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

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

PART B - ADMISSION**6.02 Admission**

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

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- (e) the listed issuer has addressed all situations of conflict of interest satisfactorily; or
 - (f) the application by the listed issuer undermines public interest.
- (4) A listed issuer must submit a listing application under this Chapter to the Exchange through a Recognised Principal Adviser except for applications in respect of a Specified Bonus Issue of equity securities or issue of new units by an exchange-traded fund. For this purpose, the Recognised Principal Adviser must be primarily responsible for the application, and if there is more than one Recognised Principal Adviser appointed, all Recognised Principal Advisers are jointly and severally responsible for the application.
- (5) A listed issuer and its Recognised Principal Adviser must comply with the relevant listing procedures and requirements relating to a new issue of securities as may be prescribed by the Exchange.
- [Cross reference: Practice Note 28]*
- (6) The listed issuer, adviser or other persons accepting responsibility for all or any part of the information and documents submitted to the Exchange in relation to any listing application must comply with the equivalent obligations and standards imposed on an applicant, Submitting Party or adviser, as the case may be, under SC's Guidelines on Submission of Corporate and Capital Market Product Proposals as if the submission were made to the SC.

PART C – GENERAL REQUIREMENTS FOR NEW ISSUE OF SECURITIES

6.02A General application

Part B above and this Part C apply to all new issues of securities by a listed issuer such as placements, rights issues, bonus issues, Share Issuance Schemes, Dividend Reinvestment Schemes, and issuances of debt securities, redeemable preference shares and convertible securities, where applicable and with the necessary modifications.

[Cross reference: Practice Note 28]

6.03 General mandate for issue of securities

- (1) Subject to paragraph 6.06 and notwithstanding the existence of a resolution pursuant to sections 75(1) and 76(1) of the Companies Act, or in relation to a foreign corporation, a resolution of a similar nature pursuant to the relevant laws of the place of incorporation, a listed issuer must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the total number of issued shares (excluding treasury shares) of the listed issuer except where the shares or convertible securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.
- (2) In working out the number of shares or convertible securities that may be issued by a listed issuer, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.
- (3) Where a general mandate for issue of securities is sought, the listed issuer must include in the statement accompanying the proposed resolution the following information:
- (a) whether such mandate is new or a renewal;

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

6.04 Issue of new securities under a general mandate

Subject to paragraph 6.05, where issuance of shares or convertible securities is made pursuant to paragraph 6.03(1), the listed issuer must ensure the following:

- (a) shares are not priced at more than 10% discount to the weighted average market price of the shares for the 5 market days immediately before the price-fixing date;
- (b) for issue of convertible securities –
 - (i) if the exercise or conversion price is fixed, such price is not more than 10% discount to the weighted average market price of the underlying shares for the 5 market days immediately before the price-fixing date; and
 - (ii) if the exercise or conversion price is based on a formula, any discount in the price-fixing formula is not more than 10% of the weighted average market price of the underlying shares for the 5 market days immediately before exercise or conversion; and
- (c) securities are not placed to –
 - (i) the interested director, interested major shareholder, interested chief executive or interested person connected with a director, major shareholder or chief executive (all as defined in paragraph 6.06); and
 - (ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

6.05 Issue of securities with specific shareholder approval

Notwithstanding section 75(2) of the Companies Act, where an issue of shares or other convertible securities departs from any of the applicable requirements stipulated in paragraph 6.04, the listed issuer must obtain the prior shareholder approval in a general meeting for the precise terms and conditions of the issue, in particular on –

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

6.06 Allotment of shares to directors etc

- (1) Subject to subparagraph (1A) below, a listed issuer must ensure that it or any of its subsidiaries does not issue shares or other convertible securities to the following persons unless shareholders in general meeting have approved the specific allotment to be made to such persons:

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- (a) a director, major shareholder or chief executive of the listed issuer or a holding company of the listed issuer (“**interested director**”, “**interested major shareholder**” and “**interested chief executive**”); or
- (b) a person connected with an interested director, interested major shareholder or interested chief executive (“**interested person connected with a director, major shareholder or chief executive**”).
- (1A) Subparagraph (1) above is not applicable to an issue of securities –
- (a) on a pro rata basis to shareholders;
- (b) pursuant to a back-to-back placement undertaken in compliance with paragraph 6.14; or
- (c) pursuant to a Dividend Reinvestment Scheme.
- (2) Notwithstanding any provision to the contrary in these Requirements, in a meeting to obtain shareholder approval in respect of the allotment referred to under subparagraph (1) above -
- (a) the interested director, interested major shareholder, interested chief executive or interested person connected with a director, major shareholder or chief executive; and
- (b) where the allotment is in favour of an interested person connected with a director, major shareholder or chief executive, such director, major shareholder or chief executive,
- must not vote on the resolution approving the said allotment. An interested director, interested major shareholder or interested chief executive must ensure that persons connected with him abstain from voting on the resolution approving the said allotment.
- (3) A listed issuer must include the following in the notice of meeting:
- (a) the number of securities to be so allotted;
- (b) the purpose of allotment;
- (c) the precise terms and conditions of the allotment; and
- (d) the identity and relationship of the persons connected with the director, major shareholder or chief executive, where applicable.
- (4) Except in the case of an issue of securities on a pro rata basis to shareholders and subject to subparagraph (1) above, a listed issuer must ensure that its subsidiary does not issue shares or other convertible securities to a director, major shareholder or chief executive of the said subsidiary or the holding company of the said subsidiary (other than the listed issuer or a holding company of the listed issuer) or a person connected with such director, major shareholder or chief executive unless -
- (a) the listed issuer has obtained the prior approval of its board of directors for the specific allotment to such persons;
- (b) the board of directors of the listed issuer has ensured that the allotment is fair and reasonable to the listed issuer and in the best interests of the listed issuer; and
- (c) the listed issuer immediately announces the specific allotment to such persons and includes in the announcement:

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- (i) the information prescribed in subparagraph (3) above; and
 - (ii) a statement by the board of directors of the listed issuer that the allotment is fair and reasonable to the listed issuer and in the best interests of the listed issuer. Where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.

6.07 Announcement to the Exchange

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

6.08 Circular

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

6.08A Electronic mode of submission and payment

- (1) In addition to the manual method, a listed issuer must facilitate its securities holders to perform the following, electronically:
 - (a) subscription and payment for rights issue;
 - (b) conversion and payment for convertible securities; and
 - (c) election to participate in a Dividend Reinvestment Scheme.
- (2) For the purpose of sub-paragraph (1) above, “**electronically**” means through an internet-based facility made available to securities holders, the use of automated teller machines or any other electronic mode as may be prescribed by the Exchange.

6.09 Allotment of securities, despatch of notices of allotment and quotation application in respect of a public issue

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

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

6.10 Document for issue of securities to be made overseas

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

PART D – ADDITIONAL REQUIREMENTS RELATING TO PLACEMENT**6.11 [Deleted]****6.12 Placement agent**

The Recognised Principal Adviser must act as the placement agent for placements of securities.

6.13 Payment of securities

The listed issuer must issue and allot securities as soon as possible after the price-fixing date. In any event, the listed issuer must ensure payments for the securities are made by the placees to the listed issuers within 5 market days from the price-fixing date. For issues of securities under paragraph 6.05, the price-fixing date will be taken as the date of shareholder approval, except in instances where the price is determined on a date subsequent to the shareholder approval.

6.14 Back-to-back placements

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

6.15 Placees' details

- (1) As soon as practicable after the placement of securities and before the listing of such new issue of securities, the Recognised Principal Adviser must submit to the Exchange the following:

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- (a) the final list (broken down by each placement agent) setting out the names, home or business addresses, identity card/passport/company registration numbers, occupations/principal activities and securities account numbers of all the placees and the ultimate beneficial owners of the securities placed (in the case where the placees are nominee corporations or funds), and the amount and price of securities placed to each placee; and
 - (b) a confirmation from the Recognised Principal Adviser that to the best of its knowledge and belief, after having taken all reasonable steps and made all reasonable inquiries, the details set out in the final list of placees in subparagraph (a) above are accurate and the issue or placement exercise complies with the requirements as stated in this Chapter.
- (2) The information on the ultimate beneficiaries of the securities as required in subparagraph (1)(a) above need not be submitted for the following types of placees:
- (a) statutory institutions managing funds belonging to the general public;
 - (b) unit trust funds or collective investment schemes approved by the SC; and
 - (c) collective investment schemes which are authorised, approved or registered investment schemes incorporated, constituted or domiciled in a jurisdiction other than Malaysia and regulated by the relevant regulatory authority in that jurisdiction, subject to the Recognised Principal Adviser confirming to the Exchange that such schemes have been duly authorised, approved or registered.

6.16 Exchange's right for further information

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

PART E – ADDITIONAL REQUIREMENTS RELATING TO A RIGHTS ISSUE

6.17 [Deleted]

6.18 Underwriting

- (1) Underwriting arrangements in relation to a rights issue of securities are at the discretion of the listed issuer and its Recognised Principal Adviser.
- (2) The Recognised Principal Adviser submitting the application for listing to the Exchange must be part of the syndicate of underwriters for the securities offered under the rights issue if there is underwriting arrangement.
- (3) A listed issuer must disclose the following in its circular to shareholders:
 - (a) the minimum level of subscription and the basis for determining the minimum level based on factors, such as the level of funding required by the listed issuer; and
 - (b) the level of underwriting that has been arranged, together with justifications for the level arranged.
- (4) Where the minimum level of subscription is not achieved, the implementation of the rights issue of securities must be terminated and all consideration received must be immediately returned to all subscribers.

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- (5) If certain shareholders wish to irrevocably undertake to subscribe for the securities offered under the rights issue, the listed issuer must ensure that -
- (a) the shareholders have sufficient financial resources to take up the securities, as verified by an acceptable independent party, such as the listed issuer's Recognised Principal Adviser; and
 - (b) the shareholders consider the consequences of the rights issue with regard to the Take-Overs and Mergers Code, if applicable.

6.19 [Deleted]

6.20 A rights issue must be renounceable

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

6.21 Fixing of books closing date for a rights issue

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

6.22 Notice of books closing date for a rights issue

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

6.23 Timetable for a rights issue

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

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- (2) Appendix 6C illustrates the timeline for a rights issue.

6.24 Announcements of important relevant dates of a rights issue

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

6.25 Abridged Prospectus

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

6.26 Issue of notices of provisional allotment

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

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

6.27 Availability of rights subscription forms

- (1) Notwithstanding paragraph 6.08A, a listed issuer must ensure that sufficient copies of the rights subscription form to enable the acceptance of the rights are -
- (a) made available at its registered office and share registrar's office; and
 - (b) provided to each Participating Organisation.
- (2) [Deleted]

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

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

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

PART F – ADDITIONAL REQUIREMENTS RELATING TO A BONUS ISSUE**6.29 [Deleted]****6.30 Criteria for bonus issues**

- (1) [Deleted]
- (1A) A listed issuer must ensure that its share price adjusted for a bonus issue is not less than RM0.50 based on the daily volume weighted average share price during the 3-month period before the application date.
- (2) A listed issuer undertaking a bonus issue by way of capitalisation must also ensure the following:
- (a) if the bonus issue is to be capitalised from the reserves arising from revaluation of assets, only the surplus arising from one or more of the following may be capitalised:
 - (i) revaluation of investments in subsidiaries or associated companies. In this respect, surplus arising from the revaluation of plant, machinery and equipment of the listed issuer's subsidiaries or associated companies must not be capitalised; and
 - (ii) revaluation of real estates provided that at least 20% of the revalued amount is retained in the revaluation reserves after the capitalisation for the bonus issue; and
 - (b) it has sufficient reserves to cover the capitalisation issue. If the reserves for capitalisation are not based on the annual audited financial statements of the listed issuer, such reserves must be verified and confirmed by the external auditors or reporting accountants of the listed issuer. Where a confirmation by the external auditors or reporting accountants is required, the reserves for capitalisation, which may be adjusted for subsequent events, must be based on the latest audited financial statements or the latest quarterly report, whichever is the later.

(3) [Deleted]

6.31 Valuation report for revaluation of real estates

- (1) If the bonus issue is to be capitalised from the reserves arising from revaluation of real estates under paragraph 6.30(2)(a)(ii), a listed issuer must –
- (a) submit 2 copies of the valuation report on the real estate concerned to the Exchange and a copy of the valuer's undertaking letter in the form of Appendix 6D immediately after the listed issuer announces the bonus issue (if available) or as soon as the valuation report is ready. In any event, the listed issuer must submit the valuation report together with the valuer's undertaking letter to the Exchange at least 1 month before it issues its circular in relation to the bonus issue; and
 - (b) ensure that the date of valuation which forms the basis of the valuation certificate included in the circular is not more than 6 months before the date of the circular issued to shareholders.
- (2) A listed issuer and its valuer must ensure that the valuation report submitted pursuant to subparagraph (1) above complies with these Requirements and the SC's Asset Valuation Guidelines.
- (3) If the listed issuer or the valuer becomes aware of any circumstance or significant change which has or will have material effect on the content, validity or accuracy of its valuation report before the date of issuance of the circular, the valuer and the listed issuer must cause the valuation report to be updated. If the listed issuer fails to do so, the valuer must withdraw its consent to the inclusion of the valuation report in the circular.
- (4) Notwithstanding subparagraph (1) above, the Exchange may at its discretion and whenever it deems appropriate, at the cost of the listed issuer -
- (a) obtain a second opinion on the valuation report submitted by the listed issuer from another valuer appointed by the Exchange; or
 - (b) require a listed issuer to conduct a valuation on any asset.
- (5) A listed issuer and its valuer must comply with the instruction, directive or condition imposed by the Exchange and within such timeframe as may be specified by the Exchange.
- (6) The Exchange may refer any valuation report received by the Exchange to the SC for review. The listed issuer and its valuer must provide the Exchange or the SC on a timely basis, any information or assistance required in relation to the valuation report.
- (7) For the purposes of subparagraphs (1)(a), (2), (3) and (6) above, a "valuation report" includes a valuation certificate.

6.32 Staggered implementation of a bonus issue

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

6.33 Ranking of bonus issue securities

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

6.34 Fixing of books closing date for a bonus issue

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

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

6.35 Announcements in relation to a bonus issue of securities

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

PART G – ADDITIONAL REQUIREMENTS RELATING TO A SHARE ISSUANCE SCHEME**6.36 [Deleted]****6.37 Eligibility and allocation**

- (1) Subject to the provisions set out in subparagraphs (2) and (3) below and paragraph 6.44, the board of directors of the listed issuer may determine the eligibility and allocation criteria under a Share Issuance Scheme.
- (2) The listed issuer must ensure that participation in the scheme is restricted to directors and employees of the listed issuer's group.
- (3) The listed issuer must also ensure that -

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- (a) its directors and senior management do not participate in the deliberation or discussion of their own allocation; and
 - (b) the allocation to a director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more of the total number of issued shares (excluding treasury shares) of the listed issuer, does not exceed 10% of the total number of shares to be issued under the scheme.
- (4) For the purpose of subparagraphs (2) and (3) above, unless the context otherwise requires -
- (a) **"group"** means the listed issuer and its subsidiaries which are not dormant; and
 - (b) **"persons connected with an employee"** has the meaning given in relation to persons connected with a director or major shareholder as defined in paragraph 1.01.

6.38 Number of shares

- (1) The listed issuer must ensure that the total number of shares to be issued under a Share Issuance Scheme is not more than 15% of its total number of issued shares (excluding treasury shares) at any one time.
- (2) For the purpose of subparagraph (1) above, where a listed issuer purchases its own shares or undertakes any other corporate proposal resulting in the total number of shares to be issued under the scheme exceeding the 15% threshold in subparagraph (1) above, no further options can be offered until the total number of shares to be issued under the scheme falls below the said 15% threshold.

6.39 Pricing

The price payable for the shares under a Share Issuance Scheme must be -

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

6.40 Duration

A listed issuer must ensure that a Share Issuance Scheme is for a duration of not more than 10 years.

6.41 Adjustments

A listed issuer must comply with the following as regards adjustments of price or number of shares to be issued under a Share Issuance Scheme:

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

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- (d) adjustments other than on a bonus issue, subdivision or consolidation of shares must be confirmed in writing either by the external auditors or the listed issuer's Recognised Principal Adviser.

6.42 Bylaws

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

6.43 Implementation

- (1) The effective date for the implementation of the scheme will be the date of full compliance with all relevant requirements in this Chapter including -
- (a) submission of the final copy of the bylaws of the scheme to the Exchange pursuant to paragraph 6.42;
 - (b) receipt of approval or approval-in-principle, as the case may be, for the listing of the shares to be issued under the scheme from the Exchange;
 - (c) procurement of shareholder approval for the scheme;
 - (d) receipt of approval of any other relevant authorities, where applicable; and
 - (e) fulfilment of all conditions attached to the above approvals, if any.
- (2) The listed issuer's Recognised Principal Adviser must submit a confirmation to the Exchange of full compliance pursuant to subparagraph (1) above stating the effective date of implementation together with a certified true copy of the relevant resolution passed by shareholders in general meeting.
- (3) The submission of the confirmation must be made not later than 5 market days after the effective date of implementation.

6.44 Share Issuance Scheme after listing

- (1) A listed issuer must ensure that all schemes that it implements which involve the issue of shares to employees comply with the following:
- (a) the scheme is approved by the shareholders of the listed issuer in general meeting;
 - (b) the resolution approves a specific scheme and refers either to the scheme itself or to a summary of its principal terms included in the circular which contains all the provisions set out in Appendix 6E;
 - (c) unless the shares subject to the scheme are identical with other listed shares they are separately designated; and
 - (d) where directors of the listed issuer are trustees of the scheme or have an interest, direct or indirect, in the scheme, the circular must disclose that interest.
 - (e) [deleted]

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- (2) Subparagraph (1) does not apply to an applicant that is implementing a Share Issuance Scheme as part of its listing proposal.

6.45 Allotment of shares, despatch of notices of allotment and quotation application in respect of a Share Issuance Scheme

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

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

PART G(A) – ADDITIONAL REQUIREMENTS RELATING TO DIVIDEND REINVESTMENT SCHEME

6.45A Non-application

- (1) [Deleted]
- (2) This Part is not applicable to a distribution of dividend in specie.

6.45B Shareholder's approval

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

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

6.45C Eligibility and election of entitlement

- (1) Where a listed issuer intends to undertake a Dividend Reinvestment Scheme, it must allow all its shareholders who are entitled to dividend to participate in the Dividend Reinvestment Scheme.
- (2) The listed issuer must allow such shareholders to elect whether to participate in the Dividend Reinvestment Scheme and give them at least 14 days from the dispatch of the election notice to submit the completed election notice.
- (3) The listed issuer must include in the election notice the following statements:

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- (a) that the shareholders must elect positively in order to participate in a Dividend Reinvestment Scheme, and to reinvest their cash dividends into new shares for their dividend entitlement;
 - (b) that if no election is made, the listed issuer will automatically pay the dividends in cash to the shareholders concerned; and
 - (c) that the shareholders can choose to receive the entitlement partly in cash and partly in shares, or wholly in cash or shares.
- (4) The listed issuer must include in the statement accompanying the election notice, the following information:
- (a) a statement of the total number of shares that would be issued if all eligible shareholders were to elect to reinvest their cash dividends into new shares for their entire entitlement, and the percentage which that number represents of the total number of issued shares (excluding treasury shares) as at the books closing date; and
 - (b) that any fractional entitlements arising from the allotment of new shares pursuant to the scheme will be settled in cash; and
 - (c) the procedures for completing the election notice.

6.45D Pricing

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

PART H – ADDITIONAL REQUIREMENTS RELATING TO AN ISSUE OF DEBT SECURITIES AND REDEEMABLE PREFERENCE SHARES

6.46 Requirements relating to debt securities

A listed issuer which intends to list debt securities must also comply with the provisions set out in Part E of this Chapter and Chapter 4B, where applicable.

[Cross reference: Practice Note 26]

6.46A Requirements relating to redeemable preference shares

A listed issuer which intends to list its redeemable preference shares must also comply with Part E of this Chapter, where applicable.

[Cross reference: Practice Note 28]

6.47 [Deleted]

6.48 Announcement relating to an issue of debt securities

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

PART I – ADDITIONAL REQUIREMENTS RELATING TO AN ISSUE OF CONVERTIBLE SECURITIES**6.49 Requirements relating to convertible securities**

- (1) A listed issuer which intends to issue convertible securities must also comply with the provisions in Part E of this Chapter, where applicable.

[Cross reference: Practice Note 28]

- (2) Unless otherwise specified by the Exchange, “**convertible equity securities**” in this Part I refers to warrants and convertible preference shares.

6.50 Maximum number of new shares allowed from exercise of convertible equity securities

A listed issuer must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities, does not exceed 50% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

6.50A Bonus issue of convertible equity securities

A listed issuer making a bonus issue of convertible equity securities must also comply with Part F of this Chapter except paragraphs 6.30, 6.31 and 6.33.

6.51 Holders of convertible securities

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

6.52 Announcement relating to an issue of convertible securities

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

6.53 Circular relating to an issue of convertible securities

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

6.54 Deed poll and trust deed to comply with Requirements

- (1) A listed issuer must furnish to the Exchange a letter of compliance pursuant to paragraph 2.12 together with the deed poll or trust deed, as the case may be.
- (2) A listed issuer must ensure that the deed poll or trust deed includes the various provisions set out in Appendix 6F.
- (3) A deed poll or trust deed must not include any provision for –

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- (a) the extension or shortening of tenure of the convertible securities; or
 - (b) changes to the number of shares received for the exercise or conversion of each convertible security or changes to the pricing mechanism for the exercise or conversion price of the convertible security, except where these changes are adjustments following capitalisation issues, rights issue, bonus issue, consolidation or subdivision of shares or capital reduction exercises.
- (4) Subparagraph (3) above does not apply to debt securities.

6.55 Alteration or adjustment to the terms

A listed issuer may make an alteration or adjustment to the terms of the convertible securities during the tenure of the securities only if such alteration or adjustment –

- (a) is provided upfront in the deed poll or trust deed governing the securities; and
- (b) does not relate to the provisions set out in paragraph 6.54(3) above.

6.56 Consequential securities

- (1) Where a listed issuer intends to issue convertible securities arising from adjustments due to an issue of securities or a subdivision or consolidation of shares (referred to as “**consequential securities**” and “**principal securities**” respectively) -
- (a) the consequential securities must be listed and quoted simultaneously with the principal securities;
 - (b) the listed issuer must ensure that the period from the date it announces the books closing date for the consequential securities to the books closing date is not less than 10 market days; and
 - (c) the listed issuer must submit the additional listing application pursuant to Practice Note 28.
- (2) Where the consequential securities are due to -
- (a) a bonus issue of securities; or
 - (b) a Specified Subdivision or Specified Consolidation;
- the following applies:
- (i) a listed issuer need not submit to the Exchange any quotation application for the consequential securities;
 - (ii) when announcing the books closing date, a listed issuer must include -
 - (aa) the maximum number of consequential securities which may be listed and quoted; and
 - (bb) the date of listing and quotation; and
 - (iii) the listed issuer must, on the books closing date, announce to the Exchange the exact number of consequential securities which will be listed and quoted.

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- (3) Where the consequential securities are not due to a Specified Bonus Issue -
- (a) in relation to the announcement referred to in subparagraph 2(ii) above, if the date of listing and quotation (“**Relevant Date**”) cannot be ascertained at this time, the listed issuer must state that the Relevant Date is dependent upon the other corporate proposal being completed or becoming unconditional;
 - (b) subparagraph 2(iii) above does not apply; and
 - (c) immediately upon the other corporate proposal being completed or becoming unconditional and the listed issuer becoming aware of or ascertaining the Relevant Date, the listed issuer must announce to the Exchange -
 - (i) the exact number of consequential securities which will be listed and quoted; and
 - (ii) the Relevant Date, if not previously announced.

6.57 Notices of conversion or exercise

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

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

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

Within 8 market days after the date of receipt of a conversion or exercise form together with the requisite payment or such other period as may be prescribed or allowed by the Exchange, a listed issuer 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) apply for the quotation of such securities.

PART J – REQUIREMENTS RELATING TO REITS**6.59 Requirements relating to REITs**

- (1) Except for Part G of this Chapter, the provisions in this Chapter also apply to an issuance and listing of new units of a REIT, subject to the requirements in this Part and such other adaptations, where necessary.
- (1A) Notwithstanding paragraph 6.03 above, a REIT may seek a general mandate from its unit holders in a general meeting for the issuance of new units up to 20% of its total number of units issued. The REIT must ensure that –
 - (a) the number of units issued pursuant to a general mandate, when aggregated with the number of units issued during the preceding 12 months does not exceed 20% of the total number of units issued; and
 - (b) placement to any single placee for the number of units to be issued under subparagraph (a) above does not exceed 10% of the total number of units issued.
- (2) [Deleted]
- (3) [Deleted]

PART K – REQUIREMENTS RELATING TO ETFs**6.60 Requirements relating to ETFs**

- (1) Except for Part G of this Chapter, the provisions in this Chapter also apply to an issuance and listing of new units of an ETF, subject to such adaptations, where necessary.
- (2) [Deleted]
- (3) [Deleted]

PART L – REQUIREMENTS RELATING TO SPECIAL PURPOSE ACQUISITION COMPANIES**6.61 New issue of securities by SPAC**

- (1) A SPAC must not undertake any new issue of securities unless it is by way of rights issue of securities.
- (2) In undertaking a rights issue of securities, a SPAC must -
 - (a) comply with Part E of this Chapter, where applicable; and
 - (b) place at least 90% of the gross proceeds raised in the rights issues in the same Trust Account held by the custodian in which the gross proceeds raised from the SPAC's initial public offering are kept, immediately upon receipt of the proceeds.

PART M – IMPLEMENTATION OF PROPOSALS**6.62 Implementation deadline**

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

6.63 Extension of implementation time

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

6.64 Post-implementation obligations

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

[End of Chapter]

APPENDIX 6A**Part A****Contents of announcement in relation to a new issue of securities**
(paragraphs 6.07, 6.32, 6.48 and 6.52)**DETAILS OF THE PROPOSALS**

- (1) The number and type of securities to be issued.
- (2) The persons to whom the new issue of securities will be allotted/issued.
- (3) The basis of allotment, where applicable.
- (4) The issue price of the new issue of securities, the basis of determining the issue price and justification for the pricing.
- (5) The ranking of the new issue of securities.
- (6) Whether listing will be sought for the new issue of securities.
- (7) Where applicable, the minimum level of subscription and the basis of determining the minimum level of subscription.
- (8) In the case of a bonus issue -
 - (a) the details of the reserves to be capitalised for the bonus issue, if applicable;
 - (b) a statement that the reserves required for capitalisation of the bonus issue complies with paragraph 6.30(2)(b) of these Requirements, if applicable;
 - (c) where the bonus issue is to be made in stages over a period of time, relevant details of the same including -
 - (i) the extended implementation period;
 - (ii) the tentative books closing dates;
 - (iii) the effects of the bonus issue on reserves, if applicable;
 - (iv) [deleted]
 - (v) a statement as to the potential price effects of the staggered implementation;
and
 - (vi) the rationale/justification for the implementation of the bonus issue on a staggered basis; and
 - (d) the number of shares before and after the bonus issue.
- (9) In the case of issue and placement of securities in stages over a period of time, the relevant details of the same including the rationale/justification.
- (10) In the case of a Share Issuance Scheme, the duration of the scheme, basis of determining the exercise price and eligibility.

Appendix 6A
Contents of announcement for new issue of securities

- (11) Where the listed issuer intends to implement more than 1 Employee Share Scheme, the following information in relation to the Employee Share Schemes:
- (a) the number of schemes currently in existence;
 - (b) the following information in relation to options or shares granted to directors under all the existing schemes:
 - (i) aggregate options or shares granted since commencement of the scheme;
 - (ii) aggregate options exercised or shares vested since commencement of the scheme; and
 - (iii) aggregate options or shares outstanding; and
 - (c) for each existing scheme –
 - (i) brief details of each scheme including its expiry date, eligible grantees, maximum number and percentage of total shares issued or vested under the scheme, total number of shares granted, and total number of options exercised or shares vested; and
 - (ii) aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them.

RATIONALE AND JUSTIFICATION FOR THE PROPOSAL

- (12) The purpose of the new issue of securities.
- (13) The justification for embarking on the new issuance of securities rather than other available options.
- (14) In the case of new issue of securities for fund-raising purposes, the details of equity fund-raising exercises undertaken in the past 12 months before the announcement of the new issue of securities, including –
- (a) a description of the equity fund-raising exercise;
 - (b) the total proceeds raised; and
 - (c) the details and status of the utilisation of proceeds.

If there is none, a negative statement to that effect.

UTILISATION OF PROCEEDS

- (15) The gross proceeds from the issue of securities and a detailed statement with regard to the utilisation of such proceeds, where applicable.
- (16) Where the proceeds from the new issue of securities are to be utilised for –
- (a) the existing business of the listed issuer's group of corporations; or
 - (b) a new business to be acquired or undertaken,

a description and outlook of the industry where the listed issuer's group of corporations operates or will be operating and the prospects of the business in light of the industry outlook.

Appendix 6A
Contents of announcement for new issue of securities

- (17) Where the issuance of securities or proceeds are utilized for an acquisition of assets or interests, the relevant information on the transaction as required under Appendix 10A of these Requirements if such acquisition falls within the ambit of Chapter 10 of these Requirements and announcement is required pursuant to Chapter 10.

EFFECTS OF THE PROPOSAL

- (18) The effect of the new issue of securities on the following, in tabular form:
- (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);
 - (c) the earnings per share of the group;
 - (d) the substantial shareholding structure (to show effect for each proposal);
 - (e) gearing, where applicable; and
 - (f) any existing convertible securities.

APPROVALS REQUIRED

- (19) The approvals required for the new issue and the estimated time frame for submission of the application to the relevant authorities.

INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSON CONNECTED

- (20) Whether the directors, major shareholders, chief executive or persons connected with them have any interest, direct or indirect, in the issue.

TIMEFRAME FOR COMPLETION / IMPLEMENTATION

- (21) The estimated time frame for completion of the new issue of securities.

FURTHER / ADDITIONAL INFORMATION

- (22) Where a mandate for issue of securities is sought, a statement whether such mandate is a renewal and the details of the previous mandate.

Part B**Additional contents of announcement in relation to an issue of debt securities**
(paragraph 6.48)

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

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- (6) A summary of other material terms of issue.

Part C**Additional contents of announcement in relation to an issue of convertible securities**
(paragraph 6.52)

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

[End of Appendix]

APPENDIX 6B**Part A****Contents of circular in relation to a new issue of securities**
(paragraphs 6.08(1) and 6.53(1))**COVER PAGE**

- (1) A heading drawing attention to the importance of the circular and advising holders of securities who are in any doubt as to what action to take, to consult appropriate independent advisers.
- (2) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, valuation certificate and report if any, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to an Exempt Circular, a statement that Bursa Malaysia Securities Berhad has not perused the circular before its issuance.

INTRODUCTION

- (3) The purpose of the circular.

DETAILS OF THE PROPOSALS

- (4) The particulars, terms and conditions of the issue and date on which the new issue of securities was announced.
- (5) The number and type of securities to be issued.
- (6) The persons to whom the new issue of securities will be allotted/issued.
- (7) The basis of allotment, where applicable.
- (8) The issue price of the new issue of securities, the basis of determining the issue price and justification for the pricing.
- (9) The ranking of the new issue of securities and treatment of any fractions.
- (10) Whether listing will be sought for the new issue of securities.
- (11) Where applicable, securities holders' undertakings stating the portion of the new issue of securities which the securities holders have given their written irrevocable undertaking to subscribe for their entitlement in full, including -
 - (a) the names of the securities holders;
 - (b) the number and percentage of the existing issued shares held by them in the listed issuer; and
 - (c) the number and percentage of securities which they are entitled to under the new issue of securities.

Appendix 6B
Contents of circular for new issue of securities

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- (12) Where securities holders have irrevocably undertaken to subscribe for the securities and if applicable, excess application -
- (a) a statement that the securities holders have confirmed that they have sufficient financial resources to take up the securities and such confirmation has been verified by an acceptable independent party such as the listed issuer's Recognised Principal Adviser; and
 - (b) a statement as to the consequences of the subscription for the securities on the listed issuer and its securities holders with regard to the Take-Overs and Mergers Code.
- (13) Where applicable, the minimum level of subscription and the basis of determining the minimum level of subscription. In the event the minimum level is not achieved, to state its impact on the proposal and alternative plans (if any).
- (14) A statement as to whether the new issue of securities will be underwritten and the number and percentage of securities to be underwritten. Where the underwriting arrangements have been entered into, details of the underwriting arrangements, including -
- (a) the name(s) of the underwriter(s);
 - (b) the underwriting commission and the party that will bear the same; and
 - (c) any provisions which may permit the underwriter(s) to withdraw from obligations pursuant to the underwriting agreement and/or terminate the underwriting agreement.
- (15) In the case of a bonus issue -
- (a) the details of the reserves to be capitalised for the bonus issue including the amount to be capitalised and the amount standing to the credit of such account, if applicable;
 - (b) a statement that the reserves required for capitalisation of the bonus issue complies with paragraph 6.30(2)(b) and that the available reserves have been confirmed by the external auditors or reporting accountants, if applicable;
 - (c) where the reserves to be capitalised arise from a revaluation of real estates -
 - (i) the name of the independent registered valuer;
 - (ii) the date and method of valuation;
 - (iii) the valuation certificate which must contain all particulars of, and information on, the property being valued in accordance with the SC's Asset Valuation Guidelines; and
 - (iv) a statement that the valuation report and the valuation certificate are available for inspection;
 - (d) where a second opinion valuation has been obtained, the figures for the original valuation and the second opinion valuation;
 - (dA) a statement that the bonus issue complies with paragraph 6.30(1A);
 - (e) where the bonus issue is to be made in stages over a period of time, relevant details of the same including -
 - (i) the extended implementation period;

Appendix 6B
Contents of circular for new issue of securities

-
- (ii) the tentative books closing dates;
 - (iii) the effects of the bonus issue on reserves;
 - (iv) [deleted]
 - (v) a statement drawing securities holders' attention to the staggered implementation of the bonus issue and the potential price effects of the staggered implementation; and
 - (vi) the rationale/justification for the implementation of the bonus issue on a staggered basis; and
- (f) the number of shares before and after the bonus issue.
- (16) In the case of issue and placement of securities in stages over a period of time, the relevant details of the same, including the rationale/justification.
- (17) In the case of a Share Issuance Scheme -
- (a) the information set out in Appendix 6E;
 - (b) where applicable, the rationale for extending participation in the share scheme to non-executive directors;
 - (c) the performance targets, if any, that must be achieved before the options can be exercised or shares can be vested, and if none, a negative statement to that effect;
 - (d) the potential cost to the listed issuer arising from the grant of options or shares under the scheme;
 - (e) the aggregate maximum allocation to directors and senior management in percentage under the scheme;
 - (f) where the listed issuer intends to implement more than 1 Employee Share Scheme, the following information in relation to the Employee Share Schemes:
 - (i) the number of schemes currently in existence;
 - (ii) the following information in relation to options or shares granted to directors under all the existing schemes:
 - (aa) aggregate options or shares granted since commencement of the scheme;
 - (bb) aggregate options exercised or shares vested since commencement of the scheme; and
 - (cc) aggregate options or shares outstanding; and
 - (iii) for each existing scheme –
 - (aa) brief details of each scheme including its expiry date, eligible grantees, maximum number or percentage of total shares issued or vested under the scheme, total number of shares granted, and total number of options exercised or shares vested; and

Appendix 6B
Contents of circular for new issue of securities

- (bb) aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them;
- (g) where the directors of the listed issuers have a direct or indirect interest in the scheme, the details of the said interest;
- (h) whether the allocation available will be staggered over the duration of the scheme, and–
 - (i) if yes, the maximum allocation available for each financial year during the duration of the scheme; or
 - (ii) if no, the reasons why not; and
- (i) whether there is any vesting period for the options or shares granted under the scheme.
- (18) In the case of issues of shares or convertible securities on a non-pro rata basis pursuant to paragraph 6.05, particulars on the persons to whom the securities will be issued including the following:
 - (a) if such person is a corporation, the names of its directors and substantial shareholders together with their respective direct and/or indirect shareholdings, or the website links to such information where the corporation is a statutory institution managing funds belonging to the public; and
 - (b) the amount of securities to be placed to each placee.

RATIONALE AND JUSTIFICATION FOR THE PROPOSAL

- (19) The purpose of the new issue of securities.
- (20) The justifications for embarking on the new issue of securities rather than other available options.
- (21) In the case of new issue of securities for fund-raising purposes, the details of equity fund-raising exercises undertaken in the past 12 months before the announcement of the new issue of securities, including –
 - (a) a description of the equity fund-raising exercise;
 - (b) the total proceeds raised; and
 - (c) the details and status of the utilisation of proceeds.

If there is none, a negative statement to that effect.

UTILISATION OF PROCEEDS

- (22) A statement with regard to -
 - (a) the gross proceeds of the new issue of securities;
 - (b) the proposed utilisation of the gross proceeds including the following information, if the proceeds are to be used for -
 - (i) reducing borrowings, the amount of annual savings in interest payments and the total borrowings of the group as at the latest practicable date;

Appendix 6B
Contents of circular for new issue of securities

-
- (ii) expansion, relocation of factory or office premises, the details on the location of the factory or building, total cost of construction, built-up area and production capacity before and after the expansion or relocation (where relevant);
 - (iii) investment, the following information:
 - (aa) the details of the investment; or
 - (bb) if the investment has not been identified, a statement of how the proceeds will be utilised in the meantime, pending identification of the investments; and
 - (iv) working capital, the details and breakdown;
 - (c) the estimated expenses of the new issue of securities; and
 - (d) the time frame for full utilisation of the proceeds.
- (23) Where the proceeds from the new issue of securities are to be utilised for -
- (a) the existing business of the listed issuer's group of corporations; or
 - (b) a new business to be acquired or undertaken,
- a description and outlook of the industry where the listed issuer's group of corporations operates or will be operating and the prospects of the business in light of the industry outlook.
- (24) Where the issuance of securities or proceeds are utilized for acquisition of assets/interests, the relevant information on the transaction as required under Appendix 10A of these Requirements if such acquisition falls within the ambit of Chapter 10 and shareholder approval is required pursuant to Chapter 10.

EFFECTS OF THE PROPOSAL

- (25) The effects of the new issue of securities on the following, in tabular form:
- (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);
 - (c) the earnings per share of the group;
 - (d) the substantial shareholding structure (to show effect for each proposal);
 - (e) gearing, where applicable; and
 - (f) any existing convertible securities.
- (26) A statement setting out all material commitments and contingent liabilities incurred or known to be incurred by the listed issuer.

APPROVALS REQUIRED

- (27) The approvals required for the new issue of securities, dates on which such approvals were obtained, the conditions of the approvals, and the status of compliance.

CONDITIONALITY OF THE PROPOSAL

- (28) The details of any other intended corporate exercise/scheme which have been announced but not yet completed before the printing of the circular and whether the new issue of securities is conditional or inter-conditional upon such and/or any other corporate exercise/scheme.

INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSON CONNECTED

- (29) (a) Whether the new issue of securities is to a director, major shareholder, chief executive or person connected with a director, major shareholder or chief executive.
- (b) If the answer to (a) is in the affirmative, a statement that such person and also the director, major shareholder or chief executive concerned, where the issue is to a person connected with a director, major shareholder or chief executive, must abstain from voting in respect of their direct and/or indirect shareholdings.
- (c) A statement that such interested director, major shareholder or chief executive has/have undertaken that he/they will ensure that the persons connected with him/them will abstain from voting on the resolution approving the issue at the general meeting.
- (d) In the case of an interested director, a statement that the interested director has abstained or will abstain from deliberating and voting on the relevant resolution at the board meeting.

RECOMMENDATION AND BASIS OF RECOMMENDATION

- (30) A statement by the board of directors, excluding interested directors, stating whether the issue is in the best interest of the listed issuer. Where a director disagrees with such statement, a statement by the said director setting out the reasons and the factors taken into consideration in forming that opinion.
- (31) Where voting is required, a recommendation together with the basis of such recommendation from the board of directors, excluding interested directors, as to the voting action that securities holders should take.

TIMEFRAME FOR COMPLETION / IMPLEMENTATION

- (32) The estimated time frame for completion of the new issue of securities and in the case of rights issue or bonus issue, the tentative time table for the implementation of the proposal.

FURTHER / ADDITIONAL INFORMATION

- (33) The monthly highest and lowest market prices of the listed securities transacted for the 12 months preceding the date of the circular and the last transacted price immediately before the announcement of the new issue of securities and as at the latest practicable date before the printing of the circular.
- (34) Any other information which the securities holders and their Recognised Principal Advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

APPENDICES

- (35) In the case of a Share Issuance Scheme, the bylaws of the scheme.

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Contents of circular for new issue of securities

- (36) Other information as follows:
- (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed issuer and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the circular misleading;
 - (b) where a person is named in the circular as having advised the listed issuer or its directors, a statement -
 - (i) that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name, letter or both (if applicable) in the form and context in which it is included; and
 - (ii) by the adviser as to whether a conflict of interest exists or is likely to exist in relation to its role as an adviser. If a conflict of interest exists or likely to exist in relation to its role as an adviser, to provide full disclosure of the nature and extent of the conflict of interest or potential conflict of interest, the parties to the conflict; and measures taken for resolving, eliminating, or mitigating the situations of conflict of interest;
- For this purpose, “**conflict of interest**” means circumstances or relationships which affect or may affect the ability of the adviser to act independently and objectively or where the adviser has an interest in the outcome of the proposal which interferes or is likely to interfere with its independence and objectivity;
- (c) a statement of all material litigation, claims or arbitration involving the listed issuer and/or any of its subsidiaries, including those pending or threatened against such corporations. The following particulars must be disclosed:
 - (i) the background;
 - (ii) the date of the suit;
 - (iii) the names of the plaintiff(s) and defendant(s);
 - (iv) the estimate of the maximum exposure to liabilities;
 - (v) directors'/solicitors' opinion of the outcome; and
 - (vi) the status;
 - (d) a statement that from the date of the circular until the date of the general meeting the following documents (or copies of the documents) may be inspected at the registered office of the listed issuer:
 - (i) the constitution;
 - (ii) the audited financial statements of the listed issuer, group or both for the past 2 financial years and the latest unaudited results since the last audited financial statements;
 - (iii) all reports, letters or other documents, statement of financial position, valuations and statements by any expert, any part of which is extracted or referred to in the circular;

Appendix 6B
Contents of circular for new issue of securities

-
- (iv) the letters of consent referred to in subparagraph (b) above;
 - (v) the relevant cause papers in respect of the material litigation referred to in subparagraph (c) above;
 - (vi) the trust deed and/or deed poll (where applicable);
 - (vii) the financial estimate, forecast or projection, as the case may be, together with the auditors' letter (if provided);
 - (viii) the pro forma consolidated statement of financial position together with the auditors' letter (if provided); and
 - (ix) by-laws of the scheme, in the case of a Share Issuance Scheme.

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

(paragraph 6.53(1))

- (1) The maximum number of the underlying securities which would be issued on the exercise of the convertible securities.
- (2) The ranking of the securities arising from the exercise or conversion.
- (3) Whether listing will be sought for the securities that will be issued upon exercise or conversion.
- (4) The period during which the convertible securities may be exercised and the date when this right commences and expires.
- (5) The amount payable on the exercise of the convertible securities and the basis of determining the exercise or conversion price.
- (6) The step-up or step-down pricing mechanism (if any), the amount of step-up or step-down and the time frames for the adjustment of the exercise or conversion price.
- (7) The rights of the holders on the liquidation of the listed issuer.
- (8) The arrangement for the adjustment in the subscription or purchase price and in the number of convertible securities in the event of alteration to the share capital of the listed issuer.
- (9) The rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the listed issuer.
- (10) Where the convertible securities have debt features -
 - (a) the interest rate and interest payment date(s);
 - (b) the method of redemption;
 - (c) whether guaranteed or secured; and if so, details of such guarantee or security; and
 - (d) the rating of the issue.
- (11) A summary of the material terms of the convertible securities.

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

- (12) Where applicable, all provisions for changes in the terms of the convertible securities during the tenure of the securities.
- (13) The proposed utilisation of proceeds arising from the exercise or conversion of convertible securities.

[End of Appendix]

APPENDIX 6C

Timeline for a rights issue
(paragraph 6.23(2))

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

Note:

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

[End of Appendix]

APPENDIX 6D

Undertaking by a valuer of a listed issuer
(paragraphs 6.31 and 10.04)

To

Bursa Malaysia Securities Berhad
Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

Compliance with Main Market Listing Requirements

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

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

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

Yours faithfully,

.....
Name:
Designation:
Date:

Delete as appropriate

** Applicable to a foreign valuer only.

[End of Appendix]

Appendix 6E
Contents of bylaws of a Share Issuance Scheme

APPENDIX 6E**Contents of bylaws of a Share Issuance Scheme**

(paragraphs 6.42 and 6.44)

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

[End of Appendix]

APPENDIX 6F**Contents of a trust deed/deed poll**
(paragraph 6.54(2))

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

[End of Appendix]