Adviser to perform its obligations under these Requirements including:

- (a) provide its Adviser, on a timely basis, all relevant information within the listed corporation's possession;
- (b) provide its Adviser access to all its information, books, records, personnel and premises;
- (c) immediately inform its Adviser of any material change of information or status when it becomes aware of such change; and
- (d) ensure that its directors, subsidiaries, employees and where possible, its substantial shareholders, associated companies or any other relevant parties of the listed corporation provide assistance and co-operation to its Adviser.

[End of Chapter]

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**CHAPTER 5 NEW ISSUES OF SECURITIES****PART A – GENERAL****5.01 Introduction**

This Chapter sets out the requirements and procedures that must be complied with by a listed corporation, for any new issue of securities.

**PART B – GENERAL REQUIREMENTS FOR NEW ISSUE OF SECURITIES****5.02 General requirements**

This part applies to all new issues of securities by a listed corporation such as placements, rights issues, bonus issues and issuances of convertible securities, where applicable.

**5.03 Application of monies paid pursuant to new issue of securities into a trust account**

A listed corporation must ensure that all monies received from any investor or securities holder pursuant to a new issue of securities must be placed in the Trust Account in accordance with Rule 3.10(1).

**5.04 General mandate for issue of securities**

- (1) A listed corporation must obtain prior shareholder approval to issue shares or convertible securities unless the shareholders had, by resolution in a general meeting, given a general mandate to the directors of the listed corporation, either unconditionally or subject to such conditions as may be specified in the resolution, to issue shares or other convertible securities.
- (2) In seeking the shareholders' general mandate for an issue of shares or convertible securities, the listed corporation must ensure that the aggregate number of shares or convertible securities issued must be not more than 100% of the total number of issued shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 50% of the total number of issued shares.
- (3) A listed corporation may issue shares or convertible securities to a director, major shareholder or chief executive of the listed corporation or person connected to them ("**interested parties**") under a general mandate on a non-pro rata basis provided that –
  - (a) the general mandate expressly authorises the issuance of shares or convertible securities to interested parties;
  - (b) the aggregate number of shares or convertible securities issued to the interested parties must be not more than 10% of the total number of issued shares; and
  - (c) such issuance of shares or convertible securities is approved by the board of directors and done in the best interests of the listed corporation.
- (4) Where the listed corporation seeks to obtain a general mandate from its shareholders pursuant to sub-Rule (1) above, the statement accompanying the proposed resolution must, at least, contain information relating to the amount of proceeds raised from the previous mandate, the details on the utilisation of such proceeds, the intended purpose and utilisation of proceeds from the general mandate sought.

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- (5) A general mandate shall remain in force until the earlier of the following:
- (a) the conclusion of the first annual general meeting of the listed corporation following the passing of the resolution where the mandate may be renewed, either unconditionally or subject to conditions; or
  - (b) it is revoked or varied by ordinary resolution of the shareholders in general meeting.

#### **5.05 Announcement to the Exchange**

- (1) A listed corporation must announce to the Exchange, a proposed new issue of securities and include the information set out in Appendix 5A in its announcement.
- (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.

#### **5.06 Circular**

A listed corporation must include sufficient information in the circular which the shareholders would reasonably expect to find in a circular of that nature for the purpose of making an informed decision in respect of a new issue of securities, including the information set out in Appendix 5A.

#### **5.07 Listing of new securities**

- (1) A listed corporation must submit a listing application under this Chapter to the Exchange through an Adviser.
- (2) A listed corporation and its Adviser must comply with the relevant listing procedures and requirements relating to a new issue of securities as may be prescribed by the Exchange.
- (3) The Exchange reserves its discretion over the listing of new issue of securities on the LEAP Market, and may refuse to list such securities or impose any conditions as it deems fit.
- (4) The following sets out the steps in the listing of a new issue of securities by a listed corporation, with the necessary modifications, as may be applicable:
  - (a) the 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) the listed corporation obtains shareholder approval, if required;
  - (c) the listed corporation fixes the relevant books closing and entitlement dates, where applicable and immediately announces such dates to the Exchange;
  - (d) the listed corporation files with the Exchange the documents as set out in the form prescribed by the Exchange for the listing and quotation of the new issue of securities at least 2 market days prior to the issuance and allotment of the securities;
  - (e) the listed corporation issues and allots the securities;
  - (f) the listed corporation announces to the Exchange, at least 1 market day prior to the admission and quotation of the new issue of securities, the following:
    - (i) details of the corporate proposal;

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- (ii) total number of securities issued under each proposal and the issue price of the securities, if any;
  - (iii) date of listing and quotation; and
  - (iv) latest share capital of the listed corporation after the proposal indicating the number of securities (in unit and RM); and
- (g) the securities are admitted to the LEAP Market and quoted on the Exchange on the next market day following the announcement made under sub-Rule (4)(f) above.
- (5) Notwithstanding sub-Rule (4) above, in the case of a bonus issue of securities by a listed corporation which is not conditional upon any other corporate proposal or if it is conditional upon another corporate proposal but that other corporate proposal has been completed or becomes unconditional, the listed corporation, in announcing the books closing date, must also announce that the securities will be admitted to the LEAP Market and quoted on the Exchange on the next market day after the books closing date.
- (6) 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. For this purpose, the listed corporation must notify the Depository of all such particulars required by the Depository to make the appropriate entries in the securities accounts of the allottees at least 1 market day prior to the admission and quotation of the new issue of securities.

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

### **5.08 Placees' details**

As soon as practicable after the placement of securities and before the listing of such new issue of securities, the listed corporation's Adviser must submit the details of the placees in the manner as may be prescribed by the Exchange.

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

### **5.09 Additional requirements**

A listed corporation can undertake a non-renounceable rights issue, provided that the aggregate number of securities issued must not be more than 100% of its total number of issued shares.

### **5.10 Announcements on a rights issue**

- (1) A listed corporation must separately notify its shareholders in writing of any announcement made on a proposed rights issue pursuant to sub-Rule 5.05(1) as soon as practicable after such announcement is being made to the Exchange.
- (2) 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 may be prescribed by the Exchange from time to time. The listed corporation must also announce and attach the notices of provisional allotment and rights subscription forms at the same time.
- (3) A listed corporation must undertake due care and diligence when announcing the relevant dates relating to a rights issue. A listed corporation must immediately announce to the Exchange any change to the important relevant dates as announced pursuant to sub-Rule (2) above and state the reasons for such change.



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**5.11 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.

**5.12 Allotment of securities, despatch of notices of allotment and filing of documents 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) file the documents required as set out in the form prescribed by the Exchange for such rights securities.

**PART E – REQUIREMENTS IN RELATION TO A BONUS ISSUE****5.13 Bonus issues**

- (1) A listed corporation intending to undertake a bonus issue must consult the Exchange, prior to making any announcement to the Exchange on the same. The consultation with the Exchange may be done with or without an Adviser.
- (2) If a listed corporation undertakes a bonus issue by way of capitalisation, it must ensure it has sufficient reserves to cover the capitalisation issue.

**5.14 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.

**PART F – REQUIREMENTS RELATING TO AN ISSUE OF CONVERTIBLE SECURITIES****5.15 Convertible securities**

- (1) A listed corporation must announce to the Exchange, a proposed new issue of convertible securities and include the information set out in Appendix 5A in its announcement.
- (2) Prior to an issue of convertible securities, the listed corporation must file the documents with the Exchange for the listing and quotation of securities which will be issued pursuant to conversion of the convertible securities, as set out in the form prescribed by the Exchange.

**5.16 Listing of securities arising from conversion**

- (1) A listed corporation must announce to the Exchange upon conversion of convertible securities that it has issued the securities.

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- (2) The securities which are issued pursuant to conversion of the convertible securities will be admitted to the LEAP Market and quoted on the Exchange on the next market day following the announcement made in sub-Rule (1) above.

**5.17 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 total number of issued shares of the listed corporation (before the exercise of the warrants) at all times.

**5.18 Deed poll and trust deed**

A deed poll or trust deed must not include any provision for the extension or shortening of tenure of the convertible securities.

**5.19 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.

**5.20 Allotment of securities, despatch of notices of allotment and filing of documents 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;
- (b) despatch a notice of allotment to the holder of the convertible security; and
- (c) file the documents required as set out in the form prescribed by the Exchange for such securities.

[End of Chapter]

**Contents of announcement and circular to securities holders for new issue of securities**

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**APPENDIX 5A****Contents of announcement and circular to securities holders in relation to a new issue of securities**  
(Rules 5.05(1), 5.06 and 5.15(1))

- (1) The number and type of securities to be issued. In an issuance of convertible securities, the terms of the convertible securities, if any.
- (2) The ranking of the new issue of securities and whether listing will be sought.
- (3) The issue price of the new issue of securities, the basis of determining the issue price and justification for the pricing.
- (4) The persons to whom the new issue of securities will be allotted or issued.
- (5) A description of the proposed utilisation of the total amount of funds to be raised from the issuance of securities including the proposed timeframe for such proposed utilisation, where applicable.
- (6) The effect of the new issue of securities on -
  - (a) the share 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); and
  - (c) the earnings per share of the group.
- (7) The approvals required for the new issue.
- (8) Whether the directors, major shareholders or persons connected with them have any interest, direct or indirect, in the issue.
- (9) In the case of a bonus issue -
  - (a) the details of the reserves to be capitalised for the bonus issue; and
  - (b) a statement that the reserves required for capitalisation of the bonus issue complies with Rule 5.13(2).
- (10) Where the issuance of securities or proceeds are utilized for acquisition of assets or interests and such acquisition falls within the ambit of Chapter 7 of these Requirements and announcement is required pursuant to Chapter 7 of these Requirements, the relevant information on the transaction as required under Appendix 7A of these Requirements.
- (11) Any other information which is necessary for securities holders and investors to make an informed investment decision.

[End of Appendix]

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**CHAPTER 6 CONTINUING LISTING OBLIGATIONS****PART A – GENERAL****6.01 Introduction**

This Chapter sets out the continuing listing obligations, including the continuing disclosure requirements that must be complied with by a listed corporation in addition to other obligations set out in these Requirements.

**PART B – CONTINUING LISTING OBLIGATIONS****6.02 Continuing Adviser during the Advisory Period**

- (1) A listed corporation must comply with Rule 3.12 in securing and maintaining the services of a Continuing Adviser during the Advisory Period.
- (2) The Exchange shall suspend the trading in the securities of a listed corporation which fails to comply with sub-Rule (1) above after 3 months from the date of the announcement of the resignation or termination of its Continuing Adviser. The Exchange may de-list the listed corporation from the LEAP Market if it still has not found a replacement Continuing Adviser at the end of 3 months after the suspension.

**6.03 Director's undertaking**

A listed corporation must ensure that every director of the listed corporation gives the Exchange no later than 14 days after his appointment, an undertaking in the form as may be prescribed by the Exchange.

**6.04 Securities holder approval**

If a transaction or corporate proposal requires securities holder approval pursuant to these Requirements, a listed corporation must not enter into or carry into effect such transaction or corporate proposal unless:

- (a) the entering into the transaction or corporate proposal is made subject to the securities holder approval; or
- (b) the carrying into effect of the transaction or corporate proposal has been approved by the securities holders.

**6.05 Function of the board of directors**

In addition to the duties of directors under the law, the board of directors of a listed corporation must, amongst others, discharge the following functions:

- (a) ensure that the listed corporation has in place sufficient procedures, policies and controls to ensure compliance with these Requirements;
- (b) ensure that there are in place adequate internal controls and risk management systems, including sufficient controls in monitoring transactions or conduct that raises questions of management's integrity or gives rise to conflict of interest situation within the listed corporation or group, such as related party transaction; and

- 
- (c) review and approve the financial statements before issuance of the same to public and securities holders.

**6.06 Core business**

- (1) A listed corporation must at all times have a clearly identifiable core business.
- (2) If a listed corporation does not have a clearly identifiable core business, the listed corporation must make an announcement to the Exchange after consultation with the Exchange and within 9 months from the date of the announcement -
- (a) acquire a new core business and comply with Rule 7.07 of these Requirements relating to a significant change in business direction or policy; or
  - (b) apply to the Exchange for a withdrawal of listing.
- (3) The Exchange may suspend the trading of the listed corporation's securities and delist the listed corporation if it fails to comply with any part of its obligations in sub-Rule (2) above or if its acquisition of a new core business is rejected by the Exchange. The Exchange may require a reasonable exit-offer to be made to its securities holders, where circumstances warrant it, including where the listed corporation is in a net asset position, before de-listing such listed corporation.

**PART C – CONTINUING DISCLOSURE****6.07 Corporate disclosure policy**

A listed corporation must adhere to the following corporate disclosure policies:

- (a) immediate disclosure of material information as set out in Rule 6.08 below;
- (b) thorough and non-selective disclosure of material information to the public;
- (c) immediate clarification, confirmation or denial of any rumour or report, true or false that contains material information, after making due enquiry;
- (d) investigation into the cause of any unusual price movement, trading activity or both of the listed corporation's securities and immediate disclosure to the Exchange on its findings accordingly; and
- (e) refraining from any promotional disclosure activity in any form which may mislead investors or cause unwarranted price movement and trading activity in the listed corporation's securities.

**6.08 Disclosure of material information**

- (1) A listed corporation must disclose to the public any information that 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 securities holder or investor in determining his choice of action.

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- (2) Without limiting the generality of sub-Rule (1) 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; or
  - (c) relates to any event affecting the present or potential dilution of the rights or interests of the listed corporation's securities.

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

- (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, such as when the facts are in a state of flux or where the laws prohibit the disclosure of such information and the listed corporation is able to maintain confidentiality of such information.
- (3) During a period where material information is withheld in accordance with sub-Rules (1) and (2) above, a listed corporation must ensure it closely monitors the market activity of its securities. A listed corporation must immediately announce the information withheld to the Exchange, in the following circumstances:
- (a) there is unusual market activity of the listed corporation's securities;
  - (b) rumours or reports concerning the information have appeared; or
  - (c) there are signs that insider trading may be taking place.

#### **6.10 Standard of disclosure for announcement and circular**

- (1) A listed corporation must ensure that each announcement to the Exchange and any circular issued to the securities holders of the listed corporation -
- (a) is factual, clear, unambiguous, accurate, succinct and contains sufficient information to enable securities holders and investors to make informed investment decisions;
  - (b) is not false, misleading or deceptive;
  - (c) is balanced, fair and there is no omission of material facts;
  - (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;
  - (f) does not contain any language which is inflammatory, defamatory or scandalous of another person; and

- 
- (g) 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 a financial estimate, forecast or projection.
- (2) A listed corporation must ensure that any financial estimate, forecast or projection is prepared with reasonable bases and assumptions and reviewed by the external auditors or reporting accountants, as the case may be, except where the financial estimate, forecast or projection is required to be released on an immediate basis in response to a media report.
- (3) Where an Adviser is appointed by the listed corporation for preparation or submission of the announcement or circular to the Exchange, such Adviser must also comply with sub-Rule (1) or (2) above, as the case may be.
- (4) A listed corporation or its Adviser does not commit a breach of sub-Rule (1), (2) or (3) 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 or the issue of the circular that the announcement or circular did fulfil the requirements of sub-Rule (1) above.
- (6) Where any announcement or circular referred to in sub-Rule (1) above has been submitted to the Exchange or issued and the person referred to in sub-Rules (1) and (3) above subsequently becomes aware that the announcement or circular may not fulfil the requirements of sub-Rule (1) above, the person must immediately notify the Exchange of the same.

#### 6.11 Immediate announcements to the Exchange

A listed corporation must immediately announce to the Exchange the events set out below, which are not exhaustive:

- (1) any intention to fix books closing date and its reason, stating the books closing date, which must be at least 5 market days after the date of announcement to the Exchange;
- (2) any recommendation, or declaration of a dividend or distribution. The announcement must include –
- (a) the amount per share;
- (b) the mode (in cash, by shares or both); and
- (c) date of payment;
- (3) any decision to call for a general meeting. The announcement must include the date of the Record of Depositors which the listed corporation requires for purposes of determining whether a depositor shall be regarded as a member entitled to attend, speak and vote at the general meeting;
- (4) all resolutions put to a general meeting of a listed corporation and immediately after such meeting whether or not the resolutions were carried;
- (5) any change in the financial year end of the listed corporation;
- (6) any change in the chief executive or the composition of the board of directors of the listed corporation, including the name and particulars of the new chief executive or director of the listed corporation;

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- (7) any change in the company secretary or external auditors of the listed corporation;
  - (8) any notice of resignation by, or termination of, the Adviser of the listed corporation. The reasons for such resignation or termination must be disclosed;
  - (9) any notice relating to director or substantial shareholding which the listed corporation has received;
  - (10) the following matters in relation to winding-up of the listed corporation, its subsidiary or major associated company:
    - (a) presentation of a winding-up petition;
    - (b) winding up order being made; or
    - (c) commencement of a voluntary winding-up in accordance with section 441 of the Companies Act;
  - (11) the appointment of, or any change in, a receiver, manager or receiver and manager, liquidator (which includes an interim 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 or any of its subsidiaries or major associated companies;
  - (12) the procurement of a court order restraining proceedings against a listed corporation or any of its subsidiaries or major associated companies;
  - (13) any scheme of compromise, arrangement, amalgamation or reconstruction;
  - (14) any change to the utilisation of proceeds raised by the listed corporation from the issuance of securities that deviates by 25% or more from the original utilisation of proceeds;
  - (15) a subdivision of shares or consolidation by the listed corporation;
  - (16) any deviation of 25% 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;
  - (17) any modified opinion or material uncertainty related to going concern in an external auditors' report, giving full details of such modified opinion or material uncertainty related to going concern;
  - (18) any change of control in the listed corporation;
  - (19) any information in relation to a proposed take-over or take-over offer which is required to be announced pursuant to the Take-Overs and Mergers Code and a statement whether it is the offeror's intention to maintain the listed corporation's listing status;
  - (20) any proposed material diversification in the operations carried on by the listed corporation; or
  - (21) any change in the registered or business address of the listed corporation.



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**6.12 Semi-annual financial statements**

A listed corporation must announce to the Exchange its semi-annual financial statements which must include information set out in Part A of Appendix 6A within 2 months after the end of the relevant financial period.

**6.13 Annual audited financial statements**

A listed corporation must announce to the Exchange its annual audited financial statements together with the information set out in Part B of Appendix 6A as well as the auditors' and directors' reports within 4 months from its financial year end.

**6.14 Suspension or de-listing for failure to comply**

- (1) A listed corporation must comply with the timeframes stated in Rules 6.12 and 6.13 above or such extension of time granted by the Exchange ("**Relevant Timeframes**").
- (2) If a listed corporation becomes aware or has any reason to believe that it will not be able to announce its semi-annual financial statements or annual audited financial statements, as the case may be, ("**outstanding Financial Statements**") within the Relevant Timeframes, it must immediately announce this to the Exchange or in any event, before the end of the Relevant Timeframes. The announcement must include the following information:
  - (a) the reasons for failing to announce the outstanding Financial Statements within the Relevant Timeframes;
  - (b) a statement that the suspension of trading will be effected on the 6<sup>th</sup> market day after the end of the Relevant Timeframes, specifying the date of suspension; and
  - (c) the steps to be taken and the expected date of announcement of the outstanding Financial Statements.
- (3) The listed corporation must announce the status or progress of steps taken and the expected date of announcement of the outstanding Financial Statements on or before the last market day of each month following the end of the Relevant Timeframes until the announcement of the outstanding Financial Statements.
- (4) If a listed corporation fails to announce the outstanding Financial Statements within 5 market days after the end of the Relevant Timeframes, in addition to any enforcement action that the Exchange may take, the Exchange shall suspend trading in the securities of such listed corporation on the 6<sup>th</sup> market day after the Relevant Timeframes. The suspension will be uplifted on the market day following the announcement of the outstanding Financial Statements unless otherwise determined by the Exchange.
- (5) If a listed corporation fails to announce the outstanding Financial Statements within 6 months after the end 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.

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**6.15 Schemes of compromise, arrangement, amalgamation, reconstruction, subdivision or consolidation of shares or any other new issues of securities**

A listed corporation must consult the Exchange if it intends to undertake a scheme of compromise, arrangement, amalgamation, reconstruction, subdivision or consolidation of shares or any other new issues of securities not specified in these Requirements, prior to making any announcement to the Exchange on the same. The consultation with the Exchange may be done with or without an Adviser.

[End of Chapter]

**Appendix 6A**  
**Contents of semi-annual financial statement and**  
**announcement of annual audited financial statement**

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**APPENDIX 6A****Part A****Contents of semi-annual financial statement**

(Rule 6.12)

- (1) A statement of financial position, a statement of profit and loss and other comprehensive income, a statement of cash flow, statement of changes in equity and explanatory notes as well as the comparative figures for the corresponding period of the immediately preceding financial year (apart from the balance sheet which may contain comparative figures from the preceding financial year balance sheet).
- (2) A detailed analysis of the performance of all operating segments of the group, setting out material factors affecting the earnings or revenue of each segment compared with the corresponding period of the immediately preceding financial year.
- (3) An explanatory comment on any material change in the profit before taxation for the current reporting period as compared with the corresponding period of the immediately preceding financial year.
- (4) The prospects, including the factors that are likely to influence the listed corporation's prospects.

**Part B****Contents of announcement for annual audited financial statement**

(Rule 6.13)

- (1) A detailed analysis of the performance of all operating segments of the group, setting out material factors affecting the earnings or revenue of each segment compared with the immediately preceding financial year.
- (2) An explanatory comment on any material change in the profit before taxation for the current financial year as compared with the immediately preceding financial year.
- (3) The prospects, including the factors that are likely to influence the listed corporation's prospects.
- (4) Where the company has yet to commercialise its products/services, a brief description on the status of its commercialisation plan.

[End of Appendix]

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**CHAPTER 7 TRANSACTIONS****PART A – GENERAL****7.01 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****7.02 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; or
  - (ii) a chief executive of the listed corporation;
- (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) **“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;
- (f) **“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 of the assets which are the subject matter of the transaction, compared with the net profits attributable to the owners of the listed corporation (before other comprehensive income or loss);
  - (iii) the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of the listed corporation; or
  - (iv) the total assets which are the subject matter of the transaction compared with the total assets of the listed corporation;

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- (g) “**related party transaction**” means a transaction entered between the listed corporation or its subsidiaries and a related party, other than a transaction of a revenue nature in the ordinary course of business;
- (h) “**related party**” means a director or major shareholder or a person connected with such director or major shareholder;
- (i) “**transaction**”, in relation to -
- (i) Part D of this Chapter, means the acquisition or disposal of assets by a listed corporation or its subsidiaries 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;
- (j) “**value of the consideration**” includes any liability to be assumed.

## PART C – VALUATION AND INFORMATION

### 7.03 Basis of valuation

- (1) For the purpose of determining the basis of valuation of a transaction, the following applies:
- (a) in any acquisition or disposal of securities, the value is to be assessed by reference to:
    - (i) in the case of unlisted securities, the net asset value represented by such securities; and
    - (ii) in the case of listed securities, the market value represented by such securities;
  - (b) in any acquisition or disposal of assets other than securities, the value is to be assessed by reference to the book value of the assets or, if a valuation has been carried out for the purpose of the acquisition or disposal, the market value of the assets; or
  - (c) where the consideration is in the form of securities, the value of the consideration shall be determined by reference either to the market value of such securities or the net asset value represented by such securities, whichever is higher.

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- (2) For the purpose of computation of indicators of materiality (including the percentage ratios), the following applies:
- (a) in the case of total assets, net assets and net book value of assets, the figures should be taken from the most recent of the following:
    - (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;
    - (ii) the adjustments to take into account subsequent completed transactions in respect of which adequate information has already been issued to shareholders and the adjustments have been reviewed by the listed corporation's external auditors; or
    - (iii) the statement of financial position in its latest published or announced interim financial report provided that the report has been reviewed by the listed corporation's external auditors;
  - (b) in the case of net profits, the figures as stated in the following:
    - (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 unaudited 12 months' results provided that the results have been reviewed by the listed corporation's external auditors.

## **PART D – DISCLOSEABLE TRANSACTIONS**

### **7.04 Requirements for transactions with percentage ratio of 10% or more**

- (1) Where any one of the percentage ratios of a transaction is 10% 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 Part A of Appendix 7A in the announcement.
- (2) Sub-Rule (1) does not apply to a transaction where the value of the consideration of the transaction is less than RM250,000.

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

Where any one of the percentage ratios of a transaction is 25% or more, in addition to the requirements of Rule 7.04, the listed corporation must -

- (a) issue a circular to its shareholders which includes information set out in Part A of Appendix 7A; and
- (b) convene a general meeting and obtain shareholder approval for the transaction.

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**PART E – RELATED PARTY TRANSACTIONS****7.06 Requirements for related party transactions**

- (1) Where any one of the percentage ratios of a related party transaction is 5% 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 the value of the consideration of the transaction is less than RM250,000. The listed corporation must include the information set out in Part A of Appendix 7A in the announcement.
- (2) Where any one of the percentage ratios of a related party transaction is 10% or more, the listed corporation must:
  - (a) issue a circular to its shareholders which includes information set out in Part A of Appendix 7A; and
  - (b) convene a general meeting and obtain shareholder approval for the transaction.
- (3) 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.
- (4) In a meeting to obtain shareholder approval, an interested related party and any other interested shareholder must not vote on the resolution in respect of the related party transaction.
- (5) 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.
- (6) The board of directors of the listed corporation, excluding interested directors, must ensure that a related party transaction is in the best interest of the listed corporation, fair, reasonable, on normal commercial terms and not detrimental to the interest of the minority shareholders.
- (7) The following transactions are not normally regarded as related party transactions:
  - (a) the issue of securities by the listed corporation for cash, bonus issue, the grant of options and the issue of securities to a related party pursuant to a share issuance scheme (subject to compliance with Chapter 5), subscription of securities on a pro rata basis, subdivision of shares, consolidation of shares or payment of dividend;
  - (b) 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 10% 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;
  - (c) directors' fees and remuneration, and employment remuneration; or

- (d) 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 20% other than via the listed corporation.

## **PART F – SIGNIFICANT CHANGE IN THE BUSINESS DIRECTION OR POLICY**

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

Where a transaction will result in a significant change in the business direction or policy of the listed corporation, the listed corporation must -

- (a) appoint an Approved Adviser before the terms of the transaction are agreed upon;
- (b) announce to the Exchange the information set out in both Parts A and B of Appendix 7A;
- (c) issue a circular to its shareholders which includes information set out in both Parts A and B of Appendix 7A; and
- (d) convene a general meeting and obtain shareholder approval for the transaction.

## **PART G – MAJOR DISPOSAL OF ASSETS RESULTING IN LISTED CORPORATIONS NO LONGER SUITABLE FOR LISTING**

### **7.08 Major Disposal**

A listed corporation which intends to undertake 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 LEAP Market ("**Major Disposal**") must -

- (a) announce to the Exchange the information set out in Part A of Appendix 7A;
- (b) issue a circular to its shareholders which includes information set out in Part A of Appendix 7A; and
- (c) convene a general meeting and obtain shareholder approval of at least 75% of the total number of issued shares held by the shareholders present and voting either in person or by proxy at the meeting for such Major Disposal.

### **7.09 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) Transactions which may be aggregated in accordance with sub-Rule (1) above includes 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.

[End of Chapter]

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**APPENDIX 7A****Contents of announcement and circular to securities holders in relation to transactions**  
(Rules 7.04, 7.05, 7.06, 7.07 and 7.08)**Part A****General information to be included, where applicable, in the announcement and circular to securities holders in relation to transactions**

- (1) The details of the transaction including particulars of the assets being acquired or disposed of.
- (2) The historical financial information pertaining to the assets.
- (3) The total consideration, together with -
  - (a) the basis of arriving at the consideration, other than on a “willing buyer willing seller” basis;
  - (b) the justification for the consideration; and
  - (c) the mode of consideration.
- (4) The financial effects and business impact of the transaction.
- (5) In the case of an acquisition -
  - (a) details of the vendor;
  - (b) in the event the consideration is satisfied by cash, the source of funding and its breakdown;
  - (c) in the event the consideration is satisfied by an issue of securities of the listed corporation, the details of such issue; and
  - (d) the particulars of all liabilities, including contingent liabilities and guarantees to be assumed by the listed corporation arising from the acquisition.
- (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 the full utilisation of proceeds;
  - (c) where securities are intended to form part of the consideration, details of such securities and information of the corporation (including business and financial information) in which the securities are or will be held and a statement as to whether such securities are to be sold or retained;
  - (d) details of the purchaser; and
  - (e) particulars of all liabilities to be assumed by the purchaser arising from the transaction.

**Appendix 7A**  
**Contents of announcement and circular for transactions**

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- (7) The rationale for the transaction including the prospects of assets to be acquired.
- (8) Whether the transaction is subject to the approval of shareholders and the relevant government authorities, the conditions imposed and status of compliance.
- (9) 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.
- (10) A statement by the board of directors, excluding interested directors, stating whether the transaction is in the best interest of the listed corporation, fair, reasonable, on normal commercial terms and not detrimental to the interest of the minority shareholders, and its recommendation including the basis of such recommendation.
- (11) Any other information which is necessary for the securities holders and investors to make an informed investment decision.

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

(Rule 7.07)

- (1) If the transaction results in a change in the controlling shareholder(s) and/or board of directors of the listed corporation, details in respect of -
  - (a) the new controlling shareholder(s) and new board of directors;
  - (b) the new controlling shareholder(s)' interest and new directors' interest in all other corporations or businesses, and the principal activities of such corporations or nature of such businesses.
- (2) If a conflict of interest exists or is likely to exist -
  - (a) full disclosure of the nature and extent of the conflict of interest or potential conflict of interest;
  - (b) the parties to the conflict; and
  - (c) measures taken for resolving, eliminating, or mitigating the situations of conflict of interest.

[End of Appendix]

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**CHAPTER 8 SUSPENSION, DE-LISTING AND ENFORCEMENT****PART A – GENERAL****8.01 Introduction**

- (1) 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 LEAP Market; and
  - (b) the powers of the Exchange with regard to -
    - (i) trading halt, suspension and de-listing of a listed corporation by the Exchange; and
    - (ii) enforcement of these Requirements.
- (2) For the purpose of this Chapter, where the context permits, enforcement proceedings include an appeal by a person against a decision resulting from an enforcement action taken under this Chapter.

**PART B – TRADING HALT AND SUSPENSION****8.02 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) to facilitate the implementation of any substantial corporate exercise;
  - (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 or for purposes of investor protection;
  - (c) in any circumstances as provided in these Requirements;
  - (d) upon the commencement of a voluntary winding-up of a listed corporation in accordance with the Companies Act; or
  - (e) where the Exchange deems it appropriate for some other reason.
- (2) The Exchange shall suspend trading of the securities of the listed corporation in relation to a take-over offer under the Take-Overs and Mergers Code, on the 6<sup>th</sup> market day after the end of the offer period if the listed corporation has made an announcement that the offeror does not intend to maintain the listed corporation's listing status pursuant to Rule 6.11(19).

**8.03 Voluntary suspension**

The Exchange may at any time, at its discretion, suspend trading of the listed securities at the request of the listed corporation in accordance with Appendix 8A.

#### 8.04 Trading Halt

The Exchange may at any time, halt the trading of any listed securities upon the listed corporation releasing a material announcement.

### PART C – WITHDRAWAL OF LISTING AND DE-LISTING BY THE EXCHANGE

#### 8.05 Withdrawal of listing

The Exchange may grant a listed corporation's request for withdrawal from the LEAP Market.

#### 8.06 Request for withdrawal

- (1) Subject to Rule 8.07, a listed corporation may not request to withdraw its listing from the LEAP Market, 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 Appendix 8B;
  - (b) the passing of the resolution for the withdrawal of listing is subject to the following conditions:
    - (i) the resolution is approved by a majority of shareholders and holders of any other class of listed securities, if applicable, in number, representing 75% of the total number of issued securities held by the shareholders and other securities holders respectively, present and voting either in person or by proxy at each meeting; and
    - (ii) the number of votes cast against the resolution, if any, by each class of listed securities respectively, if applicable, is not more than 10% of the total number of issued securities held by the shareholders and other securities holders respectively, present and voting either in person or by proxy at each meeting;
  - (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 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.
- (2) The independent Adviser appointed pursuant to sub-Rule (1)(d) above must -
  - (a) comment as to whether the withdrawal of listing, as well as the exit offer are fair and reasonable in so far as the shareholders and holders of any other class of listed securities are concerned. Such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
  - (b) advise the shareholders and holders of any other class of listed securities on whether they should vote in favour of the withdrawal of listing and exit offer; and
  - (c) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in sub-Rules (a) and (b) above.

**8.07 Withdrawal in a take-over offer or a corporate proposal**

Notwithstanding Rule 8.06, a listed corporation may withdraw its listing from the LEAP Market in the following circumstances:

- (a) in relation to a take-over offer pursuant to the Take-Overs and Mergers Code, upon 90% or more of its listed 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 associates of the said shareholder,

and the listed corporation has announced the offeror's intention not to maintain the listed corporation's listing status.

**8.08 Application for withdrawal**

A listed corporation intending to withdraw its listing from the LEAP Market must file with the Exchange an application which includes the following information:

- (a) the full and detailed reasons for the withdrawal;
- (b) the board resolution for the withdrawal;
- (c) the confirmation that the approval of any other relevant authority, if required, has been obtained; and
- (d) the confirmation that the listed corporation has obtained approval of its shareholders and holders of any other class of listed securities, if applicable, in accordance with Rule 8.06.

**8.09 De-listing by the Exchange**

- (1) The Exchange may at any time de-list a listed corporation from the LEAP Market in any of the following circumstances:
  - (a) where the listed corporation fails to comply with these Requirements; or
  - (b) where in the opinion of the Exchange, circumstances exist which do not warrant the continued listing of a listed corporation.
- (2) The Exchange shall de-list a listed corporation in any one of the following circumstances:
  - (a) upon the commencement of a voluntary winding-up of a listed corporation or its major subsidiary in accordance with the Companies Act;
  - (b) upon a winding-up order being made against a listed corporation or its major subsidiary;
  - (c) upon appointment of a receiver or manager over the assets of the listed corporation or its major subsidiary;
  - (d) where the listed corporation's audited financial statements contain an adverse opinion by its auditors; or
  - (e) in other circumstances as provided under these Requirements.

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**PART D – ENFORCEMENT****8.10 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.

**8.11 Breach of these Requirements**

In the event of any breach of these Requirements by any applicant, listed corporation or its directors, 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.

**8.12 Types of actions or penalties**

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 an applicant, a listed corporation, a director of an applicant or a listed corporation, an Adviser or any other person to whom these Requirements are directed -
  - (i) issuance of a private reprimand;
  - (ii) issuance of a public reprimand;
  - (iii) imposition of a fine not exceeding RM1 million;
  - (iv) issuance of a letter directing the listed corporation or the person in default to rectify the non-compliance, which direction will remain in force until it is revoked;
  - (v) imposition of one or more condition(s) for compliance;
  - (vi) any other action which the Exchange may deem appropriate; or
- (b) in relation to an applicant or listed corporation, in addition to the actions or penalties specified under sub-Rule (a) above -
  - (i) non-acceptance of applications or submissions, with or without conditions imposed;
  - (ii) imposition of condition(s) on the delivery or settlement of trades entered into in respect of the listed corporation's securities;
  - (iii) suspension of trading of the listed securities;
  - (iv) de-listing of a listed corporation;
  - (v) mandating education, training or such other types of programs as may be determined by the Exchange to be undertaken or implemented by the corporation for its directors and/or management; or
- (c) in relation to a director of an applicant or a listed corporation or any other person to whom these Requirements are directed, in addition to the actions or penalties specified under sub-Rule (a) above, imposition of a moratorium on, or prohibition of dealings in, the listed corporation's securities by the relevant director or other person; or

- 
- (d) in relation to an Adviser, in addition to the actions or penalties specified under sub-Rule (a) above -
- (i) non-acceptance of applications or submissions or documents made or prepared by the Adviser, with or without conditions imposed;
  - (ii) in the case of an Adviser, suspension of any or all rights attaching to registration on the Register of Advisers on such terms and for such period as the Exchange thinks fit; or
  - (iii) removal of the an Adviser from the Register of Advisers.

### **8.13 Cumulative actions or penalties**

If an applicant, a listed corporation, its director, or Adviser or any other person to whom these Requirements are directed fails to comply with an action or penalty taken or imposed by the Exchange under Rule 8.12, the Exchange has the power to commence enforcement proceedings against such applicant, listed corporation, its director or Adviser or any other person to whom the Requirements are directed, and take or impose one or more actions or penalties as provided under Rule 8.12.

### **8.14 Other rights**

The exercise of the powers in Rules 8.11 and 8.12 does not in any way prejudice the other rights of the Exchange against an applicant, a listed corporation, a director, an Adviser or a person to whom the Requirements are directed.

### **8.15 Publication of enforcement action**

The Exchange shall have the power to publish to the public, any action taken against any person under these Requirements in any manner as the Exchange deems fit or expedient.

### **8.16 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 8.11 and 8.12.

### **8.17 Procedures**

The Exchange will determine the procedures applicable to any enforcement action taken under this Chapter. Such procedures may vary to adapt to the circumstances of any particular case as illustrated in Appendix 8C.

### **8.18 Right of appeal**

- (1) A person who is dissatisfied with a decision resulting from an enforcement action taken under this Chapter may appeal against such decision in the manner prescribed by the Exchange from time to time as illustrated in Appendix 8C.
- (2) The Exchange may suspend the enforcement of any such decision that is the subject of the appeal until the disposal of the appeal.



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**8.19 Unpaid fine is debt owing to the Exchange**

A fine or any portion of a fine, or cost ordered by the Exchange, remaining unpaid by a person, is a debt owing by the person to the Exchange.

**8.20 Agreed settlement**

- (1) A person who is the subject of an investigation or enforcement proceeding by the Exchange may, at any time before the Exchange makes a decision, propose a settlement by agreeing to a set of facts, liability or penalty with the Exchange.
- (2) The Exchange may reject, accept or vary the proposed settlement based on terms that it deems fit.
- (3) Where the Exchange accepts the proposed settlement, the settlement will be recorded as a decision of the Exchange.
- (4) If the Exchange is not agreeable to the proposed settlement, the Exchange may pursuant to Rule 8.17, proceed with a full enforcement proceeding.

**8.21 Standard of proof**

The Exchange will not find an allegation proven unless the Exchange is satisfied that the allegation is proven on the balance of probabilities.

[End of Chapter]

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**APPENDIX 8A****Request for suspension**  
(Rule 8.03)**1.0 Form and information for a request for suspension**

1.1 Any request for suspension must be made in writing and in the form as may be prescribed by the Exchange. In the addition, a listed corporation must provide to the Exchange any other information as may be requested by the Exchange.

**2.0 Situations which may warrant suspension**

2.1 The Exchange may approve a listed corporation's request for suspension where -

- (a) the listed corporation requires time to prepare and release an announcement relating to a material transaction, such as -
  - (i) a significant change in the business direction or policy of a listed corporation;  
or
  - (ii) any other corporate exercise which the Exchange considers to be material;
- (b) where the listed corporation intends to -
  - (i) make a material announcement, including one that falls within paragraph 2.2 below ("**Very Material Announcement**"); or
  - (ii) hold a press conference to make a Very Material Announcement,  
before the close of trading; or
- (c) any other reason which, in the opinion of the Exchange, justifies a suspension.

2.2 Without limiting the above, an announcement relating to any of the following matters will be regarded as a Very Material Announcement:

- (a) an interim financial report;
- (b) a bonus issue or fund raising exercise;
- (c) a transaction as defined under Rule 7.02(i), where the percentage ratio calculated in accordance with Chapter 7 of these Requirements is 25% or more;
- (d) a notice of take-over being served on a listed corporation which the public has no prior knowledge of; or
- (e) any other corporate exercise.

**3.0 Suspension period**

3.1 If the Exchange grants a suspension for any of the reasons stated in paragraph 2.1 above, the period of suspension that may be approved by the Exchange is -

- (a) up to 3 market days only; and
- (b) such other period as deemed appropriate by the Exchange.

**4.0 Announcements**

- 4.1 If a suspension is granted by the Exchange, the listed corporation must make immediate announcement of the relevant information to the Exchange.

[End of Appendix]

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**APPENDIX 8B****Contents of circular in relation to withdrawal of listing**

(Rule 8.06(1))

- (1) The reasons and facts concerning the withdrawal of securities of the listed corporation.
- (2) The opinion of the board of directors in respect of the withdrawal.
- (3) 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.
- (4) 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.

[End of Appendix]

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**APPENDIX 8C****Enforcement proceedings & related matters**  
(Rules 8.17 and 8.18)**PART I FULL ENFORCEMENT PROCEEDING****1.0 Requisite Notice**

- 1.1 When the Exchange proposes to take an enforcement action against a person under these Requirements, the Exchange will serve the person a written notice specifying the nature and particulars of the breach the person is alleged to have committed ("**Requisite Notice**").

**2.0 Response to Requisite Notice**

- 2.1 A person may submit to the Exchange a written response to the Requisite Notice ("**Response**") within the time stipulated in the Requisite Notice.

**3.0 Notification of decision**

- 3.1 After the conclusion of an enforcement proceeding, the Exchange will notify the person in writing of the decision including the penalty imposed (if any).

**PART II EXPEDITED ENFORCEMENT PROCEEDING****4.0 Procedures relating to an expedited enforcement proceeding**

- 4.1 The Exchange may initiate expedited enforcement proceedings under this Part II against a person whom enforcement action is proposed to be taken, instead of proceedings under Part I, in circumstances the Exchange deems fit, such as in respect of a breach of these Requirements which does not typically attract a penalty beyond -

- (a) a reprimand;
- (b) a fine of more than RM5,000.00; or
- (c) both of the above.

- 4.2 In an expedited enforcement proceeding, the Exchange will notify the person against whom the enforcement action is proposed to be taken, in writing, of the breach and penalty imposed on that breach ("**Determination**").

- 4.3 The person must, within the time specified in the Determination, inform the Exchange in writing whether or not the person agrees with the Determination. A person is deemed to have agreed with the Determination if the person does not respond within the specified time.

- 4.4 If the person agrees or is deemed to have agreed with the Determination, the person must give effect to the penalty imposed. Enforcement action will be recorded as having been taken against the person upon the expiry of the specified time.

- 4.5 If the person does not agree with the Determination, the matter will proceed under Part I. The person may submit a written response to the Determination as if the Determination is a Requisite Notice under Part I. In deliberating the matter, the Exchange is not bound by the Determination and may impose a higher penalty based on the facts or evidence presented during the proceeding under Part I.

**5.0 No limitation**

5.1 Nothing in this Part prevents the Exchange from proceeding with the full enforcement proceeding under Part I for any breach of these Requirements.

**PART III APPEAL****6.0 Notice of appeal**

6.1 If a person appeals against a decision referred to in Part I above, the person must within the time stated in the notification of decision given under Part I, give to the Exchange a notice in writing ("**Notice of Appeal**") that -

- (a) identifies the decision against which the appeal is made; and
- (b) sets out the ground(s) of the appeal together with representations to justify the ground(s) relied upon.

**7.0 Deliberation of appeals**

7.1 A person may produce evidence that was not presented at the initial enforcement proceeding if -

- (a) the evidence was not available at the time of the initial enforcement proceeding; and
- (b) the evidence would have been likely to have had a determining influence upon the decision appealed against.

7.2 The person must produce the new evidence as stated in paragraph 7.1 above when submitting the Notice of Appeal.

7.3 The Exchange may produce new evidence arising from the Notice of Appeal submitted by the person.

7.4 The Exchange may affirm, vary or set aside the decision appealed against.

**8.0 Notification of decision on appeal**

8.1 After the conclusion of an appeal, the Exchange will notify the person in writing of the decision of the appeal and such decision is final.

**PART IV ORAL REPRESENTATIONS****9.0 Request for oral representations etc.**

9.1 The Exchange may allow an oral representation, submission or attendance of witnesses for any proceedings commenced against a person.

**Appendix 8C  
Enforcement Proceedings & Related Matters**

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- 9.2 The person against whom the enforcement action is taken may only request for the oral representation, oral submission or attendance of witnesses if it has submitted –
- (a) a Response as required in Part I; or
  - (b) a Notice of Appeal as required in Part III.

[End of Appendix]