

Our Ref: IS/TAC(ro/fz)/LD19/20 [eCorporate Exercises]

24 April 2020

**The Company Secretary**  
(Main Market Listed Issuers)

Via email

Dear Sir/Madam,

**AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS (“MAIN LR”) IN RELATION TO APPLICATION OF CORPORATE EXERCISES VIA ELECTRONIC MEANS**

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**(A) INTRODUCTION**

1. Pursuant to section 9 of the Capital Markets and Services Act 2007, Bursa Malaysia Securities Berhad (“the Exchange”) has made the amendments to the Main LR in relation to application of corporate exercises via electronic means (“eCorporate Exercises Amendments”).

**(B) BACKGROUND**

2. Rapid advancements in technologies have reshaped our market and the way businesses are conducted, leading to greater process efficiency and efficacy. Recognising this, the Exchange is leveraging on technology to facilitate securities holders to partake in corporate exercises in a more efficient and expeditious manner.
3. In this regard, the Exchange has amended the requirements relating to new issue of securities under the Main LR to provide securities holders with an option to subscribe for rights shares, exercise convertible securities and participate in a Dividend Reinvestment Scheme (“DRS”)<sup>1</sup>, electronically.

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<sup>1</sup> Dividend Reinvestment Scheme or DRS means a scheme which enables shareholders to reinvest cash dividend into new shares.

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4. These amendments complement the Exchange's various digital initiatives to enhance customer experience and further develop an efficient and effective market ecosystem. They are also in line with the aim of the Brokerage Industry Digitisation Group<sup>2</sup> ("BRIDGe") to drive and accelerate innovation within the Malaysian financial industry for a more seamless end-to-end process within the industry.
5. In finalising the eCorporate Exercises Amendments, we have considered various feedback and comments from the industry, including that received in response to the public consultation paper issued on 26 September 2019.

(C) **eCORPORATE EXERCISES AMENDMENTS**

6. The eCorporate Exercises Amendments include the following:
  - (a) requiring a listed issuer to facilitate its securities holders to perform the following electronically, in addition to the manual method:
    - (i) subscription and payment for rights issue;
    - (ii) conversion and payment for convertible securities; and
    - (iii) election to participate in a DRS;
  - (b) clarifying that "**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; and
  - (c) requiring the listed issuer to include the procedures for manual and electronic application in the notice of conversion/exercise of convertible securities and statement accompanying the election notice to participate in the DRS.
7. The eCorporate Exercises Amendments are expected to provide the following benefits:
  - (a) improve efficiency and faster time-to-market for corporate exercises undertaken by listed issuers through expeditious electronic or online processes;

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<sup>2</sup> BRIDGe is established by Securities Commission Malaysia ("SC") and Bank Negara Malaysia ("BNM"), and is a joint working group between the regulators (encompassing SC, BNM and the Exchange) as well as the industry (such as the brokers, banking institutions and share registrars).

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- (b) enhance customer experience for securities holders through easy and convenient access of documents electronically, as well as online applications and payments; and
- (c) promote better sustainable practices through minimising the use of physical or paper forms.

**(D) FULL TEXT OF THE AMENDMENTS**

8. The full text of the eCorporate Exercises Amendments is attached in **Appendix 1**. For ease of reference, the amendments are reflected in the following manner:
- portions underlined are text newly inserted / added onto the existing rules; and
  - portions struck through are text deleted.

**(E) IMPLEMENTATION**

9. The eCorporate Exercises Amendments are effective for any rights issue, DRS or issuance of convertible securities announced on or after 2 February 2021 (“Effective Date”). This is to ensure that there is adequate grace period for the service providers to develop, improvise or enhance their systems for the electronic services pursuant to the eCorporate Exercises Amendments and for the listed issuers to comply with the requirements.
10. A listed issuer may, on a voluntary basis, offer the electronic mode in connection with any rights issue, DRS or issuance of convertible securities announced before the Effective Date, provided that it complies with the requirements under the eCorporate Exercises Amendments.

**(F) ADDITIONAL INFORMATION**

11. In addition, we have also provided “Questions and Answers” as set out in **Appendix 2** to facilitate a listed issuer’s better understanding of, and compliance with the eCorporate Exercises Amendments.
12. This letter and the above-mentioned document are also available at Bursa Malaysia Berhad’s website at [www.bursamalaysia.com](http://www.bursamalaysia.com).


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13. If you have any queries on the eCorporate Exercises Amendments above, please contact Listing Advisory & Development, Listing Division at 03-2034 7766.

Thank you

Yours faithfully,



**REGULATION**

Encls. (2)