

**BURSA MALAYSIA SECURITIES  
BERHAD**

**MAIN MARKET  
LISTING REQUIREMENTS**



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## CHAPTER 1 DEFINITIONS AND INTERPRETATION

## PART A – DEFINITIONS

## 1.01 Definitions

In these Requirements, unless the context otherwise requires -

admission		means admission of securities to the Official List of the Exchange and “ <b>admitted</b> ” will be construed accordingly.
adviser		in relation to a listed issuer, means – <ul style="list-style-type: none"> <li>(a) a person who is permitted to carry on the regulated activity of advising corporate finance under the CMSA, which includes a Principal Adviser;</li> <li>(b) a financial adviser, lawyer, accountant, valuer, or any other person retained by a listed issuer 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 issuer.</li> </ul>
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 person who is applying for admission of securities.
approved accounting standards		in relation to the Malaysian Accounting Standards Board (MASB), has the meaning given in section 2 of the Financial Reporting Act 1997, but excluding the Malaysian Private Entities Reporting Standard or its equivalent.
associate		in relation to any person (referred to as “ <b>said Person</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 Person;</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 Person or a family member of the said Person is the sole beneficiary;</li> <li>(c) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;</li> <li>(d) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;</li> </ul>

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	(e)	a body corporate in which the director, shareholder or a family member of the said Person 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 body corporate which is a related corporation of the said Person.
associated company		has the meaning given to “ <b>associate</b> ” under the accounting standards issued or adopted by the Malaysian Accounting Standards Board.
auditor		means an auditor who is registered as a registered auditor or recognized as a recognized auditor under section 31O of the Securities Commission Malaysia Act 1993.
Audit Oversight Board		means the body 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.
Board		in relation to the Exchange, means the board of directors of the Exchange.
board lot		in relation to any securities quoted on the Official List, means a parcel of securities comprising 100 units or any other number of securities permitted by the Exchange to be traded on the stock market.
books closing date		means the specified time and date set by a listed issuer for the purpose of determining entitlements to dividends, interests, new securities or other distributions or rights of holders of its securities.
business trust		means a unit trust scheme where the operation or management of the scheme and the scheme’s property or asset is managed by a trustee-manager.
Cash Company		means a listed issuer whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both, who has been considered by the Exchange as a Cash Company under paragraph 8.03.
change in the board of directors		in relation to 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.

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chief financial officer	in relation to a corporation, means the person primarily responsible for the management of the financial affairs of the corporation (such as record keeping, financial planning and financial reporting), by whatever name called.
closed-end fund	<p>means an applicant or a listed corporation which is engaged wholly in the business of investing its funds in securities for the purposes of -</p> <p>(a) spreading investment risks; and</p> <p>(b) managing a portfolio of investments,</p> <p>to gain revenue and profit for the benefit and on behalf of its shareholders.</p>
CMSA	means the Capital Markets and Services Act 2007.
collective investment scheme	<p>means any arrangement where –</p> <p>(a) it is made for the purpose, or having the effect, of providing facilities for persons to participate in or receive profits or income arising from the acquisition, holding, management or disposal of securities, derivatives or any other assets (“<b>fund’s assets</b>”) or sums paid out of such profits or income;</p> <p>(b) the persons who participate in the arrangements do not have day-to-day control over the management of the fund’s assets;</p> <p>(c) the contributions from the persons who participate in the arrangements and the profits or income from which payments are made, are pooled; and</p> <p>d) the fund’s assets are managed by an entity who is responsible for the management of the fund’s assets and is approved, authorised or licensed by a relevant regulator to conduct fund management activities,</p> <p>and includes amongst others REITs, ETFs and closed-end funds.</p>
completion of qualifying acquisition	in relation to a SPAC, means the point of time where all conditions precedent set out in the sale and purchase agreement governing the qualifying acquisition have been fulfilled, and “ <b>complete the qualifying acquisition</b> ” will be construed accordingly.
Companies Act	means the Companies Act 2016.
controlling shareholder	means any person who is or a group of persons who together are entitled to exercise or control the exercise of more than 33% of the voting shares in a company (or such other percentage as may be prescribed in the Take-Overs and Mergers Code as being the level for triggering a mandatory general offer) or who is or are in a position to control the composition of a majority of the board of directors of such company.

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controlling unit holder	means any person who is or a group of persons who together are entitled to exercise or control the exercise of more than 33% of the voting units in a unit trust scheme (or such other percentage as may be prescribed in the Take-Overs and Mergers Code as being the level for triggering a mandatory general offer).
convertible securities	means securities which are convertible or exercisable, by their terms of issue, into listed shares.
core business	means the business which provides the principal source of operating revenue or after-tax profit 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.
custodian	in relation to a Trust Account for a SPAC, means - <ul style="list-style-type: none"> <li>(a) a trust company registered under the Guidelines on the Registration and Conduct of Capital Market Services Providers; or</li> <li>(b) a licensed bank or licensed investment bank as defined in the Financial Services Act 2013,</li> </ul> <p>which is independent of the SPAC's adviser and management team.</p>
debt securities	means debentures, loan stocks or other similar instruments representing or evidencing indebtedness, whether secured or unsecured, and whether convertible or not.
deposited security	means a security standing to the credit of a securities account and includes a security in a securities account that is in suspense.
depositor	means a holder of a securities account established by the Depository.
Depository	means Bursa Malaysia Depository Sdn Bhd.
depository bank	in relation to depository receipts, means the issuer of such depository receipts.
depository receipt	means a security which accords a right to the registered holder to own a prescribed quantity of securities listed on a Recognised Stock Exchange.
director	has the meaning given in section 2(1) of the CMSA and includes – <ul style="list-style-type: none"> <li>(a) in the case of an issuer of structured warrants, a director of the issuer of the structured warrants;</li> <li>(b) in the case of an applicant or listed issuer which is a collective investment scheme, a director of a management company; or</li> <li>(c) in the case of an applicant or listed issuer which is a business trust, a director of the trustee-manager.</li> </ul>
Dividend Reinvestment Scheme	means a scheme which enables shareholders to reinvest cash dividend into new shares.

Employee Scheme	Share	means collectively a Share Issuance Scheme and a Share Grant Scheme.
Exchange		means Bursa Malaysia Securities Berhad.
Exchange Company	Holding	means Bursa Malaysia Berhad.
exchange-traded fund ("ETF")	fund	means a listed fund structured as a unit trust scheme whose principal aim is to – <ul style="list-style-type: none"> <li>(a) track;</li> <li>(b) deliver multiples of; or</li> <li>(c) deliver opposite of,</li> </ul> the performance of an index or a benchmark using a passive investment strategy.
expert		includes an engineer, valuer, accountant and any other person whose profession 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: <ul style="list-style-type: none"> <li>(a) spouse;</li> <li>(b) parent;</li> <li>(c) child including an adopted child and step-child;</li> <li>(d) brother or sister; and</li> <li>(e) spouse of the person referred to in subparagraphs (c) and (d) above.</li> </ul>
foreign corporation		means an entity that is incorporated outside Malaysia.
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 issuer which appoints it and free from any business or other relationship which could interfere with the exercise of independent judgement by such adviser or expert.
independent director		means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of an applicant or a listed issuer. Without limiting the generality of the foregoing, an independent director is one who - <ul style="list-style-type: none"> <li>(a) is not an executive director of the applicant, listed issuer or any related corporation of such applicant or listed issuer (each corporation is referred to as "<b>said Corporation</b>");</li> </ul>



- (b) is not, and has not been within the last 3 years, an officer (except as an independent director) of the said Corporation. For this purpose, “**officer**” has the meaning given in section 2 of the Companies Act;
- (c) is not a major shareholder the said Corporation;
- (d) is not a family member of any executive director, officer or major shareholder of the said Corporation;
- (e) is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
- (f) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by the Exchange, or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or
- (g) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange.

*[Cross reference: Practice Note 13]*

infrastructure project	means a project which creates the basic physical structures or foundations for the delivery of essential public goods and services that are necessary for the economic development of a state, territory or country, such as the construction and operation of roads, bridges, tunnels, railways, mass transit systems, seaports, airports, water and sewage systems, sewerage systems, power plants, gas supply systems and telecommunication systems.
infrastructure project corporation	means a corporation whose core business is building and operating an infrastructure project.
listed	means admitted to the Official List and not removed, and “ <b>listing</b> ” will be construed accordingly.
listed corporation	means a corporation whose securities or any class of its securities have been admitted to the Official List and not removed.
listed issuer	means any one or more, as the context may require, of the following: <ul style="list-style-type: none"> <li>(a) a listed corporation, including a SPAC;</li> <li>(b) a listed collective investment scheme;</li> <li>(c) a listed business trust; or</li> <li>(d) an issuer of any other listed securities.</li> </ul>

major associated company or major subsidiary means an associated company or subsidiary, as the case may be, which contributes 70% or more of the profit before tax or total assets employed of the listed issuer on a consolidated basis.

major shareholder means a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is –

- (a) 10% or more of the total number of voting shares in the corporation; or
- (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.

For the purpose of this definition, “**interest**” shall have the meaning of “**interest in shares**” given in section 8 of the Companies Act.

major unit holder means a person who has an interest or interests in one or more units in a unit trust scheme and the number or aggregate number of those units is –

- (a) 10% or more of the total number of the units in the unit trust scheme; or
- (b) 5% or more of the total number of the units in the unit trust scheme where such person is the largest unit holder of the unit trust scheme.

For the purpose of this definition, “**interest in units**” has the meaning given in section 4 of the CMSA.

management company means a company by which or on whose behalf a unit of a collective investment scheme –

- (a) has been or is proposed to be issued or offered for subscription or purchase; or
- (b) in respect of which an invitation to subscribe or purchase has been made,

and includes any person for the time being exercising the functions of the management company.

management team in relation to a SPAC, includes the executive directors and members of the senior management of the SPAC who are involved in making strategic decisions in the SPAC.

Managers in relation to a closed-end fund, means collectively –

- (a) such company incorporated in Malaysia; and
- (b) individual(s),

responsible for managing the investments of closed-end fund as approved by the SC under the SC’s Guidelines for Public Offerings of Securities of Closed-end Funds.

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market day	means a day on which the stock market of the Exchange is open for trading in securities.
MCCG	means the Malaysian Code on Corporate Governance.
member	includes a depositor who will be treated as if he were a member pursuant to section 35 of the Securities Industry (Central Depositories) Act 1991 but excludes the Depository in its capacity as a bare trustee.
MOG	means mineral or O&G. “ <b>Mineral</b> ” and “ <b>O&amp;G</b> ” have the meanings assigned to them in the SC’s Equity Guidelines.
net assets	refers to the net assets attributable to ordinary equity holders of the listed issuer.
officer	<p>(a) in relation to an applicant, listed issuer or its related corporation, means the chief executive, the chief operating officer, the chief financial controller or any other person primarily responsible for the operations or financial management of an applicant, listed issuer or its related corporation, by whatever name called; and</p> <p>(b) in relation to the Exchange or the Exchange Holding Company, has the meaning given in section 2 of the Companies Act.</p>
Official List	means a list specifying all securities listed on the Main Market of the Exchange.
options	includes options under a share scheme for employees, convertible securities and any other types of options in respect of the issued or unissued securities of a corporation.
Participating Organisation	means a company which carries on the business of dealing in securities and for the time being recognised as a Participating Organisation of the Exchange pursuant to the Rules of the Exchange.
partner	<p>in relation to any person (referred to as “<b>said Person</b>”), means such person who falls within any one of the following categories:</p> <p>(a) a person with whom the said Person, 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> <p>(b) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.</p>
Permitted Investments	in relation to a SPAC, means investments in securities issued by the Malaysian government, money market instruments and AAA-rated papers.
person	includes a body of persons, corporate or unincorporate (including a trust).

person connected	<p>in relation to any person (referred to as “<b>said Person</b>”) means such person who falls under any one of the following categories:</p> <ul style="list-style-type: none"> <li>(a) a family member of the said Person;</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 Person, or a family member of the said Person, is the sole beneficiary;</li> <li>(c) a partner of the said Person;</li> <li>(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;</li> <li>(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;</li> <li>(f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or</li> <li>(g) a body corporate which is a related corporation of the said Person.</li> </ul>
PN17 Issuer	has the meaning given in paragraph 8.04.
predominantly foreign-based operations	<p>means a situation where –</p> <ul style="list-style-type: none"> <li>(a) the after-tax profits of the corporation derived from assets or operations held outside Malaysia are higher than the after-tax profits derived from assets or operations held within Malaysia; or</li> <li>(b) the majority of the infrastructure projects of the corporation are located outside Malaysia.</li> </ul>
predominantly Malaysian-based operations	<p>means a situation where –</p> <ul style="list-style-type: none"> <li>(a) the after-tax profits of the corporation derived from assets or operations held within Malaysia are higher than the after-tax profits derived from assets or operations held outside Malaysia; or</li> <li>(b) the majority of the infrastructure projects of the corporation are located within Malaysia.</li> </ul>
primary listing	means admission to the Official List on a primary basis.
Principal Adviser	means a person set out in the Approved List of Principal Advisers published on the SC’s website.

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principal subsidiary	means a subsidiary which accounts for 25% or more of the profit after tax or total assets employed of the listed issuer based on the latest published or announced audited financial statements of the listed issuer or audited consolidated financial statements of the listed issuer, as the case may be.
promoter	includes a controlling shareholder, a person connected with a controlling shareholder and an executive director who is a substantial shareholder of an applicant or listed issuer.
property development activities	in relation to a REIT, has the meaning given in the SC's Guidelines on Listed REITs.
property development costs	in relation to a REIT, has the meaning given in the SC's Guidelines on Listed REITs.
public	<p>(a) in relation to a corporation, means all persons or members of the public but excludes -</p> <ul style="list-style-type: none"> <li>(i) directors of an applicant or a listed issuer and its subsidiaries;</li> <li>(ii) substantial shareholders of an applicant or a listed issuer except where such a shareholder fulfils all the following requirements in which case such shareholder may be included as a "public" shareholder: <ul style="list-style-type: none"> <li>(aa) such shareholder's interest, directly or indirectly is not more than 15% of the total number of shares of the applicant or listed issuer;</li> <li>(bb) such shareholder is not a promoter of the applicant or listed issuer; and</li> <li>(cc) such shareholder is either - <ul style="list-style-type: none"> <li>(A) a statutory institution who is managing funds belonging to contributors or investors who are members of the public; or</li> <li>(B) an entity established as a collective investment scheme, such as closed-end funds, unit trusts or investment funds (but excluding investment holding companies);</li> </ul> </li> </ul> </li> <li>(iii) associates of directors or substantial shareholders of an applicant or a listed issuer;</li> </ul>

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- (b) in relation to a closed-end fund, has the same meaning as the definition of “public” in relation to a corporation but excludes -
- (i) Managers of the closed-end fund;
  - (ii) directors of the Managers;
  - (iii) substantial shareholders of the Managers; and
  - (iv) associates of the directors or substantial shareholders of the Managers;
- (c) in relation to a collective investment scheme (other than a closed-end fund), means all persons or members of the public but excludes -
- (i) directors and substantial shareholders of the management company;
  - (ii) substantial unit holders of a collective investment scheme except where such a unit holder fulfils all the requirements set out in subparagraph (a)(ii) above as if the unit holder were the shareholder referred in subparagraph (a)(ii), in which case such unit holder may be included as a “public” unit holder;
  - (iii) trustee of a collective investment scheme; and
  - (iv) associates of the directors of the management company or substantial unit holders of a collective investment scheme.
- (d) in relation to the voting securities of a SPAC, means all persons or members of the public but excludes –
- (i) directors of the SPAC;
  - (ii) substantial voting securities holders of a SPAC except where such a voting securities holder fulfils all the requirements set out in subparagraph (a)(ii) above as if the voting securities holder were the shareholder referred in sub-paragraph (a)(ii), in which case such voting securities holder may be included as a “public” voting securities holder; and
  - (iii) associates of directors or substantial voting securities holders of the SPAC; and
- (e) in relation to a business trust, means all persons or members of the public but excludes –
- (i) trustee-manager;
  - (ii) directors and substantial shareholders of the trustee-manager;

- (iii) subsidiary entity as defined in the SC's Business Trust Guidelines;
- (iv) directors or persons performing similar functions as directors of a corporation, of the subsidiary entity;
- (v) substantial unit holders of a business trust except where such a unit holder fulfils all the requirements set out in subparagraph (a)(ii) above as if the unit holder were the shareholder referred in sub-paragraph (a)(ii), in which case such unit holder may be included as a "public" unit holder; and
- (vi) associates of the persons referred to in subparagraphs (e)(i) to (v) above.

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

qualifying acquisition		in relation to a SPAC, means the initial acquisition of business(es) by the SPAC which has an aggregate fair market value equal to at least 80% of the aggregate amount in a Trust Account and is in line with the business strategy disclosed in the prospectus issued in relation to the SPAC's initial public offering.
real estate		means land and all things that are a natural part of the land as well as things attached to the land both below and above the ground, and includes the rights, interests and benefits related to the ownership of the real estate, but excludes mineral, or oil and gas assets and resources.
real estate investment trust (" <b>REIT</b> ")		means a unit trust scheme that invests or proposes to invest primarily in income-generating real estate.
Recognised Exchange	Stock	means – <ul style="list-style-type: none"> <li>(a) a body corporate which has been approved by the Minister under section 8(2) of the CMSA; or</li> <li>(b) a foreign stock exchange declared by the Exchange to be a recognised stock exchange.</li> </ul>
Record of Depositors		means a record provided by the Depository to a listed issuer under Chapter 24.0 of the Rules of the Depository.
register		means the register of members to be kept pursuant to the Companies Act.

related corporation	means a corporation which is – <ul style="list-style-type: none"> <li>(a) the holding company of another corporation;</li> <li>(b) a subsidiary of another corporation; or</li> <li>(c) a subsidiary of the holding company of another corporation.</li> </ul>
related party	<ul style="list-style-type: none"> <li>(a) in relation to a corporation, means a director, major shareholder or person connected with such director or major shareholder;</li> <li>(b) in relation to a business trust, means the trustee-manager, a director or major shareholder of the trustee-manager, a major unit holder of the business trust or person connected with any of the aforesaid persons;</li> <li>(c) in relation to a closed-end fund, means the Managers, a director or major shareholder of the Managers or the closed-end fund, or person connected with any of the aforesaid persons; or</li> <li>(d) in relation to a REIT, means the management company, the trustee, a director or major shareholder of the management company, major unit holder of the REIT, or person connected with any of the aforesaid persons.</li> </ul> <p>For the purpose of this definition, “<b>director</b>”, “<b>major shareholder</b>” and “<b>major unit holder</b>” have the meanings given in paragraph 10.02 of these Requirements.</p>
reporting accountants	means a firm of public accountants that is a registered auditor with the Audit Oversight Board and whose registration has not been suspended.
RM and sen	means Ringgit Malaysia and sen respectively.
Rules of the Depository	means the Rules of Bursa Malaysia Depository Sdn Bhd, including any amendment that may be made from time to time.
Rules of the Exchange	means the Rules of Bursa Malaysia Securities Berhad, including any amendment that may be made from time to time.
SC	means the Securities Commission Malaysia established under section 3 of the Securities Commission Malaysia Act 1993.
SC’s Equity Guidelines	includes any other documents issued by the SC in relation to the Guidelines.
secondary listing	means admission to the Official List other than by way of primary listing.
securities	has the meaning given in section 2(1) of the CMSA.
securities account	means an account established by the Depository for a depositor for the recording of deposit of securities and for dealing in such securities by the depositor.



securities laws	means -
	<ul style="list-style-type: none"> <li>(a) the Securities Commission Malaysia Act 1993;</li> <li>(b) the CMSA;</li> <li>(c) the Securities Industry (Central Depositories) Act 1991;</li> <li>(d) any other legislation which the SC is empowered to administer or enforce; and</li> <li>(e) any other regulations, rules, orders, notifications or other subsidiary legislation made under subparagraphs (a), (b), (c) and (d) above; or</li> </ul>
	in the case of a foreign issuer, means subparagraphs (a) to (e) above and any law outside Malaysia relating to the capital market.
Share Grant Scheme	means a scheme involving the grant of a listed issuer's existing shares to employees.
Share Issuance Scheme	means a scheme involving a new issuance of shares to the employees.
significant change in the business direction or policy	<ul style="list-style-type: none"> <li>(a) in relation to a corporation, has the meaning given in the SC's Equity Guidelines; and</li> <li>(b) in relation to a business trust, has the meaning given in the SC's Business Trust Guidelines.</li> </ul>
singly quoted shares	means shares, which have a limit, quota or restriction on the ownership by a foreigner imposed by the constitution or any other constituent document of a listed corporation but which shares are not separately quoted on the Exchange.
special purpose acquisition company or SPAC	means a corporation which has no operations or income generating business at the point of initial public offering and has yet to complete a qualifying acquisition with the proceeds of such offering.
stabilizing action	means such action as may be taken by the stabilizing manager under the Capital Markets and Services (Price Stabilization Mechanism) Regulations 2008 for the sole purpose of preventing or minimizing any reduction in the market price of securities listed on the Official List.
stabilizing manager	means a person appointed under the Capital Markets and Services (Price Stabilization Mechanism) Regulations 2008 to undertake a stabilizing action on behalf of the listed issuer.
subsidiary	in relation to a business trust, means the subsidiary entity as defined in the SC's Business Trust Guidelines.
substantial shareholder	has the meaning given in section 136 of the Companies Act.
substantial unit holder	means a person who holds 5% or more of the total number of units in a unit trust scheme.

Take-Overs and Mergers Code	means the Malaysian Code on Take-Overs and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisitions, including any amendment that may be made from time to time.
these Requirements	means Bursa Malaysia Securities Berhad Main Market Listing Requirements, including any amendment that may be made from time to time.
treasury shares	has the meaning given in section 127(4)(b) of the Companies Act.
Trust Account	in relation to a SPAC, means a trust account maintained with a licensed bank or licensed investment bank as defined in the Financial Services Act 2013, by a custodian appointed by the SPAC to hold on its behalf, proceeds from an issuance of securities by the SPAC.
trustee-manager	means a person who – <ul style="list-style-type: none"> <li>(a) holds property or asset on trust for unit holders of the business trust; and</li> <li>(b) manages and operates such property or asset.</li> </ul>
total asset value	in relation to a REIT, means the value of its assets based on the latest valuation.
unit trust scheme	has the meaning given in section 2(1) of the CMSA.
voting securities	in relation to a SPAC, means the securities issued by a SPAC which confer upon the holders, voting rights.

## 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.
- (3) The terms and expressions defined in paragraph 1.01 are also applicable to any Practice Note, unless otherwise defined in the Practice Note.
- (4) Where an act is required to be done a specified number of “clear market days” before or after a specified date, at least that number of market days must intervene between the day on which the act is done and that date.
- (5) Unless the context requires otherwise, where the securities are listed and quoted in foreign currency, references to Ringgit in regard to the listed securities will be modified to mean its equivalent in foreign currency.

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**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 include the plural number and vice versa.

**1.06 Headings**

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

**1.07 Appendices**

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

**1.08 Schedules**

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

**1.09 References**

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

[End of Chapter]

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

This Chapter sets out -

- (a) the principles upon which these Requirements are based and applied; and
- (b) the general requirements of the Exchange which apply to all applicants, listed issuers, management companies, trustees, trustee-managers, their directors, officers, advisers and other persons 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 issuers, management companies, trustees, trustee-managers, their directors, officers, advisers or other persons to whom these Requirements are directed. Failure to comply with any of these Requirements will amount to a breach in respect of which actions may be taken or penalties may be imposed or both.

**2.03 General principles**

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

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

**PART B – APPLICATION OF THESE REQUIREMENTS****2.04 Obligation to comply**

- (1) A listed issuer, whether or not admission of its securities has taken place before these Requirements are prescribed, is, by virtue of its admission to the Official List, bound by these Requirements, the Rules of the Exchange and the Rules of the Depository.

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- (2) A listed issuer, a management company, a trustee, a trustee-manager, its directors, officers, advisers or any other person to whom these Requirements are directed must -
- (a) comply with these Requirements for so long as the listed issuer or its securities remain listed on the Official List. This applies even during periods when the listed issuer'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.

### **2.05 Spirit of these Requirements**

These Requirements will be interpreted -

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

### **2.06 Waivers and modifications**

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

### **2.07 Varying or revoking decisions**

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

### **2.08 Practice Notes**

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

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**2.09 Application of these Requirements to a collective investment scheme or business trust**

- (1) Where applicable, these Requirements shall apply to an applicant or a listed issuer which is a collective investment scheme or business trust subject to such adaptations or modifications, where necessary. Accordingly, any reference to “**shareholder**” or “**shareholding**” shall be construed to mean “**unit holder**” or “**unit holding**”, as the case may be.
- (2) If a Requirement imposes an obligation on an applicant or a listed issuer which is a collective investment scheme or business trust, the management company or trustee-manager must ensure that the collective investment scheme or business trust, as the case may be, complies with the said Requirement.

**PART C – DOCUMENTS TO COMPLY WITH THESE REQUIREMENTS****2.10 Documents to comply with these Requirements**

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

**2.11 Timing of submission**

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

**2.12 Letters of compliance**

- (1) A listed issuer must submit a letter of compliance together with the said documents and any amendment to the said documents.
- (2) A letter of compliance is a letter written to the Exchange which confirms that the provisions of the said documents to which it relates comply with these Requirements and the Rules of the Depository.
- (3) Where the letter of compliance is in relation to an amendment of any of the said documents, it must confirm that the amended document complies with these Requirements and the Rules of the Depository.
- (4) A letter of compliance must be written by a person with legal qualifications, provided that in the circumstances set out below, the letter of compliance may be written by the following additional persons:

- 
- (a) in the case of bylaws of a Share Issuance Scheme (and any amendment thereto), by the listed issuer's advisers; and
  - (b) in the case of an amendment to the constitution, by the listed issuer's advisers or its company secretary.

[Cross reference: Practice Notes 21 and 24]

## PART D – INFORMATION

### 2.13 Form of information

- (1) If any of these Requirements stipulates that a person is to provide information to the Exchange, that information must be provided in writing unless otherwise specified by the Exchange.
- (2) The Exchange may require any information or document that is to be provided to the Exchange by an applicant, a listed issuer or its advisers to be through an electronic medium as directed by the Exchange and in a manner determined by the Exchange.
- (3) [Deleted]

### 2.14 Giving the Exchange Information

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

#### 2.14A 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.

### 2.15 Submission of information

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

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**2.16 The Exchange's power to deal with documents**

- (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 it wishes including copying, storing in a retrieval system, transmitting to the public, publishing or disclosing all or any part of the documents and forwarding copies to any stock exchange, relevant government bodies, authorities, or any such persons as the Exchange deems fit.

**2.17 Verification of report or information**

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

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

- (1) An applicant, a listed issuer, a management company, a trustee, a trustee-manager or an adviser, or a director of an applicant or a listed issuer must ensure that any application, proposal, statement, information or document presented, submitted or disclosed pursuant to these Requirements -
  - (a) is clear, unambiguous and accurate;
  - (b) does not contain any material omission; and
  - (c) is not false or misleading.
- (2) An applicant, a listed issuer, a management company, a trustee, a trustee-manager or an adviser, or a director of an applicant or a listed issuer does not commit a breach of subparagraph (1) above if such person proves that –
  - (a) he had made all enquiries as were reasonable in the circumstances; and
  - (b) after making such enquiries, he had reasonable grounds to believe and did believe until the time of the presentation, submission or disclosure of the statement, information or document to the Exchange that the statement, information or document did fulfil the requirements of subparagraph (1).
- (3) Where any statement, information or document referred to in subparagraph (1) above has been presented, submitted or disclosed to the Exchange and the person referred to in subparagraph (1) above subsequently becomes aware that the statement, information or document may not fulfil the requirements of subparagraph (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, paragraph 9.35A apply in substitution of subparagraphs (1) to (3) above.



### 2.18A Attendance before the Exchange

The directors, officers, employees or advisers of a listed issuer, management company, trustee, trustee-manager 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.

### 2.19 Indemnity

- (1) Where the Exchange publishes, releases or disseminates any statement, information or document for or on behalf of an applicant or listed issuer 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 issuer, a management company, a trustee-manager or an adviser, or director of an applicant or listed issuer 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 issuer.

### 2.19A Financial estimate, forecast and projection

- (1) Where a circular or any document submitted to the Exchange contains reference to financial estimate, forecast or projection, the listed issuer and its Principal Adviser (if appointed) must comply with Chapters 9 and 10 in Division 1, Part II of the SC's Prospectus Guidelines in relation to future financial information when preparing and disclosing such financial estimate, forecast or projection.
- (2) The listed issuer must also ensure that the external auditors or reporting accountants, as the case may be, review and report on the underlying accounting policies and assumptions relied on in the preparation of the financial estimate, forecast or projection in accordance with Chapters 9 and 10 in Division 1, Part II of the SC's Prospectus Guidelines in relation to future financial information.

## PART D – INFORMATION

### 2.19B Issuance of documents by electronic means by a listed issuer to its securities holder

A listed issuer may send any document required to be sent under these Requirements to its securities holders ("**Documents**") by electronic means, if the following conditions are complied with:

- (a) the constitution of the listed issuer -
  - (i) provides for the use of electronic means to communicate with its securities holders;
  - (ii) specifies the manner in which the electronic means is to be used; and
  - (iii) states that the contact details of a securities holder as provided to the Depository shall be deemed as the last known address provided by the securities holder to the listed issuer for purposes of communication with the securities holder;

- 
- (b) if the listed issuer publishes the Documents on its website, the listed issuer must separately and immediately notify the securities holders of the following in writing:
    - (i) the publication of the Document on the website; and
    - (ii) the designated website link or address where a copy of the Document may be downloaded;
  - (c) if the listed issuer sends the Documents or notification through electronic mail, there must be proof of electronic mail delivery;
  - (d) where a securities holder requests for a hard copy of the Document, the listed issuer 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; and
  - (e) where it relates to Documents required to be completed by securities holders for a rights issue or offer for sale, the listed issuer must send these Documents through electronic mail, in hard copy or in any other manner as the Exchange may prescribe from time to time.

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

### **2.20 Fees and other charges**

- (1) An applicant or a listed issuer must pay to the Exchange such fees and charges of such amount as may be prescribed by the Exchange from time to time.
- (2) An applicant, a listed issuer or its advisers must also pay to the Exchange fees and charges of such amount as may be determined by the Exchange from time to time in relation to the usage of the prescribed electronic medium for provision of information or document to the Exchange.
- (3) The Exchange reserves the right to add to, vary or remove any of the fees and charges from time to time, as it deems fit.
- (4) [Deleted]
- (5) Any late payment of fees and charges will result in late payment charges at the rate as may be prescribed by the Exchange from time to time.
- (6) No refund of any fees and charges paid will be allowed.
- (7) 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.
- (8) A listed issuer must pay to the Exchange annual listing fees as may be prescribed by the Exchange from time to time annually in advance and not later than 31 January each year. All payments of initial and additional listing fees to the Exchange must be accompanied with a copy of the details of the computation of the amount of listing fees payable.
- (9) A listed issuer must pay to the Exchange the processing fees as may be prescribed by the Exchange from time to time upon submission of the relevant applications.

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**PART E(A) – DIRECTORS AND OTHER KEY OFFICERS****2.20A Qualification of directors and other key officers**

Every listed corporation, management company or trustee-manager must ensure that each of its directors, chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, chief executive or chief financial officer, as the case may be, of the listed corporation, collective investment scheme or business trust.

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

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

**2.21A Share registrar**

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

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

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

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

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

**2.24 Special auditor**

- (1) Where the Exchange is of the opinion that a breach of these Requirements may have occurred and the appointment of a special auditor is necessary, the Exchange may instruct the listed issuer to appoint a special auditor to review or investigate the affairs of the listed issuer, 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 issuer.
- (2) For the purpose of this paragraph, a special auditor means any auditor other than –
  - (a) the statutory auditor of the listed issuer appointed pursuant to the Companies Act or in relation to a foreign corporation, pursuant to the relevant laws of the place of incorporation; or

- 
- (b) in relation to a collective investment scheme or business trust, the auditor appointed to audit and report on the financial statements of the collective investment scheme or business trust annually.

## **2.25 Conduct**

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

## **2.26 Notices by the Exchange**

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

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

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

## **PART I – AMENDMENTS TO THESE REQUIREMENTS**

### **2.28 Amendments to these Requirements**

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

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**2.28A 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 J – EXCHANGE HOLDING COMPANY AND THE EXCHANGE****2.29 Powers of the Exchange Holding Company**

- (1) Where any provision of these Requirements confers a right or power on the Exchange to do any act or thing such provision will be deemed to confer the right or power on the Exchange Holding Company to do such act or thing on behalf of the Exchange.
- (2) An applicant, a listed issuer, a management company, a trustee, a trustee-manager, its directors, officers, advisers and 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 subparagraph (1) above.

**2.30 Liability of the Exchange etc**

Without prejudice to any immunity or defense 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.

[End of Chapter]

**APPENDIX 2A**

**Undertaking by an adviser**  
(paragraph 2.21(1))

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

The terms “adviser”, “applicant”, “listed issuer” and “Official List” have the meanings given under the Listing Requirements.

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

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

Date:

Signature:

Name:

# Delete as appropriate

\*\* Applicable to a foreign adviser only.

[End of Appendix]

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

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**APPENDIX 2B**

**Undertaking by a person responsible for the management of a listed issuer**  
(paragraph 2.22)

To

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

**Compliance with Main Market Listing Requirements**

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

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

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

Yours faithfully,

.....

Name:

Designation:

Date:

# Delete as appropriate

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

[End of Appendix]



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

- (1) This Chapter sets out the requirements that must be complied with by an applicant seeking admission to the Official List.
- (2) Additional or exceptional requirements relating to admission to the Official List are also set out in the following Chapters:
  - (a) Chapter 4 for applicants which are closed-end funds, REITs, ETFs, business trusts and special purpose acquisition companies; and
  - (b) Chapter 4A for applicants which are foreign issuers and issuers seeking a secondary listing on the Exchange.
- (3) Where a listed issuer undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed issuer, the Exchange will treat such listed issuer as if it were a new applicant seeking admission to the Official List. In such instance, the listed issuer must comply with the requirements under this Chapter, where applicable.
- (4) For the purposes of this Chapter, unless the context otherwise requires, references to “applicant” includes a listed issuer that undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed issuer.

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

- (1) The Exchange will exercise discretion over the admission and continued listing of securities on its Official List and may approve or reject applications for listing, as it deems fit.
- (2) The Exchange may also approve applications for listing unconditionally or subject to such conditions, as it deems fit.
- (3) An applicant must submit its listing application through a Principal Adviser.
- (4) An applicant must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

*[Cross-reference: Practice Note 21]*

**3.03 Approval from other authorities**

An applicant must first obtain approval(s) from the SC and other relevant authorities (where applicable) before listing and quotation of any security will be considered by the Exchange.

**3.04 Independent directors**

- (1) An applicant must ensure that at least 2 directors or 1/3 of the board of directors of the applicant, whichever is the higher, are independent directors.

- 
- (2) If the number of directors of the applicant is not 3 or a multiple of 3, then the number nearest 1/3 must be used.

### 3.05 Audit committee

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

### 3.06 Security holding spread

- (1) An applicant must have at least 25% of the total number of shares or units for which listing is sought in the hands of a minimum number of 1,000 public security holders holding not less than 100 shares or units each. The Exchange may accept a percentage lower than the 25% threshold if it is satisfied that such lower percentage is sufficient for a liquid market in such securities.
- (2) An applicant which has or will be having shares or units listed on another stock exchange may have these securities included for the purpose of computing the security holding spread.

*[Cross-reference: Practice Note 19]*

### 3.07 Constitution

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

## PART C – PRICE STABILIZATION MECHANISM

### 3.08 Additional requirements for price stabilization mechanism

An applicant which intends to undertake stabilizing action must comply with Part I of Chapter 8.

## PART D – TRANSFER OF LISTED CORPORATION TO THE MAIN MARKET

### 3.09 Transfer to the Main Market

- (1) A corporation listed on the ACE Market may be considered for a transfer to the Main Market provided that the listed corporation meets the requirements for listing on the Main Market or such other requirements as may be imposed by the Exchange and it obtains the prior approval of the SC.
- (2) A listed corporation seeking a transfer to the Main Market must also comply with the relevant listing procedures and requirements as may be prescribed by the Exchange.

*[Cross-reference: Practice Note 22]*

[End of Chapter]

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**CHAPTER 4 ADMISSION FOR SPECIFIC APPLICANTS****PART A – GENERAL****4.01 Introduction**

- (1) This Chapter sets out the special requirements, which may be in addition or, as an exception to those set out in Chapter 3, that must be complied with by an applicant which is -
- (a) a closed-end fund (Part B);
  - (b) a management company of a REIT as well as a REIT (Part C);
  - (c) a management company of an ETF as well as an ETF (Part D);
  - (d) a special purpose acquisition company (Part E);
  - (e) a trustee-manager of a business trust as well as a business trust (Part F); or
  - (f) an issuer of stapled securities (Part G), seeking a listing of its securities on the Official List.
- (2) Where any requirement in this Chapter conflicts with a requirement of another Chapter, the former will prevail.

**PART B – CLOSED-END FUNDS****4.02 Requirement in respect of independent director**

For the purpose of complying with paragraph 3.04 with regard to the requirement of having “independent directors”, a director who is related in any way to any of the major shareholders of the Managers must not be considered as such.

**4.03 Shareholding spread of closed-end funds**

A closed-end fund must comply with the requirements of paragraph 3.06.

**PART C – REITS****4.04 Admission**

The management company and trustee of a REIT must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

*[Cross reference: Practice Notes 21 and 23]*

**4.05 Independent director of management company**

The management company must ensure that the composition of its board of directors complies with the requirements of paragraph 3.04 as if it were the applicant mentioned in paragraph 3.04. For the purpose of this paragraph, “independent director” has the meaning given to “**independent member**” in the SC’s Guidelines on Listed REITs.

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**4.06 Requirement for audit committee**

The management company must establish an audit committee which complies with Part C, Chapter 15 of these Requirements.

**4.07 Unit spread of REIT**

The management company seeking a listing on the Main Market of units of a REIT must ensure that the REIT complies with the requirements of paragraph 3.06.

**4.08 Provisions in the trust deed**

- (1) The management company must ensure that the trust deed governing the issue of the REIT units includes the various provisions set out in Appendix 4A.
- (2) The management company must furnish to the Exchange a letter of compliance pursuant to paragraph 2.12 together with the trust deed and a checklist showing compliance with Appendix 4A.

**PART D – ETFS****4.09 Admission**

The management company and trustee of an ETF must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange except that the listing application under this Chapter may be submitted by the management company to the Exchange either directly or through a Principal Adviser.

*[Cross reference: Practice Notes 21 and 23]*

**4.10 Independent directors of management company**

The management company of an ETF must ensure that the composition of its board of directors complies with the requirements of paragraph 3.04 as if it were the applicant mentioned in paragraph 3.04. For the purpose of this paragraph, “independent director” has the meaning given to “**independent member**” in the SC’s Guidelines on Exchange-Traded Funds.

**4.11 Requirement for audit committee not applicable**

The provisions in these Requirements in relation to audit committees are not applicable to an ETF.

**4.12 Unit spread of ETF**

The Exchange may require the management company to comply with such unit spread requirements as may be prescribed by the Exchange in relation to an ETF.

**4.13 [Deleted]**

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**PART E – SPECIAL PURPOSE ACQUISITION COMPANIES****4.14 Admission**

A SPAC must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

*[Cross reference: Practice Notes 21 and 23]*

**4.15 Shareholding spread of a SPAC**

A SPAC seeking a listing on the Main Market must comply with the requirements of paragraph 3.06 as if the SPAC were the applicant, the voting securities were the shares, and the public securities holders were the public shareholders mentioned in paragraph 3.06.

**PART F – BUSINESS TRUSTS****4.16 Admission**

The trustee-manager must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

*[Cross reference: Practice Notes 21 and 23]*

**4.17 Independent director of trustee-manager**

The trustee-manager must ensure that the composition of its board of directors complies with the requirements of paragraph 3.04 as if it were the applicant mentioned in paragraph 3.04. For the purpose of this paragraph, “**independent director**” has the meaning given to “**independent member**” in Division 4 of the SC’s Prospectus Guidelines.

**4.18 Audit committee of trustee-manager**

The trustee-manager must ensure that it establishes an audit committee comprising a majority of independent directors. For the purpose of this paragraph, “**independent director**” has the meaning given to “**independent member**” in Division 4 of the SC’s Prospectus Guidelines.

**4.19 Unit spread of business trust**

The trustee-manager seeking a listing on the Main Market of units of a business trust must ensure that the business trust complies with the requirements of paragraph 3.06.

**PART G – STAPLED SECURITIES****4.20 Admission**

- (1) For the purposes of this part, “**stapled securities**” means an arrangement under which different types of securities are listed and traded as one security.
- (2) Issuers seeking admission of their stapled securities to the Official List must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

*[Cross reference: Practice Note 31]*

**4.21 Application of these Requirements**

Where applicable, these Requirements shall apply to the issuers of stapled securities, subject to such adaptations or modifications, where necessary.

*[Cross Reference: Practice Note 31]*

[End of Chapter]

**Appendix 4A**  
**Contents of deed for a real estate investment trust**

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**APPENDIX 4A****Contents of deed in respect of a REIT**  
(paragraph 4.08(1))

- (1) At least 14 days' notice in writing of any meeting of unit holders (other than an annual general meeting or a meeting convened to pass a special resolution) shall be given by the management company or trustee. In the case of an annual general meeting or a meeting convened to pass a special resolution, at least 21 days' notice in writing shall be given by the management company. Such notice will specify in a circular the general nature of the business to be transacted.
- (2) The management company or trustee shall publish an advertisement giving the 14 days' notice or 21 days' notice in the case of an annual general meeting or a meeting convened to pass a special resolution, in the national language and English daily newspaper circulating in Malaysia, and in writing to the Exchange
- (3) A unit holder shall be entitled to attend and vote at any meeting of unit holders, and shall be entitled to appoint another person (whether a unit holder or not) as his proxy to attend and vote. Where the unit holder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds with units standing to the credit of the said securities account. Where a unit holder appoints 2 proxies in accordance with this provision the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Such proxy shall have the same rights as the member to vote, to speak and to be reckoned in a quorum.
- (4) In the case of an equality of votes the chairman of a meeting of unit holders shall have a casting vote in addition to his votes (if any) as a unit holder.

[End of Appendix]

**Appendix 4B  
Contents of deed in respect of an exchange-traded fund**

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**APPENDIX 4B**

[Deleted]



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**CHAPTER 4A FOREIGN LISTING****PART A – GENERAL****4A.01 Introduction**

- (1) This Chapter sets out the requirements that must be complied with by:
- (a) a foreign corporation, a foreign collective investment scheme or a foreign business trust seeking or having a primary listing, and
  - (a) a corporation, a collective investment scheme or a business trust seeking or having a secondary listing,
- on the Main Market.
- (2) Unless the context requires otherwise, in this Chapter -
- (a) a “**foreign issuer**” means either a foreign corporation, a foreign collective investment scheme or a foreign business trust listed on the Main Market;
  - (b) a “**foreign collective investment scheme**” means a collective investment scheme that is primarily regulated in a jurisdiction other than Malaysia and established outside Malaysia; and
  - (c) a “**foreign business trust**” means a business trust that is primarily regulated in a jurisdiction other than Malaysia and established outside Malaysia.

**PART B – ADMISSION REQUIREMENTS FOR A PRIMARY LISTING****4A.02 Introduction**

- (1) Unless the context requires otherwise, an “**applicant**” in this Part B means a foreign corporation, a foreign collective investment scheme or a foreign business trust seeking a primary listing on the Main Market.
- (2) An applicant must comply with Chapters 3 and 4 of these Requirements, as the case may be, subject to the additional requirements, modifications or exceptions set out in this Chapter.
- (3) Where any requirement in this Chapter conflicts with a requirement of another Chapter, the former prevails.

**4A.03 Transfer and registration of securities facilities**

An applicant must establish transfer and registration of securities facilities in Malaysia.

**4A.04 Appointment of directors**

- (1) An applicant whose operations are entirely or predominantly Malaysian-based must have a majority of directors whose principal or only place of residence is within Malaysia.
- (2) An applicant whose operations are entirely or predominantly foreign-based must have at least 2 independent directors whose principal or only place of residence is within Malaysia.

- (3) Subparagraphs (1) and (2) above do not apply to an applicant which is a foreign collective investment scheme, unless it is a closed-end fund.

#### **4A.04A Audit committee**

In addition to the provisions in these Requirements relating to audit committee, an applicant must also ensure that the audit committee has at least 1 independent director who has a principal or only place of residence in Malaysia.

#### **4A.05 Agent or representative**

An applicant must appoint an agent or representative in Malaysia to be responsible for communication with the Exchange, on behalf of the applicant.

#### **4A.06 Admission**

An applicant must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

*[Cross reference: Practice Notes 21, 23 and 24]*

### **PART C – SPECIFIC CONTINUING OBLIGATIONS RELATING TO FOREIGN ISSUERS WITH A PRIMARY LISTING**

#### **4A.07 Introduction**

- (1) A foreign issuer with a primary listing on the Main Market must comply with all the other Chapters in these Requirements subject to the additional requirements, modifications or exceptions set out in this Chapter.
- (2) Where any requirement in this Chapter conflicts with a requirement of another Chapter, the former prevails.

#### **4A.08 Other obligations**

A foreign issuer with a primary listing must comply with paragraphs 4A.03, 4A.04, 4A.04A and 4A.05 as continuing listing obligations.

#### **4A.09 Auditors and auditing standards**

A foreign issuer with a primary listing must –

- (a) appoint an external auditor from an international accounting firm or an accounting firm with international affiliation; and
- (b) ensure that the auditing standards applied are in accordance with the approved auditing standards applied in Malaysia or International Standards on Auditing.

#### **4A.09A Shareholder approval required to appoint or remove external auditors**

A foreign issuer with a primary listing must obtain prior shareholder approval in a general meeting to appoint or remove its external auditor.

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**4A.10 Information/documents in English**

All information or documents presented, submitted or disclosed pursuant to these Requirements must be in English.

**4A.11 Information to be disclosed**

A foreign issuer with a primary listing must announce to the Exchange concurrently all information required to be publicly disclosed to its domestic regulatory authorities and other stock exchanges, if applicable.

**4A.12 Distribution of notices etc**

(1) A foreign issuer with a primary listing must distribute to its securities holders in Malaysia all -

- (a) notices of general meetings to be held;
- (b) annual reports;
- (c) accounts; and
- (d) other documents or information,

which it is required to distribute in its place of incorporation and other stock exchanges, if applicable.

(2) The foreign issuer must give sufficient notice to enable its securities holders in Malaysia to comply with the terms of the notice.

**4A.13 Announcement of appointment of directors**

Without prejudice to paragraph 9.19 on the making of immediate announcements to the Exchange, the announcements made by a foreign issuer with a primary listing with regard to the appointment of a director must include the director's principal place of residence.

**4A.14 Substantial shareholdings or unit holdings**

(1) A foreign issuer with a primary listing must immediately announce to the Exchange any change in the interest or interests of a substantial shareholder or unit holder in its voting shares or units upon notification by the substantial shareholder or unit holder.

(2) The foreign issuer must state the name of the shareholder or unit holder and full particulars of the change, including the date of the change, the number of shares or units involved and the circumstances by reason of which the change occurred.

(3) Subparagraphs (1) and (2) above are not applicable to a foreign collective investment scheme which is an ETF, and any other foreign issuers as may be approved by the Exchange from time to time.

**4A.15 Financial statements**

A foreign issuer with a primary listing must ensure that any financial statements announced to the Exchange are -

- (a) prepared on a consolidated basis; and

- 
- (b) prepared in accordance with the approved accounting standards as defined in the Financial Reporting Act, 1997.

#### **4A.16 Statutory declaration in relation to annual audited financial statements**

- (1) The annual audited financial statements of a foreign issuer with a primary listing must be accompanied by a statutory declaration which is signed by the director or person primarily responsible for the financial management of the foreign issuer, as the case may be, who satisfies the requirements prescribed in paragraph 9.27.
- (2) The signatory referred to in subparagraph (1) above must set forth his opinion as to the correctness or otherwise of the annual audited financial statements.

#### **4A.17 Notification of suspension and de-listing**

- (1) A foreign issuer with a primary listing must immediately notify the Exchange in writing where it has requested for a suspension in trading or a de-listing of its securities listed on other stock exchange(s).
- (2) If the other stock exchange(s) decide(s) to suspend trading in or de-list the securities of a foreign issuer with a primary listing, whether in relation to its request under subparagraph (1) above or otherwise, the issuer must immediately notify the Exchange in writing.

#### **4A.18 Admission and quotation of new issue of securities**

A foreign issuer with a primary listing must ensure that as far as reasonably practicable, all new issues of securities are admitted and quoted on the Exchange on the same day as they are admitted and quoted on the other stock exchange(s).

#### **4A.18A Announcement on change of laws**

A foreign issuer with a primary listing must immediately announce to the Exchange, any change in the laws of its country of incorporation or the laws in the country of incorporation of its foreign principal subsidiaries, which may affect the rights of its shareholders. This includes –

- (a) right to attend, speak, vote at shareholders' meetings and the right to appoint proxies;
- (b) right to receive rights offering and any other entitlements;
- (c) withholding taxes on its securities;
- (d) foreign shareholding limits on the securities;
- (e) capital controls over cash dividends or other cash distributions payable in respect of its securities;
- (f) repatriation of funds;
- (g) right to transfer shares;
- (h) right to appoint and remove directors and auditors;
- (i) right to requisition a general meeting;
- (j) right to notice of meetings;

- 
- (k) right to inspect any register, minute book or document of the foreign issuer or its foreign principal subsidiaries; and
  - (l) right of minority shareholders in relation to –
    - (i) take-overs and mergers;
    - (ii) suits or enforcement actions against the foreign issuer or its foreign principal subsidiaries, their directors and senior management; and
    - (iii) distribution of assets arising from a winding-up or liquidation of the foreign issuer or its foreign principal subsidiaries.

#### 4A.18B System of internal control

A foreign issuer with a primary listing and its subsidiaries must ensure that they have in place a system of internal control that will provide a reasonable assurance that -

- (a) assets of the foreign issuer and its subsidiaries are safeguarded against loss from unauthorized use or disposition and to give a proper account of the assets; and
- (b) all transactions are properly authorised and that they are recorded as necessary to enable the preparation of a true and fair view of the financial statements.

### PART D – ADMISSION REQUIREMENTS FOR A SECONDARY LISTING

#### 4A.19 Introduction

- (1) Unless the context requires otherwise, an “**applicant**” in this Part D means either a corporation, a collective investment scheme or a business trust seeking a secondary listing on the Main Market.
- (2) An applicant is subject to the listing rules (or its equivalent) of its home exchange.
- (3) Apart from the requirements set out in this Chapter, Chapters 1, 2 and 16, where applicable, and such other requirements as may be imposed by the Exchange from time to time, the other Chapters of these Requirements are not applicable to the applicant.

#### 4A.20 Admission

- (1) The Exchange will exercise discretion over the admission and continued listing of securities on its Official List and may approve or reject applications for listing on the Main Market, as it deems fit.
- (2) The Exchange may also approve applications for listing on the Exchange unconditionally or subject to such conditions, as it deems fit.
- (3) An applicant must also comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

*[Cross reference: Practice Notes 21, 23 and 24]*

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**4A.21 Approval from other authorities**

An applicant must first obtain approval(s) from the SC and other relevant authorities (where applicable) before listing and quotation of any security will be considered by the Exchange.

**4A.22 Other Obligations**

Apart from the obligations set out in this Part D, an applicant must comply with paragraphs 4A.03, 4A.04 and 4A.05.

**PART E – SPECIFIC CONTINUING OBLIGATIONS RELATING TO ISSUERS WITH A SECONDARY LISTING****4A.23 Introduction**

Apart from the requirements set out in this Chapter, Chapters 1, 2 and 16, where applicable, and such other requirements as may be imposed by the Exchange from time to time, the other Chapters of these Requirements are not applicable to an issuer with a secondary listing on the Main Market.

**4A.24 New issue of securities by a corporation with a secondary listing**

An issuer with a secondary listing must comply with the relevant procedures and requirements for a new issue of securities as may be prescribed by the Exchange.

*[Cross-reference: Practice Note 25]*

**4A.25 Other obligations**

An issuer with a secondary listing must comply with paragraphs 4A.03, 4A.04 and 4A.05 as continuing listing obligations.

**4A.26 Change in classification**

An issuer with a secondary listing must comply with paragraph 8.11 as if it were the listed issuer mentioned in paragraph 8.11.

**4A.27 Documents for overseas securities holders**

An issuer with a secondary listing must comply with paragraph 9.34 as if it were the listed issuer mentioned in that paragraph.

**4A.28 [Deleted]****4A.29 Director's undertaking**

An issuer with a secondary listing must ensure that every director of the issuer gives the Exchange after this paragraph comes into force or his appointment, whichever is the later, and in any event not later than 14 days after that, an undertaking in the form as may be prescribed by the Exchange.

*[Cross reference: Annexures PN21-C and PN21-D of Practice Note 21, and Annexures PN23-C, PN23-D, PN23-G and PN23-H of Practice Note 23]*

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**4A.30 Other obligations**

Apart from the obligations set out in this Part E, an issuer with a secondary listing must comply with the following requirements, with the necessary modifications:

- (a) paragraph 4A.09(b);
- (b) paragraph 4A.10;
- (c) paragraph 4A.11;
- (d) paragraph 4A.12;
- (e) paragraph 4A.13;
- (f) paragraph 4A.15;
- (g) paragraph 4A.17; and
- (h) paragraph 4A.18.

[ End of Chapter ]

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**CHAPTER 4B LISTING OF SUKUK AND DEBT SECURITIES****PART A – GENERAL****4B.01 Introduction**

- (1) This Chapter sets out the requirements that must be complied with by an issuer seeking a listing of its sukuk or debt securities on the Official List and the continuing listing obligations of such issuer.
- (2) An issuer may list its sukuk or debt securities either as Exchange Traded Bonds or under the Exempt Regime.

**PART B – DEFINITIONS****4B.02 Definitions**

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

- (a) **“Exchange Traded Bonds”** means the sukuk or debt securities which are listed and quoted for trading on the Exchange.
- (b) **“Exempt Regime”** means a regime under which the sukuk or debt securities are offered, issued or subscribed in accordance with section 229(1) or section 230(1) of the CMSA, and are listed but not quoted for trading on the Exchange;
- (c) **“Exempted Person”** means the Federal or State Government of Malaysia or Bank Negara Malaysia;
- (d) **“government”** includes -
  - (i) the Federal or State Government of Malaysia;
  - (ii) Bank Negara Malaysia;
  - (iii) a foreign government; or
  - (iv) a foreign central bank;
- (e) **“issuer”** means an issuer, listed or otherwise, whose sukuk or debt securities are listed or proposed to be listed on the Exchange as Exchange Traded Bonds or under the Exempt Regime;
- (f) **“material information”** means information which is reasonably expected to have a material effect on -
  - (i) the price or value of the issuer's sukuk or debt securities; or
  - (ii) the decision of a sukuk or debt securities holder or an investor whether to trade in such debt securities;
- (g) **“sukuk”** means Islamic securities as defined in the SC's Islamic Securities Guidelines (Sukuk Guidelines);
- (h) **“Trust Deed”** means the trust deed governing an issue of sukuk or debt securities entered into between the issuer and the sukuk or debt securities holders in accordance with the SC's Trust Deed Guidelines; and



- (i) “Trustee” means the trustee appointed pursuant to the terms of the Trust Deed.

## PART C EXCHANGE TRADED BONDS

### Part C1 – ADMISSION OF EXCHANGE TRADED BONDS

#### 4B.03 Approval of other authorities

An issuer must first obtain approval(s) from SC and other relevant authorities (where applicable) before listing and quotation of any sukuk or debt securities as Exchange Traded Bonds will be considered by the Exchange.

#### 4B.04 Approval for admission

- (1) An issuer must submit its listing application under this Chapter through a Principal Adviser.
- (2) Subparagraph (1) above does not apply to an issuer which is an Exempted Person, which may submit its application under this Chapter directly to the Exchange or through an adviser.
- (3) The Exchange will exercise discretion over the admission and continued listing and quotation of sukuk or debt securities on its Official List and may approve or reject the applications for listing, as it deems fit.
- (4) The Exchange may also approve applications for listing and quotation of sukuk or debt securities unconditionally or subject to such conditions, as it deems fit.
- (5) Where the sukuk or debt securities are issued under a programme, an issuer may list either all or a certain class or tranche of sukuk or debt securities issued under the programme.
- (6) An issuer must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

*[Cross reference: Practice Note 26]*

#### 4B.05 Convertible or Exchangeable Sukuk or Debt Securities

An issuer of sukuk or debt securities which are convertible or exchangeable into listed shares must also comply with the provisions in Part I of Chapter 6 of these Requirements, as if it were the listed issuer, with the necessary modifications.

#### 4B.06 Trust Deed

- (1) An issuer seeking a listing and quotation of its sukuk or debt securities on the Exchange as Exchange Traded Bonds must include the relevant provisions set out in Appendix 4B-A in its Trust Deed or any other document governing the rights of the sukuk or debt securities holders.
- (2) Subparagraph (1) above is not applicable to sukuk or debt securities which are:
  - (a) issued by the Federal Government of Malaysia, State Government of Malaysia or any statutory body; or
  - (b) guaranteed by the Federal Government of Malaysia or Bank Negara Malaysia.

**4B.07 Foreign Issuer** *[effective date to be determined by Bursa at a later date]*

- (1) A foreign issuer must appoint an agent or representative in Malaysia to be responsible for communication with the Exchange, on behalf of the issuer.
- (2) A foreign issuer must maintain a paying agent or its equivalent in Malaysia.
- (3) All information or documents presented, submitted, disclosed or announced by a foreign issuer must be in English.

**4B.08 Obligor**

- (1) If the sukuk issuer is a special purpose vehicle, the obligor must comply with the requirements imposed on the issuer under this Part C1, as if it were the issuer.
- (2) Subparagraph (1) above is not applicable to an obligor which is an Exempted Person or such other persons as may be approved by the Exchange from time to time.

**PART C2 - CONTINUING LISTING OBLIGATIONS OF EXCHANGE TRADED BONDS****4B.09 Continuing listing obligations**

- (1) An issuer of Exchange Traded Bonds must comply with paragraphs 4B.07 and 8.26A as continuing listing obligations.
- (2) An issuer of Exchange Traded Bonds which are convertible or exchangeable into listed shares must also comply with paragraphs 4B.05 and 8.28 as continuing listing obligations.
- (3) If the sukuk issuer is a special purpose vehicle, the obligor must comply with the continuing listing obligations imposed on the issuer under these Requirements, as if it were the issuer, **unless the obligor is an Exempted Person** or such other persons as may be approved by the Exchange from time to time.

**4B.10 Disclosure of information**

- (1) An issuer must immediately announce to the Exchange any material information.
- (2) Without limiting the generality of subparagraph (1) above, an issuer must immediately announce to the Exchange the following:
  - (a) any issuance of a new tranche or programme by the issuer;
  - (b) any change in the terms of the sukuk or debt securities;
  - (c) any redemption or cancellation of the sukuk or debt securities;
  - (d) any amendment to the Trust Deed, if applicable;
  - (e) any appointment or replacement of Trustee or paying agent, if applicable;
  - (f) any change of its Shariah adviser appointed by the issuer as required under the SC's Islamic Securities Guidelines (Sukuk Guidelines);
  - (g) any occurrence of an event of default under the Trust Deed;

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- (h) credit rating of its sukuk or debt securities, including a summary of the rating report relevant to the sukuk or debt securities published by a credit rating agency, if available;
  - (i) any intention to fix a books closing date and its reason, stating the books closing date, which must be at least 10 market days after the date of announcement to the Exchange;
  - (j) any event which requires an immediate notification to its the trustee pursuant to the Trust Deed; and
  - (k) any meeting of sukuk or debt securities holders (other than a meeting convened to pass a special resolution), at least 14 days before such meeting is held, and in the case of a meeting convened to pass a special resolution, at least 21 days before such meeting is held. The announcement must include the date of the Record of Depositors which determines whether a depositor shall be regarded as a sukuk or debt securities holder entitled to attend, speak and vote at the meeting of the sukuk or debt securities holders.
- (3) An issuer must, at least 1 month before the maturity date, announce the maturity date of each issuance of sukuk or debt securities.
- (4) An issuer which is a foreign corporation must announce to the Exchange concurrently all information required to be publicly disclosed to its domestic regulatory authorities and other stock exchanges, if applicable. *[effective date to be determined by Bursa at a later date]*

#### 4B.11 Submission of Financial Statements

- (1) An issuer must announce its unaudited or audited financial statements on a consolidated basis within 2 months after the close of the half year of the issuer's financial year, which statements must state whether there is any abnormal circumstance that has affected or will affect the business and financial position of the issuer.
- (2) An issuer and its guarantor must announce to the Exchange their respective annual audited financial statements, together with the auditors' and directors' reports within 4 months after the close of their respective financial years.
- (3) Subparagraphs (1) and (2) above do not apply to an issuer of an Exchange Traded Bond which is guaranteed by an Exempted Person.
- (4) Subparagraph (2) above does not apply to the following persons who are guarantors:
- (a) Federal Government of Malaysia;
  - (b) State Government of Malaysia;
  - (c) Bank Negara Malaysia;
  - (d) supranational organisations;
  - (e) statutory bodies established under an Act of Parliament;
  - (f) Danajamin Nasional Berhad; and
  - (g) such other persons as may be approved by the Exchange from time to time.

**4B.12 Exempted Person**

An issuer which is an Exempted Person need not comply with all the provisions under this Part C2 except for paragraphs 4B.10(1), 4B.10(2)(a),(b),(c) and (i), and 4B.10(3).

**4B.13 Foreign Issuer** *[effective date to be determined by Bursa at a later date]*

- (1) A foreign issuer must comply with the following continuing listing obligations applicable to a foreign corporation under Chapter 4A of these Requirements, as if it were the foreign corporation mentioned there:
- (a) paragraph 4A.09;
  - (b) paragraph 4A.10;
  - (c) paragraph 4A.15; and
  - (d) paragraph 4A.17.

**4B.14 Applicable Chapters**

- (1) All provisions in Chapters 1, 2, 9 and 16 apply to an issuer, as if it were a listed issuer, with the necessary modifications, except:
- (a) paragraph 2.03(1);
  - (b) paragraph 2.09;
  - (c) paragraph 2.21A;
  - (d) parts J to M of Chapter 9;
  - (e) paragraph 16.06;
  - (f) paragraph 16.07; and
  - (g) paragraph 16.12.
- (2) Apart from the above, unless otherwise stated, the other Chapters of these Requirements are not applicable to an issuer of sukuk or debt securities under this Chapter.

**PART D – EXEMPT REGIME****PART D1 - ADMISSION UNDER AN EXEMPT REGIME****4B.15 SC Approval**

An applicant seeking to list any sukuk or debt securities on the Exchange under the Exempt Regime needs to obtain the approval of the SC only if an approval under section 212(4) of the CMSA is required for the issue or offer of the sukuk or debt securities.

**4B.16 Approval for admission**

- (1) Short-term sukuk or debt securities with original maturity date of less than 1 year cannot be listed.
- (2) An issuer seeking to list any sukuk or debt securities must comply with the admission requirements as set out in paragraph 4B.04, with the necessary modifications, as may be applicable.

*[Cross reference: Practice Note 26]*

**4B.17 Financial statements and announcements**

- (1) All information or documents presented, submitted, disclosed or announced pursuant to these Requirements must be in English.
- (2) The issuer may prepare its financial statements in accordance with the approved accounting standards applicable in its home jurisdiction.

**PART D2 - CONTINUING LISTING OBLIGATIONS****4B.18 Disclosure of information**

An issuer under the Exempt Regime must comply with paragraphs 4B.10(1), 4B.10(2)(b) to (f), 4B.10(3) and 4B.10(4) above.

**4B.19 Submission of financial statements**

- (1) An issuer under the Exempt Regime must announce its unaudited or audited financial statements on a consolidated basis within 2 months after the close of the half year of the issuer's financial year, if any, which statements must state whether there is any abnormal circumstance that has affected or will affect the business and financial position of the issuer.
- (2) An issuer under the Exempt Regime must announce to the Exchange, the issuer's annual audited financial statement, within 4 months after the close of the financial year of the issuer.
- (3) Subparagraphs (1) and (2) above do not apply to sukuk or debt securities which are -
  - (a) issued, or offered or guaranteed by a multilateral development bank, a multilateral financial institution, any government or entities wholly-owned by the government; or
  - (b) issued by a special purpose vehicle which is established by a multilateral development bank, a multilateral financial institution, any government or entities wholly-owned by the government and where the ultimate credit risk exposures of the investors still reside with these entities.

**4B.20 Financial statements and announcements**

An issuer must comply with paragraph 4B.17 as a continuing listing obligation.

**4B.21 Applicable Chapters**

- (1) All provisions in Chapters 1, 2 and 16 apply to an issuer, as if it were a listed issuer, with the necessary modifications, except:
- (a) paragraph 2.03(1);
  - (b) paragraph 2.09;
  - (c) paragraph 2.21A;
  - (d) paragraph 16.02;
  - (e) paragraph 16.03;
  - (f) paragraph 16.04;
  - (g) paragraph 16.06;
  - (h) paragraph 16.07;
  - (i) paragraph 16.12;
  - (j) paragraph 16.13; and
  - (k) paragraph 16.22.
- (2) Apart from the above, the other Chapters of these Requirements are not applicable to an issuer of sukuk or debt securities under this Chapter.

**PART E – DE-LISTING BY THE EXCHANGE****4B.22 De-listing by the Exchange**

In addition to the circumstances set out in paragraph 16.11, the Exchange may at any time de-list an issuer of Exchange Traded Bonds or under the Exempt Regime or any class of its sukuk or debt securities from the Official List in any of the following circumstances:

- (a) upon the occurrence of any of the events which the Trustee has declared the sukuk or debt securities to be immediately due and repayable pursuant to the Trust Deed;
- (b) upon the maturity or expiry of the sukuk or debt securities;
- (c) upon full redemption of the sukuk or debt securities; or
- (d) any other circumstances which in the opinion of the Exchange, do not warrant the continued listing of the sukuk or debt securities.

[ End of Chapter ]

**Appendix 4B**  
**Content of trust deed or other document governing rights of bondholders for Exchange Traded Bonds**

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**Appendix 4B-A****Contents of a trust deed or other document governing the rights of bondholders for Exchange Traded Bonds**

(paragraph 4B.06(1))

- (1) Where a meeting of sukuk or debt securities holders is held, an issuer must ensure that:
  - (a) at least 14 days' notice in writing of any meeting (other than a meeting convened to pass a special resolution) of sukuk or debt securities holders shall be given by the trustee. In the case of a meeting convened to pass a special resolution, at least 21 days' notice shall be given. Such notice will specify the general nature of the business to be transacted.
  - (b) the trustee shall cause at least 14 days' notice (21 days' in the case of special resolution to be passed) to be given of any meeting by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Exchange.
  - (c) the notices convening a meeting of sukuk or debt securities holders must contain sufficient information to enable a sukuk or debt securities holder to decide whether to attend the meeting.
- (2) A sukuk or debt securities holder shall be entitled to attend and vote at any meeting of sukuk or debt securities holders, and shall be entitled to appoint another person (whether a sukuk or debt securities holder or not) as his proxy to attend and vote. Such proxy shall have the same rights as the sukuk or debt securities holder to vote, to speak and to be reckoned in a quorum.
- (3) In the case of an equality of votes the chairman of a meeting of sukuk or debt securities holders shall have a casting vote in addition to his vote (if any) as a sukuk or debt securities holders.

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**CHAPTER 5 STRUCTURED WARRANTS****PART A - GENERAL****5.01 Introduction**

This Chapter sets out the requirements that must be complied with by an issuer seeking a listing of its structured warrants on the Official List and the continuing listing obligations of such issuer.

**PART B - DEFINITIONS****5.02 Definitions**

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

American style	in respect of the right of a person under structured warrants, means the ability to exercise that right any time before or on expiry date.
Approved Securities	has the meaning given in Rule 704.1 of the Rules of the Exchange.
bull equity-linked structure	means a contract under which a person has an actual, contingent or prospective right to receive on settlement date - <ul style="list-style-type: none"> <li>(a) a predetermined cash amount where the closing price of the underlying shares on expiry date is at or above the exercise price; or</li> <li>(b) a specified number of the underlying shares or a cash amount calculated by reference to the value of the underlying shares where the closing price of the underlying shares on expiry date is below the exercise price.</li> </ul>
call price	means the pre-specified price or level of the underlying instrument at which an issuer must call the callable bull/bear certificate before its expiry date.
callable bull/bear certificate	means a contract – <ul style="list-style-type: none"> <li>(a) which upon the occurrence of a mandatory call event, will be called by the issuer and terminated before its expiry date; and</li> <li>(b) under which a person has an actual, contingent or prospective right to receive a cash amount, depending on the fluctuations in the value or price of an underlying financial instrument, and the amount will be calculated in accordance with the contract.</li> </ul>
call warrant	means a contract under which a person has an actual, contingent or prospective right to - <ul style="list-style-type: none"> <li>(a) buy a specified number or units of underlying shares or ETF at a specified price on or by a specified future date; or</li> </ul>



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	(b) receive a cash amount or other property, depending on the fluctuations in the value or price of an underlying financial instrument, and the amount will be calculated in accordance with the contract.
Clearing House	means Bursa Malaysia Securities Clearing Sdn Bhd and any other clearing house as may be designated by the Exchange from time to time in accordance with Rule 801.2 of the Rules of the Exchange.
closing price	in relation to a bull equity-linked structure, means the closing price or level of the underlying financial instruments on the market day immediately before the expiry date.
Corporate Proposal	means – <ul style="list-style-type: none"> <li>(a) a corporate exercise undertaken by the underlying corporation or the issuer of the underlying financial instrument, such as capitalisation issues, rights issue, consolidation or subdivision of shares or capital reduction exercises; or</li> <li>(b) any event which has a dilutive or concentrative or other effect on the theoretical value of the underlying financial instruments.</li> </ul>
date of issue	means the date that a structured warrant issue is offered.
eligible brokers	means individually or collectively investment banks, universal brokers, special scheme brokers and eligible non-universal brokers.
eligible licensed person	means a licensed bank as defined in the Financial Services Act 2013 or a licensed Islamic bank as defined in the Islamic Financial Services Act 2013.
eligible non-universal broker	means a non-universal broker which has merged with or acquired, as the case may be, the assets or any interests and business of at least one other member company(ies) and/or Participating Organisation(s).
European style	in respect of the right of a person under structured warrants, means the ability to exercise that right on expiry date.
exercise price	in relation to a particular structured warrant, means the pre-specified price or level of the underlying financial instrument at which the holder of such warrants may exercise the right under such structured warrants.
expiry date	in respect of the right of a person under a structured warrant, means the date in which the ability to exercise that right expires.
fully-collateralised call warrants	means call warrants which fulfil the following: <ul style="list-style-type: none"> <li>(a) the underlying financial instrument is shares listed on the Exchange;</li> <li>(b) the issue of the call warrants is accompanied by a deposit of all shares which is the subject of such warrants; and</li> </ul>

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	(c) a custodian or trustee is appointed for the entire term of the warrants in issue.
in-the-money	refers to a market situation where the price of the underlying financial instrument is – <ul style="list-style-type: none"> <li>(a) in relation to call warrants or callable bull certificates, higher than the exercise price ; or</li> <li>(b) in relation to put warrants or callable bear certificates, lower than the exercise price.</li> </ul>
investment bank	means an investment bank as referred to under the Guidelines on Investment Banks and which is registered as a Participating Organisation in accordance with the Rules of the Exchange, unless the context otherwise permits.
issuer	means an issuer of structured warrants which are listed or proposed to be listed on the Official List.
mandatory call event or MCE	in relation to a callable bull/bear certificate, means the first occurrence at any time before the certificate's expiry date where the transacted price of the underlying financial instrument is at or below (in respect of a callable bull certificate) or at or above (in respect of a callable bear certificate) the call price and upon which the callable bull/bear certificate will be called by the issuer.
Main Trading Phase	means a trading phase as described in Rule 701.5A of the Rules of the Exchange.
Market Maker	means a person who performs market making and is registered as a market maker under the Rules of the Exchange.
market making	means the act of entering bid and offer prices in the Automated Trading System of the Exchange.
non-collateralised structured warrants	means structured warrants where the underlying financial instrument is not held in deposit by a custodian or trustee for the entire term of the warrants in issue.
performance guarantee	in relation to an issuer, means an unconditional and irrevocable guarantee to perform any or all of the issuer's obligations in the terms and conditions of the structured warrants issue in the event the issuer fails to perform such obligations.
prospectus	has the same meaning given in the CMSA and for the purpose of this Chapter, includes "base prospectus" and "term sheet".
put warrant	means a contract under which a person has an actual, contingent or prospective right to – <ul style="list-style-type: none"> <li>(a) sell a specified number or units of underlying shares or ETF at a specified price on or by a specified future date; or</li> <li>(b) receive a cash amount, depending on the fluctuations in the value or price of an underlying financial instrument, and the amount will be calculated in accordance with the contract.</li> </ul>

settlement date	in relation to a bull equity-linked structure, means the date upon which the payment or delivery of underlying shares, as the case may be, is made to the holder of such issue.
shares	means shares of a corporation listed on the Exchange or a securities exchange outside Malaysia.
special scheme broker	means a foreign stockbroking company established under the Application for Establishment of Foreign Stockbroking Companies Under the Special Scheme.
structured warrants	means individually or collectively as the context may require, call warrants, put warrants, basket warrants, bull equity-linked structures, callable bull/bear certificates, or such other structures that may be specified by the Exchange from time to time.
underlying corporation	in relation to structured warrants, means the corporation that has issued the shares, which is the subject of such warrants.
underlying financial instrument	in relation to structured warrants, means the shares in a corporation, units of an ETF or index, which is the subject of such warrants.
underlying index	in relation to structured warrants, means the index which is the subject of such warrants.
underlying shares	in relation to structured warrants, means the shares which are the subject of such warrants.
universal broker	<p>means a Participating Organisation which has –</p> <p>(a) merged with or acquired, as the case may be, 3 or more other former member company(ies) or Participating Organisations;</p> <p>(b) fulfilled the necessary qualifying criteria from time to time stipulated by the SC, the Exchange or both, to the satisfaction of the SC, the Exchange or both; and</p> <p>(c) been approved in writing by the SC to be a universal broker.</p>

## PART C – UNDERLYING FINANCIAL INSTRUMENT

### 5.03 Underlying financial instrument listed on the Exchange

- (1) Where the underlying financial instrument of the structured warrants is shares or units in an ETF listed on the Exchange, an issuer must ensure that the underlying corporation or ETF has an average daily market capitalisation (excluding treasury shares) of at least -
- (a) RM1 billion in the past 3 months ending on the last market day of the calendar month immediately preceding the date of issue; or
  - (b) RM3 billion for newly listed corporations or ETFs that do not meet the 3 month market capitalisation track record.

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- (1A) Where the underlying financial instrument of the structured warrants is shares or units in an ETF that will be listed on the Exchange, an issuer must ensure that the underlying corporation or ETF has a market capitalisation (excluding treasury shares) of at least RM3 billion based on the issue price of the shares or units in the ETF as set out in the prospectus.
- (2) In the case of an issue of structured warrants where the underlying financial instrument is shares, an issuer must ensure that the underlying corporation is in compliance with the Exchange's public shareholding spread requirement.

#### 5.04 Underlying financial instrument listed outside Malaysia

- (1) Where the underlying financial instrument of the structured warrants is shares or units in an ETF listed on a securities exchange outside Malaysia, an issuer must ensure that the underlying financial instrument satisfies the following criteria:
- (a) the underlying corporation or ETF is listed on a securities exchange which is a member of the World Federation of Exchanges or is approved by the Exchange;
  - (b) the underlying corporation or ETF must have an average daily market capitalisation equivalent to at least -
    - (i) RM3 billion in the past 3 months ending on the last market day of the calendar month immediately preceding the date of issue; or
    - (ii) RM5 billion for newly listed corporations or ETF that does not meet the 3 month market capitalisation track record;
  - (c) the underlying corporation or ETF must be in compliance with the listing rules and requirements of its home exchange at the date of issue; and
  - (d) information on the price, volume, financial information and price-sensitive information relating to the underlying corporation or ETF must be available to investors in Malaysia.
- (2) Where the underlying financial instrument of the structured warrants is shares or units in an ETF that will be listed on a securities exchange outside Malaysia, an issuer must ensure that the underlying financial instrument satisfies the following criteria:
- (a) the underlying corporation or ETF must have a market capitalisation equivalent to at least RM5 billion based on the issue price of the shares or units in the ETF as set out in the prospectus; and
  - (b) upon listing, the underlying corporation or ETF must comply with the requirements set out in subparagraphs (1)(a), (c) and (d) above.

#### 5.05 Index as underlying financial instrument

Where the underlying financial instrument of the structured warrants is an index -

- (1) an issuer must ensure that the index is either based on the Exchange or if it is based on a securities exchange outside Malaysia, it is approved by the Exchange; and
- (2) where the index is based on a securities exchange outside Malaysia, information on its composition and performance must be made available to investors in Malaysia.

**5.06 Underlying shares for put warrants or callable bear certificates**

Subject to compliance with paragraph 5.03 above, when an issuer issues put warrants or callable bear certificates based on underlying shares which are listed on the Exchange, the issuer must ensure that –

- (a) the underlying shares of the put warrants or callable bear certificates are part of the Approved Securities; and
- (b) if the underlying shares are not part of the Approved Securities, the issuer must only issue put warrants together with call warrants of the same size and tenure based on the same underlying shares.

**5.07 Acceptable securities exchange outside Malaysia**

Where the underlying financial instrument of the structured warrants is listed on a securities exchange outside Malaysia, in determining whether the securities exchange is acceptable, the Exchange will consider among others, the following:

- (a) the market is regulated in a fair and orderly manner by the government or properly constituted body pursuant to a body of laws, regulations or rules which are broadly based;
- (b) quality of the reporting and timeliness of the disclosure of information on price, volume, financial information and price-sensitive information; and
- (c) the availability of price information to investors in Malaysia.

**5.08 Acceptable index**

Where the underlying financial instrument of the structured warrants is an index, in determining whether the index is acceptable, the Exchange will consider among others, whether the index –

- (a) is broadly based;
- (b) has transparent components; and
- (c) is a recognised benchmark.

**PART D – ADMISSION****5.09 Admission**

- (1) The Exchange will exercise discretion over the admission and continued listing of structured warrants on its Official List and may approve or reject applications for listing, as it deems fit.
- (2) The Exchange may also approve applications for listing unconditionally or subject to such conditions, as it deems fit.
- (3) An issuer applying to admit a structured warrant issue must comply with the relevant listing procedures and requirements as may be prescribed by the Exchange.

*[Cross reference: Practice Note 27]*

- (4) An issuer must submit its listing application to the Exchange for the issue of structured warrants through an eligible broker. However, where the issuers themselves are eligible brokers or eligible licensed persons approved by Bank Negara Malaysia, they may submit the proposals on their own behalf.

**5.10 Approval from other authorities**

- (1) An issuer seeking a listing of its structured warrants on the Official List must fulfill the eligibility criteria prescribed by the SC.
- (2) In addition, an issuer must obtain approval(s) from the other relevant authorities (where applicable) before listing and quotation of any structured warrants will be considered by the Exchange.

**5.11 Holders of structured warrants**

- (1) An issuer must ensure that, upon initial listing, the structured warrants for which listing is sought are in the hands of a minimum -
  - (a) 100 warrant holders holding not less than 1 board lot of warrants each; or
  - (b) 50 warrant holders holding not less than 1 board lot each provided that each of these warrant holders subscribe for a minimum of RM100,000 of warrants each.
- (2) The requirements in subparagraph (1) above do not apply to –
  - (a) an issuer of bull equity-linked structures; or
  - (b) an issuer who provides liquidity for the structured warrant issue via market making in accordance with paragraph 5.12 below.

**5.12 Market making**

An issuer intending to provide liquidity via market making must appoint only 1 Market Maker or be the Market Maker if it wishes to undertake the market making activities itself.

**PART E – TERMS AND CONDITIONS****5.13 Maximum issue size**

- (1) For structured warrants where settlement is –
  - (a) by physical delivery; and
  - (b) the underlying financial instrument is shares or units of an ETF listed on the Exchange,

the aggregate outstanding collateralised and non-collateralised structured warrants issued at any one time must not exceed 20% of the total number of issued shares of the underlying corporation or the fund size of the ETF.

- (2) For the purpose of this paragraph, the aggregate outstanding collateralised and non-collateralised structured warrants issued include those already issued by third-party issuers on the same underlying shares that are still outstanding (unexercised and unexpired).
- (3) When computing the size of a structured warrant issue, an issuer must not include the company warrants issued by the underlying corporation.

**5.14 Minimum issue size**

Each issue of structured warrants must be for a total face amount of not less than RM5 million.

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**5.15 Tenure of issue**

The expiry date of the structured warrants –

- (a) in relation to call and put warrants, must not be earlier than 6 months and not later than 5 years from the date of issue;
- (b) in relation to bull equity-linked structures, must not be earlier than 28 days and not later than 2 years from the date of issue; and
- (c) in relation to callable bull/bear certificates, must not be earlier than 3 months and not later than 5 years from the date of issue, unless a MCE occurs in which case the callable bull/bear certificate will be terminated before its expiry date.

**5.16 Take-over, liquidation, dissolution and winding-up**

The terms and conditions of each issue of structured warrant must specify the rights of the warrant holders in the event of –

- (a) a take-over, merger, liquidation, dissolution or winding-up of the underlying corporation or issuer;
- (b) a scheme of arrangement involving the shareholders of the underlying corporation or issuer;
- (c) winding-up of the underlying ETF; or
- (d) any other circumstances having a similar effect on the rights of warrant holders to any of the above events.

**5.17 Adjustment**

Where an adjustment is necessary pursuant to a Corporate Proposal or otherwise, an issuer may only adjust the exercise price, conversion ratio or call price of its structured warrants.

**5.17A Suspension and cancellation of callable bull/bear certificate**

- (1) If a MCE occurs, an issuer of callable bull/bear certificate must immediately notify the Exchange of the MCE and suspension in accordance with paragraph 5.41A. The Exchange will then suspend the trading of the callable bull/bear certificate on the Exchange, and the callable bull/bear certificate will terminate with effect from such suspension.
- (2) The Exchange may cancel the callable bull/bear certificate trades that are executed after the MCE –
  - (a) if the trading of a callable bull/bear certificate is not suspended immediately after a MCE; or
  - (b) for any other reason which the Exchange deems fit.

**PART F - TRUST DEED/DEED POLL****5.18 Contents of trust deed or deed poll**

- (1) An issuer must ensure that the trust deed or deed poll governing an issue of structured warrants includes the various provisions set out in Appendix 5A.

- 
- (2) An issuer must furnish to the Exchange a letter of compliance pursuant to paragraph 2.12 together with the trust deed or deed poll and a checklist showing compliance with Appendix 5A.
  - (3) Notwithstanding anything provided in this Chapter, a trust deed or deed poll must not include any provision for the extension or shortening of tenure of the structured warrants.

## **PART G – TRADING**

### **5.19 Minimum issue price**

The minimum issue price for a structured warrants issue must be RM0.15 per warrant.

### **5.20 Board lot**

- (1) Trading of structured warrants must be in a board lot comprising 100 units or any other number of securities permitted by the Rules of the Exchange.
- (2) Structured warrants based on an index must be issued in board lots of 100 warrants.

### **5.21 Conversion Ratio**

For the purpose of exercising structured warrants where settlement is by delivery of the underlying shares or ETF units, the conversion ratio must be as follows:

- (a) 1 structured warrant for 1 share or ETF unit;
- (b) 10 structured warrants for 1 share or ETF unit; or
- (c) such other ratio as the Exchange may approve, provided it will convert to a whole number of a board lot of the underlying shares or ETF units.

### **5.22 Exercise Style**

- (1) Subject to subparagraph (2) below, the right of the structured warrant holders must be exercisable in American style, European style or such other style as the Exchange may approve.
- (2) The following structured warrants may only be exercised in European style:
  - (a) bull equity-linked structures; and
  - (b) callable bull/bear certificates.

## **PART H – SETTLEMENT OF STRUCTURED WARRANTS**

### **5.23 Mode of settlement**

- (1) A structured warrants issue must be settled either -
  - (a) by delivery of the underlying shares or units of the ETF; or
  - (b) in cash.
- (2) The issuer must clearly specify the mode of settlement in the terms and conditions of the structured warrants issue.



- 
- (3) Subject to subparagraph (4) below, upon exercise by warrant holders or at the expiry date of a structured warrant issue, an issuer does not have the option to elect for an alternative mode of settlement.
- (4) Notwithstanding subparagraph (3) above, where –
- (a) the mode of settlement is by delivery of underlying shares or units of the ETF; and
  - (b) the warrant holders receive odd lots of shares upon exercise of the structured warrants or at expiry date,
- the issuer must settle the said odd lots in cash.

#### 5.24 Settlement in cash only

- (1) An issue of structured warrants must be settled in cash if -
- (a) the underlying financial instrument is –
    - (i) shares or an ETF listed on a securities exchange outside Malaysia; or
    - (ii) an index; or
  - (b) it is a callable bull/bear certificate.
- (2) An issuer must clearly specify the settlement in cash in the terms and conditions of the structured warrants issue.

#### 5.25 Settlement of bull equity-linked structures

Subject to paragraph 5.24, in relation to a settlement of bull equity-linked structures, the terms and conditions of the issue must clearly specify that the holders will receive on settlement date –

- (a) a predetermined cash amount if the closing price of the underlying shares on expiry date is at or above the exercise price; or
- (b) delivery of underlying shares or a cash amount if the closing price of the underlying shares is below the exercise price on expiry date. In this event, the cash will be calculated by reference to the value of those underlying shares.

#### 5.25A Settlement of callable bull/bear certificate

- (1) An issuer must clearly specify in the terms and conditions of the callable bull/bear certificate issue that if a MCE occurs, the callable bull/bear certificate will be settled in the following manner:
- (a) where the call price is equal to the exercise price, the certificate holders will not receive any cash amount; or
  - (b) where the call price is different from the exercise price, the certificate holders will receive a cash amount calculated in accordance with a predetermined formula, if -
    - (i) in relation to a callable bull certificate, the lowest traded price/level of the underlying financial instrument from the MCE up to the end of the next trading session, is above the exercise price; or

- 
- (ii) in relation to a callable bear certificate, the highest traded price/level of the underlying financial instrument from the MCE up to the end of the next trading session, is below the exercise price.
- (2) For the purpose of sub-paragraph (1)(b) above –
- (a) where the underlying financial instrument is shares or ETFs listed on the Exchange, the **“lowest/highest traded price”** refers to the “lowest/highest traded price” during the Main Trading Phase only; and
  - (b) the **“next trading session”** refers to the 1<sup>st</sup> trading session after the occurrence of the MCE, which contains at least 1 hour of continuous trading for the underlying financial instrument.

### 5.26 Calculation of settlement price when settled in cash

- (1) Subject to paragraph 5.25A, where settlement of a structured warrant issue is in cash, an issuer must specify in the terms and condition of the structured warrants, the method of calculation in determining the settlement price, as follows:
- (a) where the underlying financial instrument is shares or an ETF, the settlement price will be calculated using one of the following methods:
    - (i) the volume weighted average price; or
    - (ii) the average closing price; or
    - (iii) the closing price of the underlying share or ETF on the market day immediately before the exercise or expiry date; and
  - (b) where the underlying financial instrument is an index, the settlement price must be calculated using one of the following methods:
    - (i) the closing level of the underlying index on the market day immediately before the exercise or expiry date; or
    - (ii) the final settlement price settling the corresponding index futures contract on the expiry date; or
    - (iii) the average of the closing levels of the underlying index for the 5 market days prior to and including the market day immediately before the exercise or expiry date.
- (2) For the purpose of subparagraph (1)(a) above, the volume weighted average price or the average closing price of the underlying shares or ETF will be computed based on 5 market days immediately before the exercise or expiry date of the structured warrants, subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others.

### 5.27 Calculation of settlement price for American style structured warrants

- (1) Subject to subparagraph (2), for American style structured warrants, in addition to the methods of calculating the settlement price set out in paragraph 5.26, the following calculation method may be used:
- (a) where the structured warrant is exercised before 12.30 p.m., the settlement price must be calculated using -

- 
- (i) the closing price of the underlying share or ETF; or
  - (ii) the closing level of the underlying index,  
where applicable, on the day that the structured warrant is exercised; and
- (b) where the structured warrant is exercised on or after 12.30 p.m., the settlement price must be calculated using -
- (i) the closing price of the underlying share or ETF; or
  - (ii) the closing level of the underlying index,  
where applicable, on the next day after the day when the structured warrant is exercised.
- (2) An issuer may only use the additional calculation method set out in subparagraph (1) if -
- (a) it has specified the same in the terms and condition of the structured warrants issue; and
  - (b) the structured warrants are exercised before the expiry date.

#### 5.28 Automatic settlement in cash

Where the settlement of the structured warrants is in cash, an issuer must ensure that the terms and conditions of the structured warrants issue provide for automatic settlement (i.e. where warrant holders are not required to serve a notice of exercise to the issuer) if –

- (a) the structured warrants expire in-the-money; or
- (b) in relation to callable bull/bear certificates which are called for and terminated following a MCE, there is a cash amount payable to the certificate holders.

### PART I – FURTHER ISSUE

#### 5.29 Further Issue

- (1) An issuer may apply to list a further issue of its structured warrants (“**Further Issue**”) which forms part of the existing listed series of the structured warrants (“**Existing Issue**”), subject to the following conditions:
- (a) the Further Issue is for the purpose of facilitating market making;
  - (b) the terms and conditions of the Existing Issue either permit the Further Issue or have been properly amended to give the issuer the right to issue and list one or more Further Issues;
  - (c) the terms and conditions of the Further Issue and the Existing Issue must be identical except for the size and tenure of the issue; and
  - (d) the issuer holds not more than 50% of the Existing Issue at the time of application for the Further Issue.
- (2) An issuer may retain up to 100% of the Further Issue at the date of listing of the Further Issue.

- 
- (3) For the avoidance of doubt, the requirements under paragraphs 5.14, 5.15 and 5.19 are not applicable to a Further issue.

### 5.30 Listing application for Further Issue

An issuer must comply with the relevant listing procedures and requirements for the listing of Further Issue as may be prescribed by the Exchange.

*[Cross reference: Practice Note 27]*

## PART J – ISSUE OF BASKET WARRANTS

### 5.31 Basket warrants

Basket warrants are call or put warrants that are issued on a basket of 2 or more underlying shares.

### 5.32 Issuance of basket warrants

An issuer may issue basket warrants subject to the relevant terms and conditions applicable to the issue of structured warrants set out in this Chapter, with the following additional requirements:

- (a) fully-collateralised issue of basket call warrants must be settled either by delivery of the underlying shares or in cash; and
- (b) non-collateralised issue of basket call or put warrants must be settled in cash only.

## PART K - CONTINUING LISTING OBLIGATIONS

### 5.33 Obligation to retain a Market Maker

- (1) An issuer who provides liquidity for structured warrants via market making must ensure that the market making obligations, whether performed by itself or by another party, are performed-
  - (a) in accordance with the Rules of the Exchange; and
  - (b) as disclosed in the prospectus in relation to the minimum presence, spread and quantity requirements of the structured warrants.
- (2) For the avoidance of doubt, an issuer which has fulfilled the requirements in paragraph 5.11(1) above may also provide liquidity for its structured warrants via market making. In such instance, the issuer must also ensure that the Market Maker and market making activities comply with subparagraph (1) above.

### 5.34 Submission of financial statements

- (1) Subject to subparagraph (2) below, an issuer must announce its unaudited/audited financial statements covering the profit and loss position and the balance sheet position on a consolidated basis within 3 months after the close of the half year of the issuer's financial year ("**Due Date**"), or such period as may be approved by the Exchange. The issuer must ensure that the financial statement states whether there is any abnormal circumstance that has affected or will affect the business and financial position of the issuer.
- (2) This obligation does not apply to an issuer of bull equity-linked structures with an expiry date which takes place before the Due Date.

- (3) An issuer must immediately announce to the Exchange full details of any financial information which the issuer discloses to the public.

### 5.35 Submission of periodic information

- (1) Subject to subparagraph (2) below, an issuer must announce the following information to the Exchange, within the timeframes stipulated in subparagraph (2) below:

- (a) the number of structured warrants exercised during the relevant timeframe;
- (b) the cumulative number of structured warrants exercised to date; and
- (c) the number of structured warrants outstanding.

- (2) The timeframes referred to in subparagraph (1) above are -

	Structured warrants having an expiry date of –	Timeframes for announcement
(a)	28 days	On a weekly basis, on the first market day of the week.
(b)	More than 28 days but 6 months or less	On a fortnightly basis, on the first market day of the week.
(c)	More than 6 months	On a monthly basis, within the first 5 market days of the month.

- (3) Subparagraph (1) above does not apply to structured warrants exercisable in an European style.

- (4) If an issuer provides liquidity via a market making, the issuer must announce the following information within the first 5 market days of every month:

- (a) stock short name;
- (b) stock code;
- (c) number of structured warrants bought and the volume weighted average price of structured warrants bought in the preceding month;
- (d) number of structured warrants sold and the volume weighted average price of structured warrants sold in the preceding month;
- (e) number of outstanding structured warrants in the market and the percentage of the same; and
- (f) total issue size.

- (5) An issuer must also announce the number of structured warrants not held by the issuer or its Market Maker and the percentage of the same, on a monthly basis.

### 5.36 Notice of expiry

- (1) An issuer of structured warrants must prepare and announce a notice of expiry stating the expiry date of the structured warrants and treatment of the structured warrants which are not exercised, within the following timeframes, as may be applicable:

- 
- (a) where the structured warrants have an expiry date of 28 days but not more than 6 months - 2 weeks before the expiry date; or
  - (b) in respect of structured warrants other than those referred to in subparagraph (a) above - not less than 1 month before the expiry date.
- (2) In addition to subparagraph (1) above, an issuer of structured warrants without an automatic exercise feature must also despatch the above notice of expiry to its structured warrant holders.

### 5.37 Director's undertaking

An issuer of listed structured warrants must ensure that every director of the issuer gives the Exchange immediately after his appointment, and in any event not later than 14 days after the appointment, an undertaking in a form as may be prescribed by the Exchange.

*[Cross reference: Annexure PN27-D of Practice Note 27]*

### 5.38 Allotment of securities, despatch of notices of allotment for exercise and cash payment

- (1) Within 7 market days from the relevant date, an issuer must –
- (a) where settlement of the structured warrants is by delivery of the underlying financial instruments –
    - (i) cause the securities to be credited into the securities accounts of the structured warrants holders; and
    - (ii) despatch notices of allotment to the structured warrant holders; or
  - (b) where settlement of the structured warrants is in cash, make payment to the structured warrant holders.
- (2) For the purpose of this paragraph, “**relevant date**” means, as may be applicable –
- (a) the date a notice of exercise is received by the issuer together with the requisite payment (if any);
  - (b) the expiry date of the structured warrants;
  - (c) in the case of a callable bull/bear certificate, the date of de-listing or the expiry date of the certificate, whichever is the earlier; or
  - (d) such other date as may be prescribed by the Exchange.

### 5.39 Full exercise before expiry

Where a structured warrant has been fully exercised before expiry, an issuer must immediately notify the Exchange of the full exercise.

### 5.40 Issuers incorporated in a jurisdiction outside Malaysia

- (1) In relation to an issuer incorporated in a jurisdiction outside Malaysia which is eligible and approved by the SC to issue structured warrants, such an issuer must comply with the following provisions:
- (a) paragraph 4A.03

- (b) paragraph 4A.09;
  - (c) paragraph 4A.10;
  - (d) paragraph 4A.15;
  - (e) paragraph 4A.16; and
  - (f) paragraph 9.34.
- (2) For the purpose of this paragraph, all references to a foreign corporation with primary listing on the Main Market in subparagraphs (1)(a) to (e) above and all references to listed issuer in paragraph 9.34 mean an issuer incorporated in a jurisdiction outside Malaysia.

#### **5.41 Request for suspension, resumption of trading or withdrawal of listing**

Where the underlying corporation or the underlying financial instrument is listed on a securities exchange outside Malaysia, the issuer must immediately request for a suspension, resumption in trading or withdrawal of listing, as the case may be if –

- (a) the underlying corporation or issuer of the underlying financial instrument announces that it has requested a suspension, resumption in trading or withdrawal of listing on the securities exchange; or
- (b) the suspension, resumption in trading or withdrawal is imposed or effected by the relevant securities exchange.

#### **5.41A Suspension of callable bull/bear certificate**

- (1) If a MCE occurs, an issuer of a callable bull/bear certificate must immediately –
- (a) notify the Exchange to suspend the trading of the certificates; and
  - (b) announce the MCE and suspension to the Exchange.
- (2) The issuer must include the following information in its announcement referred to in subparagraph (1)(b) above:
- (a) the time when the MCE occurred;
  - (b) the time when the trading of the callable bull/bear certificate is called by the issuer and suspended by the Exchange and the effect of the same; and
  - (c) the date when the callable bull/bear certificate will be de-listed by the Exchange.

#### **5.42 Other continuing obligations**

Apart from Chapters 1, 2 and 16, the other Chapters of these Requirements are not applicable to an issuer of structured warrants.

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**PART L - ANNOUNCEMENTS****5.43 Announcement relating to adjustment to structured warrants**

- (1) Where an issuer proposes an adjustment to the terms of the structured warrants arising from a Corporate Proposal, the issuer must, not later than 3 market days from the date of announcement of the Corporate Proposal by the underlying corporation or the issuer of the underlying financial instrument, announce to the Exchange the following information:
  - (a) the salient terms and conditions of the Corporate Proposals which will result in the adjustment; and
  - (b) the adjustments that will be made to the structured warrants due to the Corporate Proposals.
- (2) [Deleted]
- (3) An issuer must, not later than 3 market days from the date of announcement of the books closing date by the underlying corporation or the issuer of the underlying financial instrument, announce to the Exchange the following information:
  - (a) the books closing date for the adjustments;
  - (b) the details of the adjustments; and
  - (c) in respect of a foreign underlying corporation or underlying financial instrument, the ex-entitlement date, which must be consistent with the foreign underlying corporation's or underlying financial instrument's ex-entitlement date.
- (4) Where an issuer adjusts the terms of the structured warrants or distributions to the holders of the structured warrants pursuant to events other than the Corporate Proposals, the issuer must immediately announce the following information:
  - (a) the occurrence of the events, details and reasons of such adjustments or distributions; and
  - (b) the books closing date for the adjustments, and in respect of a foreign underlying corporation or underlying financial instrument, the ex-entitlement date (which must be consistent with the foreign underlying corporation's or underlying financial instrument's ex-entitlement date).
- (5) In respect of the adjustments made pursuant to subparagraph (4) above, an issuer must ensure that the period from it announcing the books closing date to the books closing date is not less than 10 market days.
- (6) An issuer must announce the adjusted exercise price, conversion ratio, or the call price (in the case of a callable bull/bear certificate), and other salient terms of the structured warrants as soon as practicable and in any event not later than the last market day before the ex-entitlement date of the underlying financial instrument or the structured warrants, as the case may be.

**5.44 Announcement relating to market making**

An issuer that provides liquidity via market making must immediately announce to the Exchange if –

- (a) the Market Maker of its structured warrants -



- 
- (i) does not carry out market making activities pursuant to the circumstances disclosed in the prospectus;
  - (ii) does not carry out market making activities pursuant to the exceptional circumstances described in the Rules of the Exchange; or
  - (iii) resumes market making activities after the occurrence of the events in subparagraphs (a)(i) or (ii) above; and
- (b) there is any change in the Market Maker arising from resignation or termination of the Market Maker.

#### 5.44A Announcement when the settlement is in cash

Where a structured warrant is to be settled in cash, an issuer must announce the settlement amount payable to the holders –

- (a) at the end of the expiry date of the structured warrants; or
- (b) in relation to a callable bull/bear certificate where a MCE has occurred, within 1 market day from the end of the next trading session after the MCE. For this purpose, the “**next trading session**” has the same meaning given to it under paragraph 5.25A(2)(b).

#### 5.45 Announcement relating to dealing in structured warrants

- (1) For the purpose of this paragraph -
- (a) “**dealing**” means one or more of the following actions, undertaken by the issuer, its director or principal officer as a principal:
    - (i) acquiring or disposing of structured warrants or any interest in structured warrants;
    - (ii) subscribing for or underwriting structured warrants;
    - (iii) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into –
      - (aa) any agreement for or with a view to acquiring or disposing of structured warrants or any interest in structured warrants;
      - (bb) any agreement for or with a view to subscribing for or underwriting structured warrants; or
      - (cc) any agreement the purpose or avowed purpose of which is to secure a profit to any of the parties from the yield of structured warrants or by reference to fluctuations in the values of structured warrants; and
    - (iv) granting, accepting, acquiring, disposing of, exercising or discharging an option (whether for the call or put or both) or any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of structured warrants or any interest in structured warrants;
  - (b) “**interest in structured warrants**” has the same meaning as assigned to “interest in securities” under section 4 of the CMSA; and

- 
- (c) “**principal officer**” in relation to an issuer, includes the chief executive who is not a director, the chief financial officer or any other employee who has access or is privy to price-sensitive information concerning the structured warrants.
- (2) An issuer must announce to the Exchange any dealing in the issuer's structured warrants by the following persons:
    - (a) the issuer;
    - (b) the issuer's director; or
    - (c) the issuer's principal officer.
  - (3) An issuer must announce the dealings referred to in subparagraph (2) above which takes place -
    - (a) between the launching and listing date of that structured warrants, on the listing date of the structured warrants; and
    - (b) after the listing date, within the timeframe stipulated in paragraph 5.35(2).
  - (4) An issuer must include the following information in the announcement referred to in subparagraph (2) above:
    - (a) the name and position of the person involved in the dealing;
    - (b) the date on which the dealing occurred;
    - (c) the consideration for the dealing; and
    - (d) the number of structured warrants involved in the dealing, both in absolute terms and as a percentage of the structured warrants.

## PART M – IMPLEMENTATION OF PROPOSALS

### 5.46 Implementation deadline

- (1) An issuer must complete the implementation of a proposal relating to an issuance of structured warrants within 6 months from the date the listing application is approved by the Exchange.
- (2) If the issuer fails to complete the implementation of a proposal within the prescribed periods above, the Exchange's approvals given in regard to the proposal will lapse.
- (3) For a multiple issue of structured warrants, the issuer must ensure that the structured warrants are issued before the expiry date of the base prospectus.

[End of Chapter]

**Appendix 5A**  
**Contents of trust deed/deed poll for structured warrants**

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**APPENDIX 5A****Contents of trust deed/deed poll in respect of structured warrants**  
(paragraph 5.18)

- (1) Within 7 market days from the relevant date –
- (a) where settlement of the structured warrants is by delivery of the underlying shares, an issuer must -
    - (i) cause the securities to be credited into the securities accounts of the structured warrants holders; and
    - (ii) despatch notices of allotment to the structured warrants holders; and
  - (b) where settlement of the structured warrants is in cash, an issuer shall make the payment to the structured warrants holders.

The “relevant date” means, as may be applicable –

- (a) the date a notice of exercise is received by the issuer together with the requisite payment (if any);
  - (b) the expiry date of the structured warrants;
  - (c) in the case of a callable bull/bear certificate, the date of de-listing or the expiry date of the certificate, whichever is the earlier; or
  - (d) such other date as may be prescribed by the Exchange.
- (2) If a books closing date has been declared by the underlying corporation and trading of the underlying shares is on a “cum-entitlement” basis, the underlying shares to be delivered by the issuer to the warrant holder upon the exercise of the structured warrants shall also be on a “cum-entitlement basis”.
- (3) Any suspension in the trading of the underlying shares will not preclude the warrant holder from exercising his rights.

[End of Appendix]

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

- (1) This Chapter sets out the requirements that must be complied with by an applicant or a listed 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 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;

- 
- (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 Principal Adviser except for a Specified Bonus Issue of equity securities or issue of new units by an exchange-traded fund.
- (5) A listed issuer and its 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 exercise due diligence and comply with the SC's Guidelines on Due Diligence Conduct for Corporate Proposals as if the submission were made to the SC.

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

### **6.02A 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;
  - (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:
- (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:
    - (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]**



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**6.12 Placement agent**

The 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 business 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 Principal Adviser must submit to the Exchange the following:
  - (a) the final list (broken down by each placement agent) setting out the names, home or business addresses, identity card/passport/company registration numbers, occupations/principal activities and securities account numbers of all the placees and the ultimate beneficial owners of the securities placed (in the case where the placees are nominee corporations or funds), and the amount and price of securities placed to each placee; and
  - (b) a confirmation from the 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 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 Principal Adviser.
- (2) The 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.
- (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 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 of 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.
- (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.

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- (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.

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- (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 -
- (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
- (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 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 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]
- (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:
  - (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 –
  - (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.

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**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.
- (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]

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**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 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.

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- (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 Principal Adviser must inform the Exchange the dates of completion for all approved Issuance Proposal.
- (2) The listed issuer and its 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 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]



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**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**

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- (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**

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- (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.

**Appendix 6A**  
**Contents of announcement for new issue of securities**

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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]

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**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**

- 
- (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 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;
    - (ii) the tentative books closing dates;

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

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- (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
      - (bb) aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them;

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

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- (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**

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- (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.

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**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 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.

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

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- (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**

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- (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**

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- (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**

**APPENDIX 6C**
**Timeline for a rights issue**  
 (paragraph 6.23(2))

	<b>Timeline for a rights issue</b>	<b>Time limits</b>	<b>Market days*</b>
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..... 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**

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**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]

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**CHAPTER 7 CONSTITUTION****PART A – GENERAL****7.01 Introduction**

- (1) Parts B to N of this Chapter set out the provisions which an applicant or a listed corporation must ensure are contained in its constitution.
- (2) Part O of this Chapter sets out the additional provisions which a closed-end fund must ensure are contained in its constitution.
- (3) Part P of this Chapter sets out the additional provisions which a special purpose acquisition company must ensure are contained in its constitution.

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

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

**PART C – CAPITAL****7.03 [Deleted]****7.04 [Deleted]****7.05 [Deleted]****7.06 [Deleted]****7.07 Capital paid on shares in advance of calls**

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

**7.08 Issue of new shares to members**

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

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**PART D – FORFEITURE AND LIEN****7.09 Company's lien on shares and dividends**

The company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the company may be called upon by law to pay and has paid in respect of the shares of the member or deceased member.

**7.10 Sale of shares forfeited**

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

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

The transfer of any listed security or class of listed security of the company, shall be by way of book entry by the Depository in accordance with the Rules of the Depository and, notwithstanding sections 105, 106 or 110 of the Companies Act, but subject to section 148(2) of the Companies Act and any exemption that may be made from compliance with section 148(1) of the Companies Act, the company shall be precluded from registering and effecting any transfer of the listed securities.

**7.12 Transmission of securities**

Where -

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

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

**PART F – MODIFICATION OF RIGHTS****7.13 [Deleted]****PART G – BORROWING****7.14 Scope of directors' borrowing powers**

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

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

The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting must be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the company is listed.

**7.16 Record of Depositors**

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

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

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

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

On a resolution to be decided on a show of hands, a holder of ordinary shares or preference shares who is personally present and entitled to vote shall be entitled to 1 vote.

**7.19 Voting right of proxy**

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

**7.20 [Deleted]****7.21 Appointment of multiple proxies**

- (1) Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

- (2) An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

**7.21A [Deleted]**

**PART J – DIRECTORS**

**7.22 Directors’ power to fill casual vacancies and to appoint additional directors**

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

**7.23 Remuneration of directors**

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

**7.24 Annual shareholder approval for directors’ fees and benefits**

The fees of directors, and any benefits payable to directors shall be subject to annual shareholder approval at a general meeting.

**7.25 Directors’ interest in contracts**

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

**7.26 Election of directors**

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

**7.27 [Deleted]**

**7.28 Notice of intention to appoint director**

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

**7.29 Power of managing director**

A managing director, or a person performing the functions of a managing director, by whatever name called, shall be subject to the control of the board of directors.

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**7.30 Proceedings in case of vacancies**

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

**7.31 Appointment of alternate director**

A director may appoint a person to act as his alternate provided that –

- (a) such person is not a director of the company;
- (b) such person does not act as an alternate for more than one director of the company;
- (c) the appointment is approved by a majority of the other members of the Board; and
- (d) any fee paid by the company to the alternate shall be deducted from that director's remuneration.

**7.32 Chairman's casting vote**

Where 2 directors form a quorum, the chairman of a meeting at which only such a quorum is present, or at which only 2 directors are competent to vote on the question at issue shall not have a casting vote.

**PART K – ACCOUNTS****7.33 [Deleted]****PART L – WINDING-UP****7.34 Distribution of assets**

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

**7.35 [Deleted]****PART M – EFFECT OF THESE REQUIREMENTS****7.36 Effect of the Listing Requirements**

- (1) Notwithstanding anything contained in this constitution, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in this constitution prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).

- 
- (4) If the Listing Requirements require this constitution to contain a provision and it does not contain such a provision, this constitution is deemed to contain that provision.
  - (5) If the Listing Requirements require this constitution not to contain a provision and it contains such a provision, this constitution is deemed not to contain that provision.
  - (6) If any provision of this constitution is or becomes inconsistent with the Listing Requirements, this constitution is deemed not to contain that provision to the extent of the inconsistency.
  - (7) For the purpose of this constitution, unless the context otherwise requires, “**Listing Requirements**” means Bursa Malaysia Securities Berhad Main Market Listing Requirements including any amendment to the Listing Requirements that may be made from time to time.

## **PART N – AMENDMENTS TO THIS CHAPTER**

### **7.37 Amendments to this Chapter**

Where any amendment is made by the Exchange to the provisions of this Chapter, a company must make corresponding amendment(s) to its constitution to reflect the said amendment unless its constitution includes the provisions in paragraph 7.36 or its equivalent.

## **PART O – CLOSED-END FUNDS**

### **7.38 Amendment to investment policies and objectives**

Any amendment to a closed-end fund’s investment policies and objectives shall be approved by the shareholders of the closed-end fund by way of a special resolution.

### **7.39 Management control**

A closed-end fund shall not, either on its own or in conjunction with any person, take legal or effective management control of its underlying investments.

### **7.40 Maximum holdings**

No shareholder of a closed-end fund shall hold more than 20% of the total number of issued shares of the closed-end fund.

### **7.41 Prohibition against conduct of other business**

A closed-end fund shall not conduct any other business other than that of a closed-end fund.

## **PART P – SPECIAL PURPOSE ACQUISITION COMPANIES**

### **7.42 Completion of a qualifying acquisition**

- (1) A SPAC shall not proceed to complete a qualifying acquisition unless –
  - (a) where the qualifying acquisition comprises more than one acquisition, the sale and purchase agreements relating to each of the acquisitions are inter-conditional and shall complete simultaneously within 36 months from the date of listing of the SPAC on the Exchange; and

- 
- (b) the respective resolution on each qualifying acquisition is approved by a majority in number of the holders of voting securities representing at least 75% of the total number of securities held by all holders of voting securities present and voting either in person or by proxy at a general meeting duly called for that purpose.
- (2) A member of the management team and persons connected with them shall not vote on a resolution approving the qualifying acquisition.

#### **7.43 Rights of voting securities holders who vote against a qualifying acquisition**

- (1) Holders of voting securities, other than the members of the management team and persons connected with them, who vote against a qualifying acquisition at a meeting convened to consider the qualifying acquisition shall be entitled to receive, in exchange for their securities, a sum equivalent to a pro rata portion of the amount then held in the Trust Account, net of any taxes payable and expenses related to the facilitation of the exchange, provided that such qualifying acquisition is approved and completed not later than 36 months from the date of its listing on the Exchange.
- (2) Holders of voting securities who elect to exchange their securities pursuant to subparagraph (1) above shall be paid as soon as practicable upon completion of the qualifying acquisition. Securities which are tendered by these holders in exchange for cash shall be cancelled.
- (3) [Deleted]

#### **7.44 Liquidation of a special purpose acquisition company**

- (1) A SPAC shall be liquidated in accordance with the applicable laws and regulations in the following circumstances:
- (a) if the SPAC fails to complete a qualifying acquisition within 36 months from the date of its listing on the Exchange; or
- (b) if before the SPAC completes a qualifying acquisition, the SPAC is delisted by the Exchange.
- (2) Upon liquidation, the amount then held in the Trust Account, net of any taxes payable and direct expenses related to the liquidation distribution, shall be distributed to the respective holders of voting securities on a pro rata basis as soon as practicable, as permissible by the relevant laws and regulations. Any income earned from the Permitted Investments accruing in the Trust Account shall form part of the liquidation distribution.
- (3) Members of the management team and persons connected with them shall not participate in the liquidation distribution, other than in relation to securities purchased by them after the date of listing of the SPAC on the Exchange.
- (4) Securities holders who are not members of the management team and who invested in the securities of the SPAC prior to the initial public offering, shall not participate in the liquidation distribution, other than in relation to any securities subscribed for by them as part of the initial public offering and securities purchased by them after the date of listing of the SPAC on the Exchange.

[ End of Chapter ]



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

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

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

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

*[Cross reference: Practice Note 19]*

**8.03 Cash Companies**

- (1) A listed issuer whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both (“**Cash Criterion**”) must immediately notify the Exchange of its condition in writing. The Exchange will determine whether such listed issuer should be considered a Cash Company. A listed issuer considered as a Cash Company by the Exchange will be notified by the Exchange.
- (2) A Cash Company must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed issuer or de-list it, or both.
- (3) For the purposes of subparagraph (1) above -
  - (a) a listed issuer must, as a minimum requirement, make a determination as to whether it triggers the Cash Criterion when it disposes its assets or business on a group basis or prepares its financial statements or accounts; and
  - (b) “**short term investments**” means investments which are by their nature readily realisable and intended to be held for 12 months or less including interests (equity or otherwise) incorporations.

- 
- (4) A Cash Company must place at least 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal undertaken by the Cash Company) in an account opened with a financial institution licensed by Bank Negara Malaysia and operated by a custodian. Any interest generated by the monies held in the account must accrue to the account. For the purpose of this subparagraph (4), “custodian” means any of the following who is independent of the Cash Company:
- (a) a trust company registered under the Trust Companies Act 1949 or incorporated pursuant to the Public Trust Corporation Act 1995 and is in the List of Registered Trustees in relation to Unit Trust Funds issued by the SC; or
  - (b) a licensed bank or licensed investment bank as defined in the Financial Services Act 2013.

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

- (i) implementing a proposal to acquire a new core business approved by the SC; or
  - (ii) pro rata distributions to shareholders pursuant to subparagraph (9) below.
- (5) A Cash Company must comply with the following additional requirements:
- (a) regularise its condition in the following manner:
    - (i) submit a proposal to acquire a new core business to the SC for its approval within 12 months from the date it receives the notice referred to in subparagraph (1) above; and
    - (ii) implement its proposal within the timeframe prescribed by the SC;
  - (b) provide such information as may be prescribed by the Exchange from time to time for public release; and
  - (c) do such other acts or things as may be required by the Exchange.
- (6) The Exchange may suspend the trading of the Cash Company’s listed securities if it fails to comply with any part of its obligations in subparagraph (5)(a) above or if its proposal is rejected by the SC and the Exchange may de-list such Cash Company.
- (7) Subparagraphs (1) and (2) above are not applicable to the following listed issuers:
- (a) listed issuers whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia;
  - (b) Participating Organisations;
  - (c) closed-end funds;
  - (d) REITs;
  - (e) ETFs;
  - (f) infrastructure project corporations which have not completed their infrastructure project(s);
  - (g) special purpose acquisition companies; and

- (h) such other category of listed issuers as may be prescribed by the Exchange.
- (8) For a Cash Company to be no longer considered a Cash Company, the Cash Company must—
- (a) complete the implementation of its proposal; and
  - (b) submit an application to the Exchange to demonstrate that it is no longer a Cash Company, together with all the necessary documentary evidence.

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

- (9) A Cash Company must ensure that all moneys deposited, together with interests earned with the financial institution licensed by Bank Negara Malaysia and operated by a custodian under subparagraph (4) above are distributed to its shareholders on a pro-rata basis as soon as practicable if the Cash Company –
- (a) fails to comply with any part of its obligations in subparagraph (5)(a) above; or
  - (b) does not intend to maintain its listing at any time after it receives the notice referred to in subparagraph (1) above.

*[Cross reference: Practice Notes 16 and 29]*

### 8.03A Level of operations

- (1) A listed issuer must maintain an adequate level of operations to warrant continued trading or listing on the Official List.
- (2) The following are circumstances which indicate that a listed issuer may not have a level of operations that is adequate to warrant continued trading or listing on the Official List:
  - (a) the listed issuer has suspended or ceased –
    - (i) all of its business or its major business; or
    - (ii) its entire or major operations,
 for any reason whatsoever including, amongst others, due to or as a result of –
    - (aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;
    - (bb) the disposal of the listed issuer's business or major business; or
    - (cc) a court order or judgment obtained against the listed issuer prohibiting the listed issuer from conducting its major operations on grounds of infringement of copyright of products etc; or
  - (b) the listed issuer has an insignificant business or operations.
- (3) Subject to subparagraphs (5) and (6) below, a listed issuer that triggers subparagraphs (2)(a) or (2)(b) above ("**affected listed issuer**") must comply with the following, failing which the Exchange may suspend the trading of listed securities of such listed issuer or de-list the listed issuer, or both:

- 
- (a) immediately announce to the Exchange of its condition and provide such information from time to time for public release in accordance with the disclosure obligations set out in paragraph 4.0 of Practice Note 17, with the necessary modifications;
- (b) regularise its condition by complying with the requirements set out in paragraph 8.04(3) and paragraph 5.0 of Practice Note 17, with the necessary modifications; and
- (c) comply with such other requirements or do such other acts or things as may be prescribed or required by the Exchange.
- (4) Where the Exchange approves the regularisation plan of an affected listed issuer pursuant to subparagraph (3)(b) above, such approval may be unconditional or subject to such conditions, as it deems fit. If the regularisation plan is rejected by the Exchange, the affected listed issuer may appeal against the decision of the Exchange within 30 days from the date of its rejection.
- (5) An affected listed issuer need not comply with the requirements set out in subparagraph (3) above provided that -
- (a) the affected listed issuer is able to demonstrate to the satisfaction of the Exchange that its remaining business is viable, sustainable and has growth prospects, supported with appropriate justifications; and
- (b) in the view of the Exchange, its level of operations warrant continued trading or listing on the Official List.
- (6) An affected listed issuer intending to rely on subparagraph (5) above must announce the following to the Exchange:
- (a) immediately upon the affected listed issuer triggering subparagraphs (2)(a) or (2)(b) above, a statement to that effect and that it has made an application to the Exchange pursuant to subparagraph (5) above; and
- (b) immediately upon its receipt of the Exchange's decision on its application, the Exchange's decision and the conditions imposed (if any).
- (7) For the purposes of this paragraph, unless the context otherwise requires –
- (a) in relation to subparagraph (2)(a) above, "**major**" means such proportion that contributes or generates 70% or more of the listed issuer's revenue on a consolidated basis based on its latest annual audited or unaudited financial statements;
- (b) "**insignificant business or operations**" means business or operations which generates revenue on a consolidated basis that represents 5% or less of the share capital (excluding any redeemable preference shares and treasury shares) or the unit holder capital of the listed issuer ("**Capital**") based on its latest annual audited or unaudited financial statements.

For the purpose of computation, the following applies:

- (i) "**revenue on a consolidated basis**" comprises the revenue of the listed issuer, its subsidiaries, as well as revenue from the listed issuer's associated companies, calculated on a proportionate basis, based on the listed issuer's equity holding in the associated companies; and

- (ii) where there is/are a change/changes to the Capital in that financial year, the weighted average Capital for that financial year must be used. The weighted average Capital means the total amount of the Capital at the beginning of the financial year, adjusted by the amount of increase or reduction in the Capital during that financial year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the specific Capital is outstanding as a proportion of the total number of days in that financial year.

Example - Weighted Average of Capital for financial year ended 31 December 2xx1

		Share Capital (excluding redeemable preference shares and treasury shares) (RM)
1 January 2xx1	Balance	60,000,000
1 June 2xx1	Issue of 10,000,000 new shares at RM1 each for cash	70,000,000
1 Dec 2xx1	Issue of 12,000,000 new shares at RM1 each for cash	82,000,000

Computation of weighted average:

$$(RM60,000,000 \times 151/365) + (RM70,000,000 \times 183/365) + (RM82,000,000 \times 31/365) = RM66,882,185$$

- (8) Subparagraph (2)(b) above is not applicable to closed-end funds, REITs, ETFs, infrastructure project corporations which have not completed and commenced operations on their infrastructure project(s) and special purpose acquisition companies.

[Cross reference: Practice Notes 17 and 29]

#### 8.04 Financial condition

- (1) The financial condition of a listed issuer on a consolidated basis must, in the opinion of the Exchange, warrant continued trading or listing on the Official List.
- (2) The Exchange may prescribe certain criteria in relation to the financial condition of a listed issuer ("**Prescribed Criteria**"). When a listed issuer triggers any of the Prescribed Criteria ("**PN17 Issuer**"), it must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed issuer or de-list it, or both.
- (3) A PN17 Issuer must -
- (a) regularise its condition in the following manner:
- (i) within 12 months from the date it announces that it is a PN17 Issuer:
- (aa) submit a regularisation plan to the SC if the plan will result in a significant change in the business direction or policy of the PN17 Issuer; or

- 
- (bb) submit a regularisation plan to the Exchange if the plan will not result in a significant change in the business direction or policy of the PN17 Issuer, and obtain the Exchange's approval to implement the plan; and
    - (ii) implement the plan within the timeframe stipulated by the SC or the Exchange as the case may be;
  - (b) provide such information as may be prescribed by the Exchange from time to time for public release; and
  - (c) do such other acts or things as may be required by the Exchange.
- (4) Where the Exchange approves the regularisation plan of a PN17 Issuer, such approval may be unconditional or subject to such conditions, as it deems fit. If the regularisation plan is rejected by the Exchange, the PN17 Issuer may appeal against the decision of the Exchange within 30 days from the date of its rejection.
- (5) If a PN17 Issuer fails to comply with any part of its obligations under subparagraph (3)(a) above within the timeframes permitted by the Exchange, the Exchange shall –
- (a) suspend the trading of the PN17 Issuer's listed securities on the 6<sup>th</sup> market day after the date of notification of suspension by the Exchange; and
  - (b) de-list such PN17 Issuer subject to the latter's right to appeal against the de-listing under subparagraph (6) below.
- (6) Unless otherwise specified, a PN17 Issuer which intends to appeal against a de-listing under this paragraph 8.04 must submit its appeal to the Exchange within 5 market days from the date of notification of de-listing by the Exchange.
- (7) Where an appeal against de-listing has been submitted to the Exchange, the Exchange shall stay the de-listing of the PN17 Issuer concerned pending consideration of the appeal. However, the Exchange shall suspend the trading of the PN17 Issuer's listed securities on the 6<sup>th</sup> market day after the date of notification of suspension by the Exchange even though the decision of the appeal is still pending.
- (8) For a PN17 Issuer to be no longer considered a PN17 Issuer, the PN17 Issuer must –
- (a) complete the implementation of its regularisation plan; and
  - (b) submit an application to the Exchange to demonstrate that it is no longer a PN17 Issuer, together with all the necessary documentary evidence.
- The fact that a PN17 Issuer has ceased to trigger the Prescribed Criteria before it completes the implementation of its regularisation plan, would not entitle it to be no longer considered as a PN17 Issuer for the purpose of this subparagraph.
- (9) If a PN17 Issuer triggers any one or more of the Prescribed Criteria within 3 years after it is no longer considered a PN17 Issuer, such PN17 Issuer must undertake a regularisation plan which will result in a significant change in its business direction or policy and submit the plan to the SC for approval. The PN17 Issuer must also comply with all requirements set out in this paragraph 8.04.

*[Cross reference: Practice Notes 17 and 29]*

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**PART C – OPERATIONAL MATTERS****8.05 Proxy forms**

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

**8.06 Audit for transfers and issue of securities**

A listed issuer must provide the Exchange, upon request, with an external auditor's confirmation to the effect that the transfers and issue of securities is in accordance with the requirements set out in paragraphs 6.09, 6.28, 6.45, 6.58 and 8.15, where applicable.

**8.07 Number of securities**

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

**8.08 Paper quality and watermark**

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

**8.09 Size of certificates**

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

**8.10 Submission of semi-annual returns**

A listed issuer must submit to the Exchange returns as at 30 June and 31 December of each calendar year within 2 months from the said dates respectively, which include such information as may be prescribed by the Exchange from time to time by way of an electronic template provided by the Exchange.

**8.11 Change in classification**

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

*[Cross-reference: Practice Note 7]*



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**PART D – SPONSORSHIP OF DEPOSITORY RECEIPTS****8.12 Sponsorship of depository receipts**

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

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

**8.13 Status report on depository receipt**

- (1) A listed issuer which has entered into an agreement to sponsor a depository receipt programme must provide to the Exchange, for its information, every quarter of a calendar year, the following ("**status report**"):
  - (a) the number and names of the custodians holding the securities for which the depository receipts are issued; and
  - (b) the total number and percentage of the securities for which the depository receipts are issued against its total number of issued shares and a breakdown of the same in respect of the securities held by each custodian.
- (2) Where the status report shows that the limit referred to in paragraph 8.12(b) above is exceeded, the Exchange will forward such report to the Depository, for its further action.

**PART E – OFFER FOR SALE****8.14 Renounceable offer for sale**

A listed issuer or an offeror, or both, in a renounceable offer for sale of securities listed or proposed to be listed on the Official List must comply with the requirements of paragraphs 6.22, 6.23, 6.24, 6.26, 6.27 and 6.28 as if its offer for sale were the rights issue mentioned in those paragraphs.

**8.15 Allotment of securities and despatch of notices of allotment in respect of an offer for sale**

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

- (a) cause the securities to be credited into the securities accounts of the successful applicants or issue and/or allot securities, as the case may be;



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

## **PART F – DIRECTORS**

### **8.16 Director's undertaking**

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

*[Cross reference: Annexure PN21-C and PN21-D of Practice Note 21; Annexures PN23-C, PN23-D, PN23-G and PN23-H of Practice Note 23]*

## **PART G – SHARE ISSUANCE SCHEME**

### **8.17 Allocation under a Share Issuance Scheme**

- (1) A listed issuer must disclose to employees the criteria for allocation of options pursuant to a Share Issuance Scheme.
- (2) A listed issuer must ensure that allocation of options pursuant to a scheme is verified by the audit committee, as being in compliance with the criteria referred to in subparagraph (1) above, at the end of each financial year.
- (3) [Deleted]

### **8.18 Termination of a Share Issuance Scheme**

- (1) A listed issuer may not terminate a Share Issuance Scheme before expiry unless -
  - (a) the bylaws of the scheme contain a provision empowering the listed issuer to do so.
  - (b) [deleted]
  - (c) [deleted]
- (2) [Deleted]
- (3) [Deleted]
- (4) [Deleted]
- (5) A listed issuer which terminates a Share Issuance Scheme before its expiry must immediately announce to the Exchange –
  - (a) the effective date of termination;
  - (b) the number of options exercised or shares vested; and
  - (c) the reasons for termination.

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**8.19 Implementation of a new Share Issuance Scheme**

A listed issuer may implement more than 1 Share Issuance Scheme provided that the aggregate number of shares available under all the Share Issuance Schemes does not breach the limit stipulated in paragraph 6.38.

**8.20 Restriction on dealings**

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

**PART H – OTHERS****8.21 Material dilution**

- (1) A listed issuer must obtain shareholder approval in a general meeting for the issue by its principal subsidiary, of shares or convertible securities or options that results or could potentially result in a material dilution of the listed issuer's equity interest in such principal subsidiary.
- (2) For the purpose of subparagraph (1) above, "**material dilution**" means a percentage reduction amounting to 25% or more.

**8.22 Material variations**

- (1) A listed issuer must issue a circular to its shareholders and seek its shareholder approval if it proposes to make:
  - (a) a material change to the utilisation of proceeds raised by the listed issuer from its initial public offering or new issue of securities which has been approved by way of specific shareholder approval; or
  - (b) a material amendment, modification or variation to a proposal which has been approved by shareholders in general meeting.
- (2) For the purpose of subparagraph (1) above -
  - (a) a change to the utilisation of proceeds is considered material if such change is 25% or more of the total proceeds raised; or
  - (b) an amendment, modification or variation is considered material if it can be reasonably expected to have a material effect on the decision of a holder of securities of the listed issuer in relation to such proposal.
- (3) Subparagraph (1)(b) above does not apply to any amendment, modification or variation resulting from such direction or condition as may be imposed by the relevant authorities.

**8.23 Provision of financial assistance**

- (1) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and subject to subparagraph (2) below, a listed issuer or its subsidiaries not listed on any stock exchange may only -
  - (a) lend or advance any money; or

- 
- (b) guarantee, indemnify or provide collateral for a debt,  
("provision of financial assistance") to or in favour of the following:
- (i) directors or employees of the listed issuer or its subsidiaries;
  - (ii) persons to whom the provision of financial assistance -
    - (aa) is necessary to facilitate the ordinary course of business of the listed issuer or its subsidiaries; or
    - (bb) pursuant to the ordinary course of business of the listed issuer or its subsidiaries;  
  
such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its moneylending business; or
  - (iii) the subsidiaries, associated companies or joint arrangements of the listed issuer, the listed issuer (in the case of the subsidiaries providing the financial assistance) or its immediate holding company which is listed.

For the purpose of this subparagraph (iii), a "joint arrangement" has the meaning given to it under the approved accounting standards.

- (2) Where a listed issuer or its subsidiaries provide financial assistance -
- (a) the board of directors of such listed issuer must ensure -
    - (i) that the provision of the financial assistance referred to in subparagraph (1) above is fair and reasonable to the listed issuer and is not to the detriment of the listed issuer and its shareholders; and
    - (ii) where a listed issuer or its subsidiary lends or advances money in the ordinary course of its business as a moneylender ("**moneylending company**" and "**moneylending operations**"), that the board of directors of the listed issuer oversees the moneylending operations and the management of credit risk of the moneylending company including ensuring that adequate policies and procedures are put in place which must be reviewed regularly to enable -
      - (aa) maintenance of sound credit-granting standards;
      - (bb) maintenance of a clear and defined credit approval process including a list of the approving party(ies), which must include the board of directors of the listed issuer, for different quantum of financial assistance granted by the moneylending company;
      - (cc) monitoring and control of credit risk; and
      - (dd) timely identification and administration of problem credits;
  - (b) where it is a related party transaction as defined in paragraph 10.02, the listed issuer complies with the requirements of paragraph 10.08 in addition to this provision;

- 
- (c) where the provision of financial assistance is to the associated company or the joint arrangement of the listed issuer, and the aggregate amount provided or to be provided at any time to each associated company or joint arrangement compared to the net tangible assets of the group is 5% or more, the listed issuer must issue a circular to its shareholders and seek shareholder approval in a general meeting, of such provision of financial assistance, unless the listed issuer complies with the requirements in subparagraph (1)(ii) above, in which case, the requirement to issue a circular and seek shareholder approval is dispensed with;
- (d) where shareholder approval is required pursuant to subparagraphs (b) or (c) above, the listed issuer must state in its circular, the proposed utilisation of the amount of the financial assistance; and
- (e) in addition to the announcement as may be required by the Exchange, the listed issuer must announce the information set out in Appendix 8D in relation to each moneylending company for each quarter of its financial year, if any, not later than 7 market days after the end of each quarter of a financial year.
- (3) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and without limiting the generality of Part D of Chapter 2 -
- (a) a listed issuer or its directors must give the Exchange any information, document or explanation that the Exchange requests for in relation to moneylending operations in accordance with the instructions or request of the Exchange, including but not limited to the following information in relation to the 20 debtors of each moneylending company having the highest amount of outstanding loans and/or advances ("**Loans**") (with aggregation of Loans granted to persons connected with each other):
- (i) the names of the debtors and, in relation to each debtor, a statement as to whether the debtor is a related party;
- (ii) the outstanding Loan amounts with aggregation of Loans granted to persons connected to each other, and the breakdown into principal and interest owing;
- (iii) the salient terms of the outstanding Loans including the interest rate, terms as to the repayment of interest and principal and the security provided; and
- (iv) the length of default on interest and/or principal, if applicable; and
- (b) the Exchange may, at its absolute discretion, forward such information, document or explanation to the relevant authorities including the SC.
- (4) Subparagraphs (1), (2) and (3) above do not apply to -
- (a) any provision of financial assistance provided to or in favour of the listed issuer or wholly owned subsidiaries of the listed issuer;
- (b) a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate; or
- (c) [deleted]

- (d) share financing or share margin financing carried out by a listed issuer or its subsidiary not listed on any stock exchange which is a Participating Organisation.

[Cross reference: Practice Note 11]

#### 8.24 Listing of subsidiaries

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

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

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

#### 8.26 Declaration of dividend or distribution

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

#### 8.26A Electronic payment of cash distributions

- (1) A listed issuer must pay all cash distributions to its securities holders by directly crediting the payments into the securities holders' bank accounts as provided to the Depository from time to time.
- (2) Where a listed issuer's securities holders have provided to the Depository the relevant contact details for purposes of electronic notifications, the listed issuer must notify them electronically once the listed issuer has paid the cash distributions out of its account.
- (3) For the purpose of this paragraph, "**cash distributions**" means cash payments made by a listed issuer in respect of its securities which are listed and quoted for trading on the Exchange, as prescribed by the Exchange from time to time which include -
- (a) cash dividends;
  - (b) payments of interest or profit rates on debt securities or sukuk respectively;
  - (c) income distributions made by collective investment schemes or business trust;
  - (d) capital repayment; and
  - (e) cash payments in lieu of odd lots arising from distributions in specie.

#### 8.27 Notices of general meetings

- (1) A listed issuer must ensure that all notices convening general meetings contain sufficient information to enable a member to decide whether to attend the meeting.

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

### 8.28 Notice of maturity

The listed issuer must issue a notice of the maturity or expiry of any listed convertible security to its holders and advertise a summary of the same in at least one nationally circulated Bahasa Malaysia or English daily newspaper not less than 1 month before the last conversion/exercise date or maturity date, whichever is the earlier.

### 8.29 Securities holder approval

- (1) If a transaction or corporate proposal requires securities holder approval pursuant to these Requirements, a listed issuer 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.
- (2) Where the transaction or corporate proposal is a grant for the exercise of an option and shareholder approval is required pursuant to these Requirements, then –
  - (a) in the case of an issue by the listed issuer or its subsidiaries, the shareholder approval must be obtained before the option is issued, or the issue must be subject to that approval; and
  - (b) in the case of an exercise by the listed issuer or its subsidiaries, the shareholder approval must be obtained before an option is exercised.

### 8.29A Voting by poll

- (1) A listed issuer must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll.
- (2) A listed issuer must appoint at least 1 scrutineer to validate the votes cast at the general meeting. Such scrutineer must not be an officer of the listed issuer or its related corporation, and must be independent of the person undertaking the polling process. If such scrutineer is interested in a resolution to be passed at the general meeting, the scrutineer must refrain from acting as the scrutineer for that resolution. For this purpose, “**officer**” has the meaning given in section 2 of the Companies Act.

### 8.30 Accounting and other records

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

**8.31 Lodgement of agreement**

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

**PART I – SPECIFIC CONTINUING OBLIGATIONS RELATING TO PRICE STABILIZATION MECHANISM****8.32 Responsibilities of a listed issuer for the purposes of stabilizing action**

- (1) A listed issuer must ensure that the stabilizing manager undertaking the stabilizing action on its behalf, maintains a register in accordance with subparagraph 10(a) of the Capital Markets and Services (Price Stabilization Mechanism) Regulations 2008, which contains the information set out under Appendix 8C and that any changes to the information in the register be updated on a daily basis.
- (2) The listed issuer must make available the register and all agreements relating to the market stabilization entered into by the listed issuer and stabilizing manager to the SC, Exchange or a person authorized in writing by the Exchange for inspection and must allow the SC, Exchange or a person authorized in writing by the Exchange to make copies or take extracts on the register or the agreements.
- (3) In addition to subparagraph (1) above, the listed issuer must ensure that the register is capable of being brought into Malaysia and made available for inspection by the SC, Exchange or a person authorized in writing by the Exchange or where such register is not capable of being brought into Malaysia, a certified true copy of the register is made available for inspection by the SC, Exchange or a person authorized in writing by the Exchange if -
  - (a) the listed issuer is listed both on the Exchange and an exchange outside Malaysia; and
  - (b) it has appointed a stabilising manager to carry out stabilising action on a stock market outside Malaysia.
- (4) For the purposes of this subparagraph, inspection includes making copies and taking extract from the register.

**PART J – SPECIFIC CONTINUING OBLIGATIONS RELATING TO CLOSED-END FUNDS****8.33 Provision of information by Managers**

The Managers must submit to the Exchange any information relating to the closed-end fund, that the Exchange requests for and in accordance with the instructions or request of the Exchange.

**PART K – SPECIFIC CONTINUING OBLIGATIONS RELATING TO REITS****8.34 [Deleted]****8.35 [Deleted]**

**8.36 Application of other Chapters**

The following provisions are not applicable to a REIT:

- (a) Part G of this Chapter; and
- (b) Chapter 15 except for paragraphs 15.03, 15.03A, 15.06, 15.08, 15.21, 15.22, 15.24, 15.25(1), 15.26, 15.27 and Part C which apply to the management company and its directors.

**8.36A [Deleted]**

**8.37 [Deleted]**

**PART L – SPECIFIC CONTINUING OBLIGATIONS RELATING TO ETFs****8.38 Application of other Chapters**

The provisions of Parts B, D, E and G of this Chapter, Chapters 10, 14 and 15 do not apply to an ETF except for paragraphs 15.03, 15.03A, 15.06 and 15.08 which apply to the directors of the management company of the ETF.

**8.39 Unit spread of ETFs**

The Exchange may require the management company of an ETF to comply with such unit spread requirements as may be prescribed by the Exchange in relation to an ETF, on a continuing basis

**8.40 [Deleted]**

**PART L(A) – SPECIFIC CONTINUING OBLIGATIONS RELATING TO BUSINESS TRUSTS**

**8.40A [Deleted]**

**PART M – SPECIFIC CONTINUING OBLIGATIONS RELATING TO SPECIAL PURPOSE ACQUISITION COMPANIES****8.41 Provision and obtaining financial assistance**

Notwithstanding paragraph 8.23, a SPAC must not provide any financial assistance to any person until it has fully paid or satisfied the consideration of the qualifying acquisition and the ownership of the assets acquired by the SPAC is beneficially and legally vested in the SPAC.

**8.42 Application of other continuing listing obligations**

A SPAC is not subject to the continuing listing obligations set out in the following paragraphs or parts of this Chapter:

- (a) paragraph 8.11;
- (b) Part D;
- (c) Part E; and
- (d) Part G.

[End of Chapter]



**Appendix 8A**  
**Contents of statement accompanying notices of AGM**

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**APPENDIX 8A****Contents of statement accompanying notices of annual general meetings**  
(paragraph 8.27(2))

1. Further details of individuals who are standing for election as directors (excluding directors standing for a re-election), namely the following:
  - (a) the name, age, gender, nationality, qualification, and whether the position is an executive or non-executive one and whether such director is an independent director;
  - (b) the working experience and occupation;
  - (c) any other directorships in public companies and listed issuers;
  - (d) the details of any interest in the securities of the listed issuer and its subsidiaries;
  - (e) the family relationship with any director and/or major shareholder of the listed issuer;
  - (f) any conflict of interest that they have with the listed issuer; and
  - (g) other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.
  
2. A statement relating to general mandate for issue of securities in accordance with paragraph 6.03(3) of these Requirements.

[End of Appendix]

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

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APPENDIX 8B

[Deleted]

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

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**APPENDIX 8C****Information to be included in the register of a stabilizing manager**  
(paragraph 8.32)

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

[End of Appendix]

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**APPENDIX 8D****Information to be included in announcement by moneylending company**  
(paragraph 8.23(2)(e))

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

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

- (4) The top 5 Loans (with aggregation of Loans given to the same person or persons connected with each other), setting out (where applicable) -
  - (a) the facility type and limit;

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

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- (b) the amount outstanding and type;
- (c) whether security was provided and if provided, the value of the security;
- (d) whether the recipient of the Loans is a related party; and
- (e) the terms of repayment.

[End of Appendix]

## APPENDIX 8E

Information on equity structure of a listed corporation, REIT or business trust to be furnished to the Exchange upon completion of a take-over offer  
(paragraph 8.02(5))

(1) Listed corporations

<i>Particulars</i>	<i>No. of shares</i>	<i>No. of shareholders</i>	<i>Percentage %</i>
<i>Share capital</i>			
<i>Less:</i>			
<i>Treasury shares</i>			
<i>Directors of the listed corporation and its subsidiaries</i>			
<i>Substantial shareholders of the listed corporation (except where such shareholder may be included as "public")</i>			
<i>Associates of directors or substantial shareholders of the listed corporation</i>			
<i>Public shareholding</i>			

(2) REITs / business trusts

<i>Particulars</i>	<i>No. of units</i>	<i>No. of unit holders</i>	<i>Percentage %</i>
<i>Units in circulation</i>			
<i>Less:</i>			
<i>Directors and substantial shareholders of the management company/trustee-manager</i>			

Appendix 8E  
Information on equity structure

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*Substantial unit holders of the REIT/business trust (except where such unit holder may be included as “public”)*

*Management company of a REIT/trustee-manager of a business trust*

*Associates of directors of the management company/trustee-manager or substantial unit holders of the REIT/business trust*

*Public unit holders*

[End of Appendix]

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

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

**PART A(A) – DEFINITIONS****9.01(A) Definitions**

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

- (a) “**net asset value**” shall have the following meanings:
  - (i) in relation to a closed-end fund, means the value of the assets of the closed-end fund less its liabilities, computed in accordance with the SC’s Guidelines for Public Offerings of Securities of Closed-end Funds; and
  - (ii) in relation to an ETF and REIT, means the value of all assets less the value of all liabilities of the ETF or REIT, as the case may be, at the valuation point.
- (b) “**MER**” or management expense ratio means the ratio of the sum of fees and the recovered expenses of the collective investment scheme to the average value of the collective investment scheme, calculated on a daily basis in accordance with the formula below:

$$\frac{\text{Fees of the collective investment scheme} + \text{Recovered expenses of the collective investment scheme}}{\text{Average value of the collective investment scheme calculated on a daily basis}} \times 100$$



Where:

**Fees** refer to all ongoing fees deducted or deductible directly from the collective investment scheme in respect of the period covered by the MER, expressed as a fixed amount, calculated on a daily basis. This would include the annual management fee, the annual trustee fee and any other fees deducted or deductible directly from the collective investment scheme;

**Recovered expenses** refer to all expenses recovered from, or expenses charged to, the collective investment scheme, as a result of the expenses incurred by the operation of the collective investment scheme, expressed as a fixed amount. This should not include expenses that would otherwise be incurred by an individual investor (e.g. brokerage, taxes and levies); and

**Average value of the collective investment scheme** refers to the net asset value of the collective investment scheme, including net income value of the collective investment scheme, less expenses on an accrued basis, in respect of the period covered by the MER, calculated on a daily basis.

- (c) **“Securities Transactions”** means the following transactions conducted pursuant to the Rules of Bursa Malaysia Securities Clearing Sdn. Bhd:
- (i) securities lending under the SBL Negotiated Transaction or Bursa SBL Transaction; or
  - (ii) securities selling under the ISSBNT Negotiated Transaction.

## PART B – CORPORATE DISCLOSURE POLICY

### 9.02 Corporate disclosure policy

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

## PART C – IMMEDIATE DISCLOSURE OF MATERIAL INFORMATION

### 9.03 Disclosure of material information

- (1) A listed issuer must make immediate public disclosure of any material information, except as set out in paragraph 9.05 below.

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

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

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

- (a) the entry into a joint venture agreement or merger;
- (b) the acquisition or loss of a contract, franchise or distributorship rights;
- (c) the introduction of a new product or discovery;
- (d) a change in management;
- (e) the borrowing of funds;
- (f) the commencement of or the involvement in litigation and any material development arising from such litigation;
- (g) the commencement of arbitration proceedings or proceedings involving alternative dispute resolution methods and any material development arising from such proceedings;
- (h) the purchase or sale of an asset;
- (i) a change in capital investment plans;
- (j) the occurrence of a labour dispute or disputes with sub-contractors or suppliers;
- (k) the making of a tender offer for another corporation's securities;
- (l) [deleted]
- (m) a change in general business direction;
- (n) a change of intellectual property rights;
- (o) the entry into a memorandum of understanding; or
- (p) the entry into any call or put option or financial futures contract.

**9.05 Withholding of material information**

- (1) A listed issuer may, in exceptional circumstances, temporarily refrain from publicly disclosing material information, provided that complete confidentiality is maintained. Where material information is withheld, the listed issuer must refrain from delaying disclosure for an unreasonable period of time since it is unlikely that confidentiality can be maintained beyond a short period of time.
- (2) The exceptional circumstances where disclosures can be withheld are limited and constitute an infrequent exception to the normal requirement of immediate public disclosure. In cases of doubt, the presumption must always be in favour of disclosure.
- (3) The following are the exceptional circumstances where disclosure may be temporarily withheld:
  - (a) when immediate disclosure would prejudice the ability of the listed issuer to pursue its corporate objectives;
  - (b) when the facts are in a state of flux and a more appropriate moment for disclosure is imminent; or
  - (c) where the laws prohibit the disclosure of such information.

**9.06 Maintaining confidentiality**

- (1) Whenever material information is being temporarily withheld, a listed issuer must ensure that the strictest confidentiality is maintained, including limiting the number of persons having access to the material information and ensuring security of all confidential documents.
- (2) [Deleted]
- (3) Notwithstanding paragraph 9.05 above, in the event that material information is or is believed to have been inadvertently disclosed to third parties or where the material information has become generally available through the media or otherwise, the listed issuer must immediately announce the information to the Exchange.

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

During a period where information is withheld from the public, the market activity of the listed issuer's securities must be closely monitored. The listed issuer must immediately announce the information withheld to the Exchange in accordance with these Requirements, if the following circumstances occurs:

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

**PART D – THOROUGH PUBLIC DISSEMINATION****9.08 Thorough public dissemination**

- (1) A listed issuer must release material information to the public in a manner designed to obtain its fullest possible public dissemination.

- 
- (2) A listed issuer must ensure that no disclosure of material information is made on an individual or selective basis to analysts, shareholders, journalists or other persons unless such information has previously been fully disclosed and disseminated to the public. If material information is inadvertently disclosed at any meetings with analysts, shareholders, journalists or others, it must be publicly disseminated as promptly as possible.
  - (3) There may be limited circumstances where selective disclosure of material information is necessary, for example where the listed issuer is undertaking a corporate exercise or to facilitate a due diligence exercise. In such circumstances, the listed issuer must ensure that –
    - (a) the disclosure is restricted to only relevant persons;
    - (b) the strictest confidentiality is maintained; and
    - (c) the requirements in paragraph 9.07 are complied with.
  - (4) If the disclosure is made immediately before or during trading hours, the Exchange may impose a temporary halt or suspension in trading of the listed issuer's securities to facilitate dissemination and evaluation of the information released.
  - (5) Any public disclosure of material information must be made by an announcement first to the Exchange or simultaneously to the Exchange, the press and newswire services. For the avoidance of doubt, a listed issuer must not release any material information to the media even on an embargoed basis until it has given the information to the Exchange.

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

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

- (1) Whenever a listed issuer becomes aware of any rumour or report, true or false, that contains material information, the listed issuer must make due enquiry and immediately publicly clarify, confirm or deny the rumour or report.
- (2) For the purpose of subparagraph (1) above, the listed issuer must publicly clarify any rumour or report circulated by any means including by word-of-mouth, an article published in a newspaper, newswire, magazine, a broker's market report or any other publication.

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

- (1) A listed issuer must respond to a rumour or report by making an immediate announcement to the Exchange as follows:
  - (a) if the rumour or report contains erroneous material information, a denial or clarification of the rumour or report together with facts sufficient to support the denial or to clarify any misleading aspects of the rumour or report. The listed issuer must also take reasonable effort to bring the announcement to the attention of the party that initially distributed the erroneous rumour or report; and
  - (b) if the rumour or report contains material information that is correct, a confirmation of the rumour or report together with the facts of the matter and an indication of the state of negotiations or of corporate plans in the rumoured area. Such announcements are essential even if the matter has yet to be presented to the listed issuer's board of directors for consideration.

- 
- (2) In the case of a rumour or report predicting future sales, earnings or other quantitative data, a listed issuer is not ordinarily required to provide a response. However, if such a report is manifestly based on or contains erroneous information, or is wrongly attributed to the listed issuer, the listed issuer must -
- (a) respond promptly to the supposedly factual elements of the rumour or report as required under paragraph 9.09 and this paragraph 9.10; and
  - (b) include in the announcement, a statement to the effect that the listed issuer itself has made no such prediction and it is unaware of any facts that would justify making such a prediction.

## **PART F – RESPONSE TO UNUSUAL MARKET ACTIVITY**

### **9.11 Unusual market activity**

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

## **PART G – UNWARRANTED PROMOTIONAL DISCLOSURE ACTIVITY**

### **9.12 Promotional disclosure activity**

- (1) A listed issuer must refrain from any form of promotional disclosure activity which may mislead investors or cause unwarranted price movement and activity in a listed issuer’s securities.

- 
- (2) Such activity includes news releases, public announcements, predictions, reports or advertisements which are -
- (a) not justified by actual developments concerning a listed issuer;
  - (b) exaggerated;
  - (c) flamboyant;
  - (d) overstated; or
  - (e) over-zealous.

### 9.13 Hallmarks of promotional disclosure activity

Although the distinction between legitimate public relations activities and such promotional disclosure activity depends on the facts of a particular case, the following are frequent hallmarks of promotional activity:

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

## PART H – INSIDER TRADING

### 9.14 Prohibitions under the law

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

### 9.15 Prohibition from trading

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

## PART I – PREPARATION OF ANNOUNCEMENTS

### 9.16 [Deleted]

### 9.17 Preparation of press or public announcement

A listed issuer must comply with the following requirements in respect of its obligation to make disclosure of information under these Requirements:

- 
- (a) since skill and experience are important to the preparation and editing of press or public announcements, the Exchange requires that the listed issuer identify an individual or limited group of individuals within the listed issuer who are familiar with the requirements of the Exchange, as well as any applicable requirements of the securities laws to undertake the responsibility for disclosure on a continuing basis. As a press or public announcement must usually be prepared and released as quickly as possible, the individual or group charged with this assignment must be able to handle problems that arise suddenly and unexpectedly; and
  - (b) every announcement must be reviewed by a company official familiar with the matters about which disclosure is to be made.

#### **9.18 Summary of salient points**

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

### **PART J – IMMEDIATE DISCLOSURE REQUIREMENTS**

#### **9.19 Immediate announcements to the Exchange**

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

- (1) any intention to fix a books closing date and its reason, stating the books closing date, which must be at least 10 market days after the date of announcement to the Exchange;
- (2) any recommendation or declaration of a dividend or distribution which complies with the following:
  - (a) the announcement must include -
    - (i) the amount per share;
    - (ii) the mode (in cash, by shares or both) and date of payment which is within 1 month from the books closing date; and
    - (iii) where a Dividend Reinvestment Scheme is applicable to that dividend, to state the same and the amount of the dividend per share which will be subjected to the scheme;
  - (b) where a dividend or distribution is not taxable in the hands of shareholders, this must be stated in the announcement to the Exchange and on the dividend or distribution advice to shareholders; and
  - (c) where there is a variation in an interim or a final dividend or distribution for the corresponding period in the previous year, the directors must state the reasons for the variation at the time of the recommendation or declaration;
- (3) any recommendation or decision that a dividend will not be declared;

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- (4) any change in the terms of a debt security or a convertible security;
  - (5) [deleted]
  - (6) any general meeting (other than a meeting convened to pass a special resolution or an annual general meeting), at least 14 days before such meeting is held, and in the case of a meeting convened to pass a special resolution or to hold an annual general meeting, at least 21 days before such meeting is held. The announcement must include the date of the Record of Depositors which the listed issuer requires for purposes of determining whether a depositor shall be regarded as a member entitled to attend, speak and vote at the general meeting;
  - (7) all resolutions put to a general meeting of a listed issuer and immediately after such meeting whether or not the resolutions were carried. The announcement must include –
    - (a) the total number of votes cast on the poll (together with the percentage) in favour of and against the resolution; and
    - (b) the name of the scrutineer;
  - (8) any call to be made upon any of the partly paid share capital of the listed issuer;
  - (9) any change of address or telephone number and/or facsimile number of the registered office of the listed issuer or of any office at which the register of securities of the listed issuer is kept;
  - (10) any proposed change of name of the listed issuer;
  - (11) any change in the financial year end of the listed issuer together with the reasons for the change;
  - (12) any change in the composition of the board of directors of the listed issuer. An announcement to the Exchange –
    - (a) on the appointment of a director must include the information contained in Part A of Appendix 9A; or
    - (b) on the cessation of office of a director must include the reasons given for the cessation, including but not limited to any information relating to his disagreement with the board and a statement as to whether or not there are any matters that need to be brought to the attention of the shareholders of the listed issuer;
  - (13) any change in the composition of the audit committee of the listed issuer. An announcement to the Exchange on the appointment of audit committee members must state whether the appointees are independent directors;
  - (14) any change or proposed change in the chief executive of the listed issuer. An announcement to the Exchange –
    - (a) on the appointment of the chief executive must include the information contained in Part B of Appendix 9A; or
    - (b) on the cessation of office of the chief executive must include the reasons given for the cessation, including but not limited to any information relating to his disagreement with the board and a statement as to whether or not there are any matters that need to be brought to the attention of the shareholders of the listed issuer;



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- (14A) any change or proposed change in the chief financial officer of the listed issuer. An announcement to the Exchange –
- (a) on the appointment of the chief financial officer must include the information contained in Part B(A) of Appendix 9A; or
  - (b) on the cessation of office of the chief financial officer must include the reasons given for the cessation, including but not limited to any information relating to his disagreement with the board and a statement as to whether or not there are any matters that need to be brought to the attention of the shareholders of the listed issuer;
- (14B) any appointment or change in the legal representative(s) (or person(s) of equivalent authority, however described), with sole powers to represent, exercise rights or enter into binding obligations, on behalf of the listed issuer or its foreign principal subsidiary pursuant to any relevant law applicable to the listed issuer or its foreign principal subsidiary. An announcement to the Exchange must include the information contained in Part B(B) of Appendix 9A;
- (15) any change in the company secretary or external auditors of the listed issuer. An announcement to the Exchange on the cessation of office of the external auditors must include the reasons for the cessation where there are written representations or explanations for such cessation, including but not limited to a statement whether or not there are any matters that need to be brought to the attention of the shareholders of the listed issuer;
- (15A) any change in the independent adviser appointed by the listed issuer pursuant to these Requirements. An announcement on the cessation of service of the independent adviser must include the reasons given for the cessation including but not limited to a statement whether or not there are any matters that need to be brought to the attention of the shareholders of the listed issuer;
- (16) any proposed alteration of the constitution of the listed issuer;
- (17) any notice relating to substantial shareholding which the listed issuer has received;
- (18) any notice referred to in section 219(1) of the Companies Act which the listed issuer has received in relation to the listed issuer's securities listed on the Exchange;
- (19) any winding-up of the listed issuer as follows:
- (a) in relation to a listed issuer which is a corporation, or its subsidiary or major associated company -
    - (i) presentation of a winding-up petition;
    - (ii) winding-up order being made; or
    - (iii) commencement of a voluntary winding-up in accordance with section 441 of the Companies Act; or
  - (b) in relation to a listed issuer which is a collective investment scheme or business trust, the occurrence of an event specified under the deed, the relevant guidelines issued by the SC or the CMSA which will result in the collective investment scheme or business trust being wound up or terminated.

An announcement to the Exchange pertaining to the winding-up must include the information contained in Part C of Appendix 9A;

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- (20) the appointment of, or any change in, the following persons over the listed issuer, any of its subsidiaries or major associated companies or any part of the properties of the listed issuer, its subsidiaries or major associated companies:
- (a) a receiver, manager or receiver and manager;
  - (b) a liquidator (which includes an interim liquidator);
  - (c) a special administrator; or
  - (d) such other person of a similar capacity.

An announcement pertaining to the appointment of a receiver, manager, receiver and manager, or such other person of a similar capacity must include the information contained in Part D of Appendix 9A. An announcement on the appointment of the liquidator (which includes an interim liquidator) or special administrator must include the information contained in Part E of Appendix 9A;

- (21) the procurement of a court order restraining proceedings against a listed issuer or any of its subsidiaries or major associated companies under section 368 of the Companies Act. An announcement on the restraining order must include the information contained in Part F of Appendix 9A;
- (22) [deleted]
- (23) [deleted]
- (24) [deleted]
- (25) any acquisition (including subscription) of shares in another listed issuer or any other event which results in the holding being 5% or more of the total number of issued shares (excluding treasury shares) of that listed issuer;
- (26) any disposal of shares in another listed issuer or any other event which results in the holding falling below 5% of the total number of issued shares (excluding treasury shares) of that listed issuer;
- (27) any proposed issue or offer of securities by the listed issuer;
- (28) [deleted]
- (29) any variation of the rights attaching to a class of securities of the listed issuer;
- (30) the level of subscription in relation to an issue or offer of securities by the listed issuer;
- (31) the decision to allocate excess securities in relation to a rights issue by the listed issuer and the basis of such allocation;
- (32) any change to the utilisation of proceeds raised by the listed issuer from the issuance of securities that deviates by 5% or more from the total proceeds raised;
- (33) [deleted]
- (34) any deviation of 10% or more between the profit after tax and non-controlling interest stated in a financial estimate, forecast or projection previously announced or disclosed in a public document and the announced financial statements, giving an explanation of the deviation and the reconciliation of the deviation;

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- (35) any deviation of 10% or more between the profit or loss after tax and non-controlling 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;
- (36) any circumstances or development which are likely to materially affect the results or outcome of any financial estimate, forecast, projection or internal targets of the listed issuer previously announced or disclosed in a public document, giving an explanation of the possible outcome arising from such circumstances or development on the financial estimate, forecast, projection or internal targets of the listed issuer;
- (36A) any shortfall in the actual profit guarantee received by the listed issuer as compared with the profit guarantee previously announced or disclosed in a public document (if any) and the steps taken or proposed to be taken to recover the shortfall;
- (37) any modified opinion or material uncertainty related to going concern in an external auditors' report. The announcement must set out the full details of such modified opinion or material uncertainty related to going concern and include the following:
- (a) all key audit matters disclosed in the external auditors' report;
  - (b) steps taken or proposed to be taken to address those key audit matters that relate to the modified opinion or material uncertainty related to going concern; and
  - (c) the timeline for the steps referred to in sub-paragraph (b) above;
- (38) a call of securities for redemption by the listed issuer;
- (39) any listing of any part of the securities of a listed issuer or any of its subsidiaries on any other stock exchange, stating which other stock exchange;
- (40) any material information or financial documents that is released to or lodged with any other stock exchange or other regulator which is available to the public;
- (40A) if a material loan or borrowing is announced pursuant to paragraph 9.03 and the relevant documents for such loan or borrowing contain conditions, covenants or restrictions relating to the shareholdings of a controlling shareholder, the announcement must include –
- (a) details of such conditions, covenants or restrictions including any restriction placed on change in control of the listed issuer; and
  - (b) the aggregate level of the facilities that may be affected by a breach of such conditions, covenants or restrictions;
- (41) any change of control in the listed issuer;
- (42) any agreement to sponsor a depository receipt programme. An announcement must include the information contained in Part G of Appendix 9A;
- (43) any material amendment of the terms of the agreement for the sponsorship of a depository receipt programme, or the termination of such programme, stating the reasons and consequences of the termination;
- (44) any discovery of mineralisation or hydrocarbons by a listed issuer or its subsidiaries whose activities include exploration for natural resources stating whether any of the figures or estimates in the discovery have been verified by a geologist, or other expert, and if so, particulars of the geologist or expert;

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- (45) any pending litigation or occurrence of circumstances of a material nature in which the listed issuer being a mining, plantation or timber corporation or any of its subsidiaries may be involved which may affect its income derived from title to or possession of any of its properties, licences or concessions from governmental authorities;
- (46) any valuation which has been conducted on the non-current assets of the group, where the revaluation surplus or deficit will be incorporated in the financial statements of the listed issuer. The listed issuer must announce the valuation upon the listed issuer's board approving the incorporation of the revaluation surplus or deficit in the financial statements of the listed issuer and must include the information contained in Part H of Appendix 9A in the announcement to the Exchange. The listed issuer must make available a copy each of the valuation reports for inspection at the listed issuer's registered office for a period of 3 months from the date of announcement;
- (47) any material development to corporate proposals previously announced, including the following:
- (a) variation of terms, including any extension of time agreed to or granted by the relevant party to the transaction;
  - (b) lapse of any timeframe stipulated under the agreement for the performance of certain obligations;
  - (c) submission of the proposal and any variation to regulatory authorities for approval;
  - (d) receipt of any decision from regulatory authorities, stating amongst others, conditions imposed or reasons for rejection, where applicable;
  - (e) submission of any application to the regulatory authorities for variation of conditions;
  - (f) lapse of timeframe imposed by the relevant regulatory authorities, within which the corporate proposal must be completed and the submission of any application for extension of time to complete implementation of the corporate proposal;
  - (g) completion of the corporate proposal; or
  - (h) termination of the corporate proposal, stating among others -
    - (i) the reasons for the termination;
    - (ii) whether the listed issuer will be pursuing or taking any legal action (where applicable); and
    - (iii) the financial impact (if any) to the listed issuer pursuant to the termination in terms of the effect on earnings per share and net asset per share;
- (47A) any information in relation to a proposed take-over or take-over offer which is required to be announced to the Exchange pursuant to the Take-Overs and Mergers Code;
- (48) in relation to a take-over offer pursuant to the Take-Overs and Mergers Code or a corporate proposal undertaken by or in relation to a listed issuer, upon 90% or more of the listed shares (excluding treasury shares) or listed units of the said listed issuer being held by a shareholder or unit holder either individually or jointly with associates of the said shareholder or unit holder. In relation to a take-over offer, the listed issuer must include the information contained in Part J of Appendix 9A in the announcement to the Exchange;

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- (49) any decision to implement a Share Grant Scheme. An announcement to the Exchange on the decision to implement such a scheme must include the information required of a Share Issuance Scheme in Appendix 6A, where applicable and with the necessary modifications;
- (50) any decision to terminate a Share Grant Scheme before its expiry. An announcement to the Exchange on the termination of such a scheme must include the following information:
- (a) the effective date of termination;
  - (b) the number of shares vested under the scheme; and
  - (c) the reasons for termination;
- (51) any options or shares offered under a Share Issuance Scheme. An announcement on the options or shares offered must be made on the date of the offer and must include the following information:
- (a) date of offer;
  - (b) exercise price of options offered, if applicable;
  - (c) number of options or shares offered;
  - (d) market price of its securities on the date of the offer;
  - (e) number of options or shares offered to each director, if any; and
  - (f) vesting period of the options or shares offered; or
- (52) any employee share scheme implemented by a subsidiary either by way of an issuance of new shares or grant of its existing shares. An announcement on such a scheme must include the following information:
- (a) principal terms of the employee share scheme implemented by the subsidiary; and
  - (b) financial effect (including the dilutive effect, if any) of the employee share scheme implemented by the subsidiary.

#### 9.19A Default in payment

- (1) A listed issuer must immediately announce to the Exchange any default in payment of either interest, principal sums, or both, in respect of any credit facility or debt securities (whether listed or unlisted on the Exchange) by the listed issuer, or any of its subsidiaries or associated companies, as the case may be, irrespective of whether a demand has been made, where -
- (a) the total amount outstanding of the defaulted credit facility or debt securities, either singly or collectively, is 5% or more of the net assets of the listed issuer based on the latest published or announced financial statements; or
  - (b) the default in payment is reasonably expected to have a material effect on the price, value or market activity of any of the listed issuer's securities or the decision of the listed issuer's securities holder or investor in determining his choice of action.
- (2) In circumstances where a listed issuer has negative net assets, the listed issuer must immediately announce any default in payment of either interest, principal sums, or both, in respect of any credit facility or debt securities.

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- (3) The listed issuer must include the information contained in Part H(A) of Appendix 9A, in the announcement to the Exchange under subparagraphs (1) or (2) above.
  - (4) Where a listed issuer states that it is solvent (“**Solvency Declaration**”) in the announcement to the Exchange under subparagraphs (1) or (2) above, the listed issuer must ensure that its board of directors executes and submits to the Exchange the Solvency Declaration within 3 market days from the announcement date. For this purpose, a listed issuer is regarded as “**solvent**” if the majority directors have formed the opinion that the listed issuer will be able to pay all its debts as and when they fall due within the period of 12 months from the date of the announcement.
  - (5) After the announcement in subparagraphs (1) or (2) above, the listed issuer must announce to the Exchange -
    - (a) the current status of the default in payment and the steps taken by the listed issuer to address the default in payment on a monthly basis until such time when the default in payment is remedied; and
    - (b) any circumstance which may render the Solvency Declaration inaccurate, immediately upon the listed issuer becoming aware of the same.

#### 9.20 Dealings in quoted securities

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

**9.21 Listed issuer to have a website**

- (1) Every listed issuer must have its own website.
- (2) A listed issuer must publish the following information on its website:
  - (a) all announcements made to the Exchange pursuant to these Requirements, as soon as practicable after the same are released on the Exchange's website; and
  - (b) a summary of the key matters discussed at the annual general meeting, as soon as practicable after the conclusion of the annual general meeting.
- (3) A listed issuer must ensure that its website contains the email address, name(s) of designated person(s) and their contact numbers to enable the public to forward queries to the listed issuer.
- (4) A listed issuer should ensure that its website is current, informative and contains all information which may be relevant to the listed issuer's shareholders including analyst's briefings.

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

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

**9.23 Issue of annual report**

- (1) A listed issuer must issue its annual report that includes annual audited financial statements together with the auditors' and directors' reports of the listed issuer, to the Exchange and shareholders within 4 months from the close of the financial year of the listed issuer.
- (2) [Deleted]

**9.23A Interim audited financial statements due to change in financial year**

If a listed issuer extends its financial year end to beyond 18 months from the last financial year end, the Exchange may require the listed issuer to issue an interim audited financial statements for the 18-month period or such period as the Exchange may deem fit.

**9.24 [Deleted]****9.25 Disclosure in annual report**

- (1) A listed issuer must set out separately in its annual report, the items set out in Part A of Appendix 9C unless the following conditions are met:
  - (a) the information has been previously announced or disclosed to shareholders pursuant to these Requirements, or remains substantially unchanged from year to year;



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- (b) the listed issuer publishes such information on its website; and
  - (c) the listed issuer discloses in the annual report, the address of its website and the place on its website where the information can be accessed.
- (2) Unless otherwise specified in Part A of Appendix 9C, the information provided pursuant to Part A of Appendix 9C must be information made up to a date not earlier than 6 weeks from the date of the notice of the annual general meeting in the annual report of the listed issuer.

#### 9.26 [Deleted]

#### 9.27 Statutory declaration in relation to financial statements

A listed issuer must ensure that the director or person primarily responsible for the financial management of the listed issuer, as the case may be, who signs the statutory declaration pursuant to section 251(1)(b) of the Companies Act or any guidelines issued by the SC under section 377 of the CMSA ("**signatory**") satisfies the following requirements:

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

[Cross reference: Practice Note 13]

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

- (1) A listed issuer must comply with the timeframes stated in paragraphs 9.22, 9.23, 9.44, 9.45, 9.48, 9.49, 9.54 or 9.55, or such extension of time granted by the Exchange (the timeframes and extensions of time granted by the Exchange, if any, will individually or collectively, as the context may require, be referred to as "**Relevant Timeframes**").
- (2) A listed issuer which intends to request for the extension of time referred to in subparagraph (1) above must do so not later than 15 days before the expiry of the Relevant Timeframes, failing which the Exchange will not consider such application. The listed issuer must immediately announce to the Exchange any extension of time granted in relation to such application.
- (3) If a listed issuer becomes aware or has any reason to believe that it will not be able to issue its quarterly report or annual report, as the case may be, (referred to either individually or collectively, as the context may require, as "**outstanding Financial Statements**") within the Relevant Timeframes, it must announce this to the Exchange immediately or in any event, not later than 3 market days before the expiry of the Relevant Timeframes.
- (3A) The listed issuer must announce the status of the issuance of the outstanding Financial Statements on or before the last market day of each month following the date of expiry of the Relevant Timeframes until the issuance of the outstanding Financial Statements.



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- (4) The listed issuer must include –
- (a) in the announcement under subparagraph (3) above, all information contained in Part I of Appendix 9A; and
  - (b) in the announcement under subparagraph (3A) above, the following information:
    - (i) the reasons for continuing to fail to issue the outstanding Financial Statements;
    - (ii) the expected date of issuance of the outstanding Financial Statements; and
    - (iii) the steps taken or proposed to be taken to issue the outstanding Financial Statements by the expected date of issuance.
- (5) If a listed issuer fails to issue the outstanding Financial Statements within 5 market days after the expiry of the Relevant Timeframes (the last day of this 5 market day period is referred to as “**Suspension Deadline**”), in addition to any enforcement action that the Exchange may take, the Exchange shall suspend trading in the securities of such listed issuer. The suspension shall be effected on the next market day after the Suspension Deadline and will be uplifted on the market day following the issuance of the outstanding Financial Statements unless otherwise determined by the Exchange.
- (6) If a listed issuer fails to issue the outstanding Financial Statements within 6 months from the expiry of the Relevant Timeframes, in addition to any enforcement action that the Exchange may take, the Exchange shall commence de-listing procedures against such listed issuer.
- (7) For the purposes of this paragraph, “**issue**” means announcing to the Exchange or issuing to shareholders or unit holders as provided under paragraphs 9.22, 9.23, 9.44, 9.45, 9.48, 9.49, 9.54 or 9.55, as the case may be.

### 9.29 Memorandum of understanding

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

## PART L – CIRCULARS AND OTHER REQUIREMENTS

### 9.30 Draft circulars and other documents

- (1) A listed issuer or offeror in an offer for sale of listed securities must submit to the Exchange for perusal, 1 draft copy of all circulars and other documents proposed to be sent to the holders of listed securities, within a reasonable time before printing together with a checklist showing compliance with the relevant parts of these Requirements.
- (2) Subparagraph (1) above does not apply to the following documents:
- (a) an annual report;
  - (b) any document to be sent to holders of listed securities in relation to a take-over by or in respect of a listed issuer excluding circulars to be issued by a listed issuer, proposing to undertake or undertaking a take-over, to its securities holders pursuant to Chapter 10 of these Requirements;
  - (c) any document that is not prepared by the listed issuer or its advisers on its behalf;

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- (d) any circular to be issued by a listed issuer to its securities holders pursuant to paragraphs 10.11 and 10.14 of these Requirements, in relation to a transaction which will result in a significant change in the business direction or policy of the listed corporation, business trust and in relation to a qualifying acquisition proposed to be made by a SPAC; and
  - (e) such other document as prescribed by the Exchange subject to such requirements as may be imposed by the Exchange.
- (3) A listed issuer or offeror must not issue any of such documents referred to in subparagraph (1) above until the Exchange has confirmed in writing that it has no further comments on the documents.
  - (4) Where an adviser is appointed by the listed issuer or offeror for the preparation and/or submission of the documents referred to in subparagraph (1) above to the Exchange, such adviser must also comply with subparagraphs (1) and (3) above.

*[Cross reference: Practice Note 18]*

### **9.31 Quality of draft documents**

A person submitting to the Exchange a draft circular or other draft documents pursuant to paragraph 9.30 above must ensure that such documents are precise and complete. The Exchange reserves the right to return such documents which are incomplete or deemed unsatisfactory in the opinion of the Exchange.

### **9.32 [Deleted]**

### **9.33 Issuance of circular or document**

- (1) Where a listed issuer announces a corporate proposal (including a transaction) and pursuant to these Requirements a circular or document is required to be issued to its securities holders in relation to such corporate proposal -
  - (a) the said listed issuer must submit the draft circular or document to the Exchange or issue the circular or document as the case may be, in accordance with these Requirements as soon as possible and in any event not later than 2 months from the date of the announcement or the date the last approval necessary for the corporate proposal is obtained from the relevant authority, whichever is the later; and
  - (b) the said listed issuer must issue the circular or document within 14 market days after receipt of –
    - (i) the Exchange's confirmation that it has no further comments; or
    - (ii) the approval from other relevant authorities in respect of the corporate proposal, where such approval is required,whichever is the later.
- (2) The timeframe prescribed under subparagraph (1)(b) above does not apply to circulars or documents for any of the following purposes:
  - (a) procurement of shareholder mandate in respect of recurrent related party transactions and share buy-backs which are to coincide with the annual general meeting;
  - (b) notification of maturity of securities;

- (c) notification of share exchange, recall or reduction;
- (d) notification of subdivision of shares; or
- (e) such other corporate proposal or action as may be prescribed by the Exchange from time to time.

#### 9.34 Documents for overseas securities holders

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

#### 9.35 [Deleted]

### PART L(A) - STANDARD OF DISCLOSURE FOR ANNOUNCEMENT AND CIRCULAR

#### 9.35A Standard of disclosure for announcement and circular

- (1) A listed issuer must ensure that each public announcement and any circular issued to the securities holders of the listed issuer -
  - (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) does not contain any language which is inflammatory, defamatory or scandalous of another person;
  - (d) is balanced and fair. Thus, the announcement or circular must avoid, amongst others -
    - (i) the omission of material facts;
    - (ii) the omission of material unfavourable facts, or the slighting of such facts (e.g. by "burying" them at the end of an announcement or circular);
    - (iii) the presentation of favourable possibilities as certain, or as more probable than is actually the case;
    - (iv) the representation regarding any future performance, occurrence or matter (including the doing of, or the refusing to do, any act) without adequate justification (supported by proper bases and assumptions) or any reasonable grounds for making such representation;
    - (v) the presentation of financial estimate, forecast or projection without reasonable bases and assumptions, or the underlying accounting policies and assumptions without review by the external auditors or reporting accountants, as the case may be;
    - (vi) negative statements phrased so as to create a positive implication; or
    - (vii) the use of promotional jargon calculated to induce investment or create interest in the securities of the listed issuer;
  - (e) avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman; and

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- (f) explains, that the information in an announcement on internal targets is merely internal management targets or aspirations set to be achieved by the listed issuer and not a financial estimate, forecast or projection.
- (2) A listed issuer must ensure that any financial estimate, forecast or projection released is prepared in compliance with Chapters 9 and 10 in Division 1, Part II of the SC's Prospectus Guidelines in relation to future financial information. In addition, the underlying accounting policies and assumptions of the financial estimate, forecast or projection must be reviewed by the external auditors or reporting accountants, as the case may be, in accordance with Chapters 9 and 10 in Division 1, Part II of the SC's Prospectus Guidelines in relation to future financial information, except where the financial estimate, forecast or projection is required to be released on an immediate basis in response to a media report.
- (3) An adviser must also comply with subparagraphs (1) and (2) above if the adviser is appointed by the listed issuer to prepare or submit the announcement or circular.
- (4) A listed issuer or its adviser does not commit a breach of subparagraphs (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 subparagraphs (1) or (2) above.
- (5) Where any announcement has been submitted to the Exchange or any circular has been issued and the listed issuer or adviser subsequently becomes aware that the announcement or circular may not fulfil the requirements of subparagraphs (1) or (2) above, the person must immediately notify the Exchange of the same.

## **PART M – DISCLOSURE REQUIREMENTS FOR SPECIFIC LISTED ISSUERS**

### **9.36 Plantation and timber corporations**

A listed issuer in the business of plantation or timber, must immediately announce to the Exchange the production figures for each month not later than the end of the subsequent month.

## **PART M1 – INFRASTRUCTURE PROJECT CORPORATIONS**

### **9.37 Immediate announcement by an infrastructure project corporation**

An infrastructure project corporation must immediately announce to the Exchange any substantial variance in the earnings and cash flow projections which may have an adverse impact on its earning prospects at any time during the period of construction of the infrastructure project and 3 years after operating pre-tax profits are generated.

### **9.38 Quarterly report of an infrastructure project corporation**

An infrastructure project corporation must announce the quarterly progress reports on its infrastructure project not later than 2 months after the end of each quarter of a financial year.

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**PART M2 – CLOSED-END FUNDS****9.39 Notification of change in policies and objectives by a closed-end fund**

A closed-end fund must immediately announce to the Exchange any proposal to change its investment policies and objectives.

**9.40 Quarterly report of a closed-end fund**

- (1) A closed-end fund must announce to the Exchange a quarterly report pursuant to paragraph 9.22(1).
- (2) The closed-end fund must include in its quarterly report -
  - (a) [deleted]
  - (b) the information set out in Part B of Appendix 9B; and
  - (c) any other information as may be required by the Exchange.

**9.41 Annual report of a closed-end fund**

A closed-end fund must include in its annual report, the information set out in Part B of Appendix 9C unless the conditions in paragraph 9.25(1) are met.

**9.42 Weekly disclosure by a closed-end fund**

A closed-end fund must, in addition, announce to the Exchange its net asset value per share on a weekly basis.

**PART M3 – REITS****9.43 Immediate announcements to the Exchange**

- (1) In addition to the requirements set out in this Chapter, a management company must immediately announce to the Exchange the following events:
  - (a) any change or proposed change in the control of the management company;
  - (b) any change or proposed change in the general character or nature of the REIT;
  - (c) any intention to vary the duration of, or terminate, the REIT;
  - (d) any change or proposed change of the trustee or management company;
  - (e) a valuation which has been carried out on the assets of the REIT. A copy of each of the valuation reports must be made available for inspection at the management company's office for a period of 3 months;
  - (f) any breach of the limits or restrictions imposed on the REITs under the SC's Guidelines on Listed REITs, including the reasons, extent and impact of the breach, together with the steps taken or proposed to be taken to rectify the breach;
  - (g) any event which will significantly affect the underlying value of the assets of the REIT;
  - (h) any change in the name of the management company or trustee;

- 
- (i) any change or proposed change in the rate of management fee or trustee fee;
  - (j) any material modification to the deed of the REIT;
  - (k) any material change to the investment objectives set out for the REIT;
  - (l) any change in the composition of the investment committee;
  - (m) [deleted]
  - (n) [deleted]
  - (o) any default in the income support arrangement involving the REIT; and
  - (p) any property development activities where the total property development costs is 5% or more of the REIT's total asset value.
- (2) For the purposes of subparagraph (1) above -
- (a) the term “**change in the control**” in subparagraph (a) has the meaning given to “**controller**” in section 60(7) of the CMSA.
  - (b) [deleted]

#### 9.44 Quarterly report of a REIT

- (1) A management company of a REIT must announce to the Exchange an interim financial report of the REIT for each of the first three quarters of its financial year (“**REIT Quarterly Report**”), as soon as the figures have been approved by the board of directors of the management company, and in any event, not later than 2 months after the quarter ends.
- (2) The management company must include in the REIT Quarterly Report -
  - (a) the information set out in Part A of Appendix 9B subject to such adaptations where necessary;
  - (b) the additional information set out in Part D of Appendix 9B; and
  - (c) any other information as may be required by the Exchange.
- (3) Where there is a change in the financial year proposed by a management company, such management company must consult the Exchange as to the period to be covered by the REIT Quarterly Report.

#### 9.45 Annual report and distribution statement of a REIT

- (1) A management company must also issue the annual report of the REIT and forward it to the Exchange and unit holders within 2 months after the end of the period to which they relate.
- (2) A management company must ensure that the contents of the annual report of the REIT include the information set out in Part E of Appendix 9C unless the conditions in paragraph 9.25(1) are met.
- (3) A management company must forward every distribution statement to the unit holders and the Exchange accompanied by a report as to the state of the REIT which includes the information in Appendix 9D.

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**PART M4 – ETFS****9.46 Disclosure of information to the Exchange**

- (1) A management company of an ETF must –
- (a) make available on the Exchange the indicative optimised portfolio value (IOPV) per unit of the fund on a real-time basis, or within such time as may be allowed under the SC's Guidelines on Exchange-Traded Funds;
  - (b) announce to the Exchange the net asset value (NAV) per unit of the fund on daily basis; and
  - (c) announce to the Exchange the number of units in circulation on a monthly basis.
- (2) For the purpose of subparagraph (1)(a) above, the term “**indicative optimised portfolio value**” has the meaning given under the SC's Guidelines on Exchange-Traded Funds.

**9.47 Immediate announcements to the Exchange**

- (1) In addition to the requirements set out in this Chapter, a management company of an ETF must immediately announce to the Exchange the following events:
- (a) any change or proposed change of the trustee or management company;
  - (b) any change or proposed change in the control of the management company;
  - (c) any change in the name of the management company or the trustee;
  - (d) any change or proposed change in the rate of management fee or trustee fee and its effective date;
  - (e) any change or proposed change in the general character or nature of the ETF;
  - (f) any intention to terminate the ETF;
  - (g) [deleted]
  - (h) any material modification to the deed of the ETF;
  - (i) any material change to the investment objectives set out for the ETF;
  - (j) any change or proposed change to the constituents and weightings of the index basket;
  - (k) any change in the methodology or rules for constructing, compiling or calculating the benchmark or index;
  - (l) any change in the objective or characteristics of the benchmark or index; or
  - (m) any matter or change that will result in the issuance of a supplementary or replacement prospectus.
- (2) For the purposes of subparagraph (1)(b) above, the term “**change in the control**” has the meaning given to “**controller**” in section 60(7) of the CMSA.

**9.48 Semi-annual report of an ETF**

- (1) A management company must announce to the Exchange an interim financial report of the ETF for the first 6 months of its financial year (“**ETF Semi-Annual Report**”), as soon as the figures have been approved by the board of directors of the management company, and in any event, not later than 2 months after the end of the 6-month period.
- (2) The management company must include in the ETF Semi-Annual Report -
  - (a) the information set out in Part E of Appendix 9B; and
  - (b) any other information as may be required by the Exchange.
- (3) Where there is a change in the financial year proposed by a management company, such management company must consult the Exchange as to the period to be covered by the ETF Semi-Annual Report.

**9.49 Annual report of an ETF**

- (1) A management company must also issue the annual report of the ETF and forward it to the Exchange and unit holders within 2 months after the end of the period to which they relate.
- (2) A management company must ensure that the contents of the annual report of the ETF include the information set out in Part F of Appendix 9C unless the conditions in paragraph 9.25(1) are met.

**PART M5 – SPECIAL PURPOSE ACQUISITION COMPANIES****9.50 Notification of change in information**

In addition to the requirements set out in this Chapter, a SPAC must immediately announce to the Exchange the following events:

- (a) any material change to the information disclosed in the prospectus including the change of custodian of its Trust Account or any change in the Permitted Investments;
- (b) upon the SPAC becoming aware that it will not be able to complete its qualifying acquisition within the period prescribed under the SC’s Equity Guidelines. The SPAC must include in the announcement the reasons for not being able to do so; and
- (c) any change in the composition of the management team.

**9.51 Reporting obligations**

- (1) A SPAC need not comply with paragraph 9.22. Instead, the SPAC must announce to the Exchange its interim unaudited or audited financial report within 2 months after the close of the half year of the SPAC’s financial year.
- (2) The SPAC must include the information set out in Appendix 9E in the said interim financial report.

**9.51A Annual report**

- (1) In addition to the requirements set out in Part A of Appendix 9C, a SPAC must also include in its annual report, the information set out in Part D of Appendix 9C.



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- (2) A SPAC must continue to comply with sub-paragraph (1) above after the completion of a qualifying acquisition, until the proceeds from its initial public offering are fully utilised.

## PART M6 – BUSINESS TRUSTS

### 9.52 Announcement of distribution

Where an announcement of any recommendation or declaration of distribution is made pursuant to paragraph 9.19(2) above, the trustee-manager must also include in the announcement, the following written statements:

- (a) a written statement by the trustee-manager's board of directors that the board is satisfied that after making the distribution, the trustee-manager will continue to be able to fulfil, from the trust property, the liabilities of the business trust as and when they fall due; and
- (b) a written statement disclosing the distribution policy and the measures and assumptions for deriving the amount available to be distributed from the trust property.

For this purpose, "**trust property**" has the meaning given under the SC's Business Trust Guidelines.

### 9.53 Immediate announcements to the Exchange

- (1) In addition to the requirements set out in this Chapter, a trustee-manager must immediately announce to the Exchange the following events:
- (a) any change or proposed change in the general character or nature of the business trust;
- (b) any change or proposed change of the trustee-manager;
- (c) any change or proposed change in the control of the trustee-manager;
- (d) any change in the name of the trustee-manager;
- (e) any change or proposed change in the rate of fee payable to the trustee-manager;
- (f) any material modification to the deed;
- (g) any intention to terminate the business trust; and
- (h) [deleted]
- (2) For the purpose of subparagraph (1)(c) above, "**change in the control**" has the meaning given to "**controller**" in section 60(7) of the CMSA.

### 9.54 Quarterly reports of a business trust

- (1) A trustee-manager must announce to the Exchange an interim financial report of the business trust for each of the first 3 quarters of its financial year ("**BT Quarterly Report**") as soon as the figures have been approved by the board of directors of the trustee-manager, and in any event, not later than 2 months after the quarter ends.
- (2) The trustee-manager must include in the BT Quarterly Report -
- (a) the information set out in Part A of Appendix 9B subject to such adaptations where necessary;

- 
- (b) the additional information set out in Part C of Appendix 9B; and
  - (c) any other information as may be required by the Exchange.

**9.55 Annual report of a business trust**

- (1) A trustee-manager must also issue the annual report of the business trust and forward it to the Exchange and unit holders within 4 months after the end of the financial year of the business trust.
- (2) A trustee-manager must ensure that the contents of the annual reports of the business trust include the information set out in Part C of Appendix 9C unless the conditions in paragraph 9.25(1) are met.

**PART M7 – MOG LISTED ISSUERS****9.56 Disclosure requirements for MOG listed issuers**

In addition to the requirements set out in this Chapter, a listed issuer which fulfils the criteria prescribed by the Exchange in relation to MOG related activities (“**MOG listed issuer**”) must also comply with such other disclosure requirements as may be prescribed by the Exchange.

*[Cross reference: Practice Note 32]*

[End of Chapter]

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

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

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

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

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

- (a) The name, age, gender, nationality and qualification.
- (b) Working experience.
- (bA) Any other directorships held in public companies and listed issuers.
- (c) Any family relationship with any director and/or major shareholder of the listed issuer.
- (d) Whether the appointee has any conflict of interest with the listed issuer or its subsidiaries.
- (e) The details of any interest in the securities of the listed issuer or its subsidiaries.

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**Part B(B)****Contents of announcement in relation to the change in legal representative(s) (or person(s) of equivalent authority, however described)**

(paragraph 9.19(14B))

- (a) The identity, qualification, experience, occupation, powers and responsibilities of such person.
- (b) Risks in relation to the appointment, including concentration of authority and impediments to the removal of such person.
- (c) Description of the processes and procedures put in place to mitigate the risks in relation to the appointment and an opinion by the board of directors on the adequacy of the processes.
- (d) Reasons for the change, where applicable.

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

(paragraph 9.19(19))

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

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

(paragraph 9.19(20))

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

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

(paragraph 9.19(20))

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

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**Part F****Contents of announcement in relation to a restraining order**  
(paragraph 9.19(21))

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

**Part G****Contents of announcement in relation to a depository receipt**  
(paragraph 9.19(42))

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

**Part H****Contents of announcement in relation to valuation on non-current assets**  
(paragraph 9.19(46))

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

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**PART H(A)****Contents of announcement in relation to default in payment**  
(paragraph 9.19A)

- (a) The date of the default in payment.
- (b) The reasons for the default in payment.
- (c) The measures by the listed issuer to address the default in payment.
- (d) The legal implications of the default in payment including the extent of the listed issuer's liability in respect of the obligations incurred under the agreements for the indebtedness.
- (e) The business, financial and operational impact of the default in payment on the listed issuer.
- (f) In the event the default in payment is in respect of secured loan stocks or bonds, the lines of action available to the guarantors or security holders against the listed issuer.
- (g) In the event the default in payment is in respect of payments under a debenture, to specify whether the default in payment will empower the debenture holder to appoint a receiver or receiver and manager.
- (h) Whether the default in payment constitutes an event of default under a different agreement for indebtedness (cross default) and the details for such other default, where applicable.
- (i) Where the default in payment is in respect of a subsidiary or associated company, a confirmation as to whether the subsidiary or associated company is a major subsidiary or major associated company, as the case may be.
- (j) Where the default in payment is in respect of a listed issuer, major subsidiary or major associated company, as the case may be, a statement as to whether the listed issuer is solvent.
- (k) Any other information that the Exchange may require from time to time.

**Part I****Information on suspension in view of delay in the issuance of quarterly reports or annual report**  
(paragraph 9.28(4))

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

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- (e) The expected date of issuance of the outstanding Financial Statements.

**Part J****Contents of announcement in relation to a take-over offer**  
(paragraph 9.19(48))

- (1) In relation to a take-over offer, whether it is the offeror's intention to maintain the listed issuer's listing status.
- (2) A statement containing either (a) or (b) below.
- (a) If the offeror's intention is to maintain the listed issuer's listing status -
- (i) the percentage of public security holding spread;
  - (ii) a statement that the trading of the securities of the listed issuer will be suspended immediately upon the expiry of 30 market days from the date of immediate announcement by the listed issuer. The suspension will only be uplifted by the Exchange upon the listed issuer's full compliance with the public security holding spread requirements under paragraph 8.02(1) or as may be determined by the Exchange;
  - (iii) the steps taken or proposed to be taken by the listed issuer (if any) to increase its public security holding spread to above 10% before the date suspension is to be effected;
  - (iv) an explanation of the rectification plan (if any);
  - (v) the tentative timeline for the steps referred to in subparagraph (iii) above and the rectification plan; and
  - (vi) where neither the steps referred to in subparagraph (iii) above nor a rectification plan have been formulated or if no endeavours have been taken to formulate such steps or rectification plan, an appropriate negative statement to such effect; or
- (b) If the offeror's intention is to de-list the listed issuer, that trading in the listed issuer's securities will be suspended immediately upon the expiry of 5 market days from the close of the offer period.

[End of Appendix]



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**APPENDIX 9B****Part A****Quarterly report**

(paragraphs 9.22(2), 9.44(2) and 9.54(2))

**Notes**

1. A detailed analysis of the performance of all operating segments of the group, setting out material factors affecting the earnings and/or revenue of each segment for the current quarter and financial year-to-date.
2. An explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter.
3. A commentary on the following:
  - (a) the prospects, including the factors that are likely to influence the corporation's prospects for the remaining period to the end of the financial year or the next financial year if the reporting period is the last quarter; and
  - (b) the corporation's progress to achieve the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document and steps taken or proposed to be taken to achieve the financial estimate, forecast, projection or internal targets.
4. A statement of the board of directors' opinion as to whether the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved.
5. An explanatory note for any (only applicable to the final quarter for corporations which have previously announced or disclosed a financial estimate, forecast or projection, or profit guarantee in a public document) -
  - (a) variance of actual profit after tax and non-controlling interest and the profit after tax and non-controlling interest stated in the financial estimate, forecast or projection (where the variance exceeds 10%); and
  - (b) shortfall in the profit guarantee received by the corporation (if any) and steps taken to recover the shortfall.
6. A breakdown of tax charge and an explanation of the variance between the effective and statutory tax rate for the current quarter and financial year-to-date.
7. [Deleted]
8. [Deleted]
9.
  - (a) The status of corporate proposals announced but not completed at the latest practicable date which must not be earlier than 7 days from the date of issue of the quarterly report.

- (b) Where applicable, a brief explanation of the status of utilisation of proceeds raised from any corporate proposal, including an initial public offering, which must include the information prescribed in the following table:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation	Explanations (if the deviation is 5% or more)
	RM'000	RM'000		Amount RM'000	%
(i)					
(ii)					
(iii)					
(iv)					
(v)					
Total					

10. The group borrowings and debt securities as at the end of the reporting period -
- (a) whether secured or unsecured, and a breakdown between secured and unsecured, if applicable;
- (b) breakdown between short term and long-term borrowings; and
- (c) whether denominated in foreign currency, and a breakdown of the debt/borrowings in each currency, if applicable.
11. [Deleted]
12. Changes in material litigation (including status of any pending material litigation) since the date of the last annual statement of financial position which must be made up to a date not earlier than 7 days from the date of issue of the quarterly report.
13. Dividend: To be completed if a decision regarding dividend has been made. (State whether dividend amount is before tax, net of tax or tax exempt and if before tax or net of tax, state the tax rate) -
- (a) (i) an interim/final ordinary dividend has/has not been declared/ recommended;
- (ii) the amount per share.....sen;
- (iii) the previous corresponding period.....sen;
- (iv) the date payable.....; and
- (v) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at .....dd/mm/yyyy; and
- (b) the total dividend for the current financial year..... sen.
14. To disclose the following in respect of earnings per share:
- (a) the amount used as the numerator in calculating basic and diluted earnings per share and a reconciliation of those amounts to the net profit or loss for the reporting period; and

- 
- (b) the weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share, and a reconciliation of these denominators to each other.
15. If the audit report of the listed issuer's annual financial statements for the preceding financial year were to contain a modified opinion or material uncertainty related to going concern, disclosure of the following:
- (a) the modified opinion or material uncertainty related to going concern; and
- (b) the status of those key audit matters that relate to the modified opinion or material uncertainty related to going concern (including steps taken (if any) to address those matters).
16. The following items must be included either in the statement of profit and loss and other comprehensive income or in the notes to the statement of profit and loss and other comprehensive income for the current quarter and financial year to date:
- (a) interest income;
- (b) other income including investment income;
- (c) interest expense;
- (d) depreciation and amortization;
- (e) provision for and write off of receivables;
- (f) provision for and write off of inventories;
- (g) gain or loss on disposal of quoted or unquoted investments or properties;
- (h) impairment of assets;
- (i) foreign exchange gain or loss;
- (j) gain or loss on derivatives; and
- (k) any other material items not disclosed above (with details).
- If any of the items above is not applicable to the listed issuer, a statement to that effect.
17. The statement of cash flows must include details of the major components on each of the following activities:
- (a) the operating activities of the listed issuer;
- (b) the investing activities of the listed issuer; and
- (c) the financing activities of the listed issuer.
18. If the listed issuer has entered into any derivatives, the following information:
- (a) a description of the nature of all outstanding derivatives (including financial instruments designated as hedging instruments) as at the date of the statement of financial position, which must include the prescribed information for each type of derivatives, in the table as follows:

Type of Derivatives	Contract/Notional Value as at the date of the Statement of Financial Position (RM million)	Fair Value as at the date of the Statement of Financial Position (RM million)
<b>(i) Type "A" Contract (for example, Fuel Contracts)</b>		
- Less than 1 year	X	X
- 1 year to 3 years	X	X
- More than 3 years	X	X
<b>(ii) Type "B" Contracts (for example, Foreign Exchange Contracts)</b>		
- Less than 1 year	X	X
- 1 year to 3 years	X	X
- More than 3 years	X	X

- (b) in respect of a type of derivatives entered into by the listed issuer which has not been disclosed in the preceding financial year or any quarters in the current financial year, the rationale for entering into such derivatives and the expected benefit accruing to the listed issuer;
- (c) a discussion of the following for each type of derivatives, if there is a change in any of the information disclosed since the preceding financial year:
- (i) the credit risk, market risk and liquidity risk associated with the derivatives, where applicable;
  - (ii) the cash requirements of the derivatives;
  - (iii) the policies in place for mitigating or controlling the risks associated with those derivatives; and
  - (iv) the related accounting policies.

If there is no change, a statement to that effect.

19. The amount of gains/losses arising from fair value changes of its financial liabilities for the current quarter and financial year-to-date including the following:
- (a) the type of financial liabilities from which the gains/losses arose;
  - (b) an explanation on the reasons for the gains/losses; and
  - (c) the basis in arriving at the fair value changes.

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**Part B****Contents of quarterly report of closed-end funds**  
(paragraph 9.40)**Statement of Investment Portfolio**

- (1) Details of all investments as at the end of the financial period classified by -
  - (a) country;
  - (b) industry; and
  - (c) asset class (such as equity, REITs, bonds, derivatives, etc) with the following details:
    - (i) description of investment;
    - (ii) quantity;
    - (iii) fair value; and
    - (iv) fair value as a percentage of the net asset value of the closed-end fund.

**Performance Review**

- (2) The performance review of the closed-end fund during the financial period including the following information:
  - (a) an analysis of the closed-end fund's performance based on changes in total net asset value and net asset value per share since the last review period or since commencement of operations, if shorter;
  - (b) an analysis of the closed-end fund's performance based on changes in prices since the last review period or since listing, if shorter;
  - (c) review of the market(s) (including foreign markets) in which the closed-end fund invests in during the period;
  - (d) general assessment of the future prospects of the market(s) the closed-end fund invests in;
  - (e) a statement whether any soft commission has or has not been received by the Managers or their delegates during the period under review from its brokers/dealers by virtue of transactions conducted for the closed-end fund. If soft commission (such as goods and services) is received, the following information:
    - (i) identification of the goods/services received; and
    - (ii) manner in which the goods/services received were utilised.

**Interim Financial Information**

- (3) The following interim financial information:
  - (a) net asset value of the closed-end fund;
  - (b) net asset value per share (before and after distribution);

- (c) number of shares listed;
- (d) total dividend available for distribution and dividend amount per share (interim and final); and
- (e) the net income after tax, showing separately the realised and unrealised portions.

**Part C****Contents of quarterly report of business trusts**  
(paragraph 9.54)

- (1) The following financial information for the current quarter and financial year to date:

	Current Quarter	Corresponding Quarter	Current Year-to-date	Corresponding Year-to-date
(a) Net assets attributable to unit holders per unit (after income distribution) (RM)				
(b) Earnings / (Loss) per unit (sen)				
(c) Distribution per unit (sen)				
(d) Distribution yield (based on the closing price at the end of the reporting financial period)				

**Part D****Contents of quarterly report of REIT**  
(paragraph 9.44)

- (1) An analysis of the REIT's performance based on changes in total net asset value and net asset value per unit since the last review period or since commencement (for newly established funds), if shorter.
- (2) The status of the property development activities including the development progress and the property development costs incurred, where applicable.
- (3) The net asset value of the REIT.
- (4) The net asset value per unit (before and after distribution).
- (5) The number of units listed.

- (6) The net income after tax to be shown separately between realized and unrealized portions.
- (7) Total amount available for distribution and distribution per unit (interim and final).
- (8) Sources of distribution made to unit holders in the format as follows:

Statement of income distribution

	<b>Current quarter RM'000</b>	<b>Corresponding quarter RM'000</b>	<b>Current year-to-date RM'000</b>	<b>Corresponding year-to-date RM'000</b>
Rental income	XXX	XXX	XXX	XXX
Dividend income	XXX	XXX	XXX	XXX
Interest income	XX	XX	XX	XX
Realised gains [less losses] on sale of real estate/investments	XXX	XXX	XXX	XXX
Other income	XXX	XXX	XXX	XXX
	XXXX	XXXX	XXXX	_XXXX
<u>Less:</u>				
Expenses	XX	XX	XX	XX
Taxation	XX	XX	XX	XX
Realised income for the period/year	XXX	XXX	XXX	XXX
Previous year's undistributed realised income	XX	XX	XX	XX
Total realised income available for distribution	XX	XX	XX	XX
<u>Less:</u>				
Proposed/declared income distribution	XX	XX	XX	XX
Balance undistributed realised income	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Distribution per unit (sen)	X	X	X	X

- (9) The above statement of income distribution must also include unrealised losses (arising during the period or brought forward from previous year) if any, within the REIT.
- (10) The progress of rectification of the breach of limits or restrictions by the REIT under the SC's Guidelines on Listed REITs announced pursuant to paragraph 9.43(1)(f), if any.

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**PART E****Contents of semi-annual report of ETF**  
(paragraph 9.48)**Statement of Investment Portfolio**

- (1) Details of all investments as at the end of the financial period classified by -
  - (a) country;
  - (b) industry; and
  - (c) asset class (such as equity, REITs, bonds, derivatives, etc) with the following details:
    - (i) description of investment;
    - (ii) quantity;
    - (iii) fair value; and
    - (iv) fair value as a percentage of the net asset value of the ETF.
- (2) In the case of a synthetic ETF as defined in the SC's Guidelines on Exchange-Traded Funds, the following additional information of the over-the-counter ("**OTC**") derivatives:
  - (a) details as set out in paragraph 1 above in relation to the underlying assets of the OTC derivatives; and
  - (b) the identity of the counterparty to the OTC derivatives.

**Performance Review**

- (3) The performance review of the ETF during the financial period which must include at least the following information:
  - (a) an analysis of the ETF's performance based on changes in total net asset value and net asset value per unit since the last review period or since commencement of operations, if shorter;
  - (b) an analysis of the ETF's performance based on changes in prices since the last review period or since listing, if shorter;
  - (c) review of the market(s) relating to the benchmark or index (including foreign markets) in which the ETF invests in during the period;
  - (d) general assessment of the future prospects of the market(s) relating to the benchmark or index the ETF invests in;
  - (e) a statement confirming whether any soft commission has or has not been received by the management company or fund manager for the period under review from any broker or dealer by virtue of transactions conducted for the ETF. If soft commission is received, the following information:
    - (i) identification of the goods or services received; and
    - (ii) manner in which the goods or services received were utilised; and



- (f) if cross trade transactions have been carried out for the period under review, a statement that the person undertaking the oversight function has reviewed that such transactions are in the best interest of the ETF and transacted on an arm's length and fair value basis.

**Interim Financial Information**

- (4) The following interim financial information:
- (a) net asset value of the ETF;
  - (b) net asset value per unit (before and after distribution);
  - (c) number of units listed;
  - (d) total amount available for distribution and distribution per unit (interim and final);
  - (e) the net income after tax to be shown separately between realised and unrealised portions;
  - (f) sources of distribution made to unit holders in the format as follows:

Statement of Income Distribution

	<b>Current period</b>	<b>Corresponding period</b>
	<b>RM'000</b>	<b>RM'000</b>
Dividend income	XXX	XXX
Interest income	XX	XX
Realised gains [less losses] on sale of investments	XXX	XXX
Other income	XXX	XXX
	XXXX	XXXX
<u>Less:</u>		
Expenses	XX	XX
Taxation	XX	XX
	XXX	XXX
Realised income for the period		
Previous year's undistributed realised income	XX	XX
Total realised income available for distribution	XX	XX
<u>Less:</u> Proposed/declared income distribution	XX	XX
	XXX	XXX
Balance undistributed realised income		
Distribution per unit (sen)	X	X

- (g) the above statement of income distribution must also include unrealised losses (arising during the period or brought forward from previous year) if any, within the ETF.

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**Securities Transactions**

- (5) The following details in respect of any Securities Transactions undertaken by the ETF:
- (a) the information below as at the end of the financial period:
    - (i) amount of the securities involved in the Securities Transactions as a proportion of the total net asset value of the ETF;
    - (ii) description and nature of the collateral holdings; and
    - (iii) marked-to-market value of the non-cash collateral and value of the cash collateral;
  - (b) the amount of revenue earned by the ETF and the management company (if any) in respect of the Securities Transactions during the financial period; and
  - (c) the fees paid or payable to the lending representative, the lending agent or supplier representative, as the case may be, by the ETF in relation to the Securities Transactions during the financial period, if any.

**Collateral Holdings**

- (6) Description of collateral holdings if collateral is used to mitigate the ETF's exposure to the counterparty of the OTC derivatives including the following information:
- (a) nature of the collateral;
  - (b) identity of the counterparty providing the collateral;
  - (c) marked-to-market value of the non-cash collateral with breakdown by asset class and credit rating, if applicable; and
  - (d) value and type of investments made with the cash collateral with a breakdown by asset class and credit rating, if applicable.

[End of Appendix]

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**APPENDIX 9C****Part A****Contents of annual report**  
(paragraphs 9.25)

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

- 
- (h) other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.
- (4A) The particulars of the key senior management including the following information:
- (a) the name, age, gender, nationality and qualification;
  - (b) working experience;
  - (c) the date the person was first appointed to the key senior management position;
  - (d) any directorship in public companies and listed issuers;
  - (e) any family relationship with any director and/or major shareholder of the listed issuer;
  - (f) any conflict of interest that the person has with the listed issuer; and
  - (g) other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

For the purpose of this paragraph, "**key senior management**" refers to a person, who in the opinion of the listed issuer, is the key senior management of the group, and must include a person who is primarily responsible for the business operations of the listed issuer's core business and principal subsidiaries.

- (5) The name of the company secretary.
- (6) The audit committee report in respect of the financial year required under paragraph 15.15.
- (6A) A statement on the activities of the nominating committee in the discharge of its duties for the financial year required under paragraph 15.08A(3).
- (7) A statement containing the management discussion and analysis of the group's business, operations and performance (including financial performance) during the financial year which includes at least the following information:
  - (a) overview of the group's business and operations including its objectives and strategies for achieving the objectives;
  - (b) discussion and analysis of the financial results and financial condition including -
    - (i) commentary on financial and non-financial indicators to measure the group's performance;
    - (ii) significant changes in performance, financial position and liquidity as compared with the previous financial year;
    - (iii) discussion on the capital expenditure requirements, capital structure and capital resources; and

- 
- (iv) known trends and events that are reasonably likely to have a material effect on the group's operations, performance, financial condition, and liquidity, together with the underlying reasons or implications;
  - (c) review of operating activities including discussion on the main factors that may affect the operating activities of each principal business segment of the group, impact on future operating activities, and the approach or action taken in dealing with the effect or outcome of such matters on its business activities;
  - (d) any identified anticipated or known risks that the group is exposed to which may have a material effect on the group's operations, performance, financial condition, and liquidity together with a discussion of the plans or strategies to mitigate such risks; and
  - (e) forward-looking statement providing commentary on the -
    - (i) group's possible trend, outlook and sustainability of each of its principal business segment;
    - (ii) prospects of new businesses or investments; and
    - (iii) dividend or distribution policy, if any, and factors contributing to the dividend or distribution for the financial year.
  - (8) An overview of the application of the Principles set out in the MCCG in respect of the financial year required under paragraph 15.25(1).
  - (9) A responsibility statement in respect of the annual audited financial statements required under paragraph 15.26(a).
  - (10) A statement on risk management and internal control in respect of the financial year required under paragraph 15.26(b).
  - (11) The remuneration of directors of the listed issuer (including the remuneration for services rendered to the listed issuer as a group) for the financial year on a named basis, stating the amount received or to be received from the listed issuer and on a group basis respectively. The disclosure must include the amount in each component of the remuneration (e.g. directors' fees, salaries, percentages, bonuses, commission, compensation for loss of office, benefits in kind based on an estimated money value) for each director.
  - (12) The total number of board meetings held during the financial year.
  - (13) Where applicable, a brief explanation of the status of utilisation of proceeds raised from any corporate proposal.
  - (14) [Deleted]
  - (15) [Deleted]
  - (16) [Deleted]
  - (17) [Deleted]
  - (18) The following particulars in relation to the audit and non-audit services rendered to the listed issuer or its subsidiaries for the financial year:

- 
- (a) amount of audit fees paid or payable to the listed issuer's auditors, stating the amount incurred by the listed issuer and the amount incurred on a group basis respectively; and
- (b) amount of non-audit fees paid or payable to the listed issuer's auditors, or a firm or corporation affiliated to the auditors' firm, stating the amount incurred by the listed issuer and the amount incurred on a group basis respectively. If the non-audit fees incurred were significant, details on the nature of the services rendered. If no non-audit fees were incurred, a statement to that effect.
- (19) [Deleted]
- (20) [Deleted]
- (21) Particulars of material contracts of the listed issuer and its subsidiaries, involving the interests of the directors, chief executive who is not a director or major shareholders, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year, providing the following particulars in respect of each such contract:
- (a) the date;
- (b) the parties;
- (c) the general nature;
- (d) the consideration passing to or from the listed issuer or any other corporation in the group;
- (e) the mode of satisfaction of the consideration; and
- (f) the relationship between the director, chief executive or major shareholder and the contracting party (if the director, chief executive or major shareholder is not the contracting party).
- If no such material contract has been entered into, a statement to that effect.
- (22) Where the above contract relates to a loan, the following particulars in respect of each loan:
- (a) the names of the lender and the borrower;
- (b) the relationship between the borrower and the director, chief executive who is not a director or major shareholder (if the director, chief executive or the major shareholder is not the borrower);
- (c) the purpose of the loan;
- (d) the amount of the loan;
- (e) the interest rate;
- (f) the terms as to payment of interest and repayment of principal; and
- (g) the security provided.

- (23) A statement indicating the date of such statement and setting out -
- (a) the names of the substantial shareholders and their direct and deemed interests stating the number and percentage of shares in which they have an interest as shown in the register of substantial shareholders of the listed issuer;
  - (b) a statement showing the direct and deemed interests in the listed issuer, or in a related corporation (including number and percentage) of -
    - (i) each director appearing in the register maintained under section 59 of the Companies Act; and
    - (ii) chief executive who is not a director;
  - (c) the number of holders of each class of equity securities and any convertible securities and the voting rights attaching to each class;
  - (d) a distribution schedule of each class of equity securities and any convertible securities setting out the number of holders and percentage in the following categories:

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

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

- (ii) the existing use (e.g. shops, offices, factories, residential, etc.);
- (iii) the tenure (i.e. freehold, or leasehold and if leasehold, the date of expiry of the lease);
- (iv) the approximate age of the buildings;
- (v) the net book value; and
- (vi) where revaluation has been carried out, the date of last revaluation and if none, the date of acquisition.

(26) [Deleted]

(27) The following information in relation to an Employee Share Scheme:

- (a) the number of schemes currently in existence during the financial year, and brief details of each scheme including –
  - (i) total number of options or shares granted;
  - (ii) total number of options exercised or shares vested; and
  - (iii) total options or shares outstanding;
- (b) in regard to options or shares granted to the directors and chief executive:
  - (i) aggregate options or shares granted;
  - (ii) aggregate options exercised or shares vested; and
  - (iii) aggregate options or shares outstanding;
- (c) in regard to options or shares granted to the directors and senior management:
  - (i) aggregate maximum allocation applicable to directors and senior management in percentage; and
  - (ii) the actual percentage granted to them,

during the financial year and since commencement of the scheme respectively; and
- (d) a breakdown of the options offered to and exercised by, or shares granted to and vested in (if any) non-executive directors pursuant to an Employee Share Scheme in respect of the financial year in tabular form as follows:

Name of director	Amount of options/shares granted	Amount of options exercised/shares vested
------------------	----------------------------------	---

- 1.
- 2.
- 3.

Total



- 
- (28) A statement by the board of directors relating to the training attended by directors in respect of the financial year required under paragraph 15.08(3).
- (29) A narrative statement of the listed issuer's management of material economic, environmental and social risks and opportunities ("**Sustainability Statement**"), in the manner as prescribed by the Exchange.
- [Cross-reference: Practice Note 9]*
- (30) A statement relating to the internal audit function of the listed issuer, i.e. whether the internal audit function is performed in-house or is outsourced and the costs incurred for the internal audit function in respect of the financial year.

## Part B

### Contents of annual report of closed-end funds (paragraph 9.41)

- (1) Particulars of the closed-end fund as follows:
- (a) address, telephone and facsimile numbers of the registered office;
  - (b) address, telephone and facsimile numbers of each office at which a register of securities is kept;
  - (c) the information in relation to directors and chief executive officer as set out in paragraphs 3 and 4 in Part A of Appendix 9C respectively;
  - (d) name and address of the company secretary of the closed-end fund;
  - (e) total number of board meetings held during the financial year.
- (2) Details of the Managers including the following information:
- (a) name, address telephone and facsimile numbers of the registered office of the company, as well as the name, age and nationality of the individual;
  - (b) qualification and experience;
  - (c) any conflict of interest that the Managers have with the closed-end fund; and
  - (d) list of convictions for offences within the past 5 years (other than traffic offences) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.
- (3) A detailed statement of its investment objectives and policies and the manner in which those policies have been carried into effect (where applicable).
- (4) The gross revenue of the closed-end fund, to be divided separately to show at least the interest, dividends, profit/loss on the sale of investments and any item of revenue amounting to 5% or more of the gross revenue.
- (5) The management fees or any other fees paid to the Managers to be shown separately under gross expenses of the closed-end fund.
- (6) The basis of the fees paid to the Managers.

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- (7) An analysis of realised and unrealised gains or income, stating separately profits and losses as between listed and unlisted investments.
- (8) Information on transactions with brokers/dealers which must include the following:
- (a) top 10 brokers/dealers by value of trade;
  - (b) the aggregate amount of brokerage fees/commissions paid by the closed-end fund as well as the amount of fees/commissions paid to each broker/dealer (highlighting the brokers/dealers related to the Managers) expressed in both value and percentage;
  - (c) related parties of the Managers; and
  - (d) a statement on whether dealings with the related parties in subparagraph (c) above have been transacted at an arm's length basis.
- (9) The number of securities (if any) held by the Managers and family members of Managers (where applicable) or by other funds managed by the Managers, at the date of the statement of financial position.
- (10) Sales and purchases of investments by the closed-end fund where the Managers are the counterparty to the transaction.
- (11) Discussion on of the closed-end fund's performance which must include the following information:

**Financial Information**

- (a) A comparative table covering the last 5 financial years, or since commencement of operations, if shorter, showing for the end of each financial year –
  - (i) the total asset value of the closed-end fund;
  - (ii) the net asset value of the closed-end fund (before and after distribution);
  - (iii) the net asset value per share of the closed-end fund (before and after distribution);
  - (iv) the highest and lowest price per share;
  - (v) the number of shares listed;
  - (vi) the dividend amount per share (interim and final);
  - (vii) the dividend yield of the closed-end fund; and
  - (viii) the MER of the closed-end fund together with a statement that the MER has been verified by the auditors. If the MER varies by 10% or more as compared with the preceding year, an explanation for such variation.
- (b) Average total return of the closed-end fund measured over the following periods as at the financial year end:

- 
- (i) 1 financial year, or since commencement of operations, if shorter;
  - (ii) 3 financial years; and
  - (iii) 5 financial years.
- (c) Annual total return of the closed-end fund for each of the last 5 financial years, or since commencement of operations, if shorter.
- (d) The closed-end fund's performance benchmark.

**Investment Portfolio**

- (e) Details of all investments as at the end of the financial year classified by-
- (i) country;
  - (ii) industry; and
  - (iii) asset class (e.g. equity, REITs, bonds, derivatives, etc) with the following details:
    - (aa) description of investment;
    - (bb) quantity;
    - (cc) fair value; and
    - (dd) fair value as a percentage of the net asset value of the closed-end fund.

**Performance Review**

- (f) Review of the result of the operations and details of significant changes in the state of affairs of the closed-end fund during the financial year.
- (g) Comparison between the closed-end fund's performance and the performance benchmark for the last 5 financial years or since commencement of operations, if shorter, illustrated in graphical form.
- (h) An explanation on any significant differences in portfolio composition between the financial year under review and previous year (where applicable).
- (i) An analysis of the closed-end fund's performance based on changes in total net asset value and net asset value per share since the last financial year or since commencement of operations, if shorter.
- (j) An analysis of the closed-end fund's performance based on changes in prices since the last financial year or since listing, if shorter.
- (k) Review of the market(s) (including foreign markets) in which the closed-end fund invests in during the financial year.
- (l) General assessment of the future prospects of the market(s) the closed-end fund invests in, and the proposed strategies of the closed-end fund based on the assessment.

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**Risks**

- (m) Any identified, anticipated or known risks that the closed-end fund is exposed to which may have a material effect on the closed-end fund's performance and liquidity together with a discussion of the plans or strategies to mitigate such risks.
- (12) The following particulars in relation to the audit and non-audit services rendered to the closed-end fund for the financial year:
- (a) amount of audit fees paid or payable to the closed-end fund's auditors; and
  - (b) amount of non-audit fees paid or payable to the closed-end fund's auditors, or a firm or corporation affiliated to the auditors' firm.
- (13) A statement relating to the shareholdings in the closed-end fund as set out in paragraph 23 in Part A of Appendix 9C.
- (14) A responsibility statement in respect of the annual audited financial statements required under paragraph 15.26(a).
- (15) The following corporate governance related statements or reports:
- (a) the audit committee report in respect of the financial year required under paragraph 15.15;
  - (b) a statement on the activities of the nominating committee in the discharge of its duties for the financial year required under paragraph 15.08A(3);
  - (c) an overview of the application of the Principles set out in the MCCG in respect of the financial year required under paragraph 15.25(1);
  - (d) a statement on risk management and internal control in respect of the financial year required under paragraph 15.26(b);
  - (e) a statement by the board of directors relating to the training attended by directors in respect of the financial year required under paragraph 15.08(3); and
  - (f) a statement relating to the internal audit function of the closed-end fund, i.e. whether the internal audit function is performed in-house or is outsourced and the costs incurred for the internal audit function in respect of the financial year.
- (16) The remuneration of directors of the closed-end fund for the financial year as set out in paragraph 11 in Part A of Appendix 9C.

**Part C****Contents of annual report of business trusts**  
(paragraph 9.55)

- (1) Description of the business trust including name and type of the business trust.
- (2) Distribution policy of the business trust.

- 
- (3) Particulars of the trustee-manager as follows:
- (a) name, address, telephone and facsimile numbers of the registered office of the trustee-manager;
  - (b) name, address, telephone and facsimile numbers of each office at which a register of unit holders is kept;
  - (c) the information in relation to directors and chief executive officer of the trustee-manager as set out in paragraphs 3 and 4 in Part A of Appendix 9C respectively;
  - (d) name and address of the company secretary of the trustee-manager; and
  - (e) total number of board meetings in relation to the business trusts held during the financial year.
- (4) In the case of an Islamic business trust, details of the Shariah adviser as follows:
- (a) name, qualification and experience;
  - (b) any conflict of interest that the Shariah adviser has with the Islamic business trust;
  - (c) other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any; and
  - (d) if a corporation is appointed, in addition to the above -
    - (i) the address, telephone and facsimile numbers of the registered office of corporation; and
    - (ii) the name, qualification and experience of the designated person responsible for Shariah matters of the Islamic business trust.
- (5) The details of the fees paid to the trustee-manager for the financial year.
- (6) The remuneration of directors of the trustee-manager for the financial year as set out in paragraph 11 in Part A of Appendix 9C.
- (7) Statement containing the management discussion and analysis of the business trust's business operations and performance (including financial performance) during the financial year ("**BT MD&A**"), including the following information:

**Operational Review**

- (a) A review of the business and operations of the business trust, including the following information:
  - (i) overview of the group's business and operations including its objectives and strategies;
  - (ii) discussion and analysis of the financial results and financial position including significant changes in performance, financial position and liquidity as compared over the previous financial year;

- 
- (iii) review of operating activities including discussion on main factors that may affect the operating activities of each principal business segment of the group;
  - (iv) the identified significant anticipated or known risks that the group is exposed to which may have a material effect on the group's results, operations or financial condition, and a discussion of such risks; and
  - (v) forward-looking statement providing commentary on the –
    - (aa) group's possible trend, outlook and sustainability of each of its principal business segments;
    - (bb) prospects of new businesses or investments; and
    - (cc) distribution policy and factors contributing to the distribution for the financial year.

#### Financial Information

- (b) The following information for the last 5 financial years, or since listing if shorter, in tabular form:
  - (i) the net asset value per unit of the business trust before and after the final distribution;
  - (ii) the distribution amount per unit (interim and final);
  - (iii) the distribution yield of the business trust together with the bases of calculation and any assumptions made; and
  - (iv) the manager's fee to average total asset ratio ("MFR") together with any other ratio that may be appropriate for the specific business of the business trust, the bases of calculation and any assumptions made. If the MFR varies by 10% or more as compared with the preceding year, an explanation for such variation.
- (8) Brief explanation of the status of utilization of proceeds raised from any corporate proposal, where applicable.
- (9) The following particulars in relation to the audit and non-audit services rendered to the business trust and its subsidiaries for the financial year:
  - (a) amount of audit fees paid or payable to the business trust's auditors, stating the amount incurred by the listed issuer and the amount incurred on a group basis respectively; and
  - (b) amount of non-audit fees paid or payable to the business trust's auditors, or a firm or corporation affiliated to the auditors' firm, stating the amount incurred by the listed issuer and the amount incurred on a group basis respectively. If the non-audit fees incurred were significant, details on the nature of the services rendered. If no non-audit fees were incurred, a statement to that effect.

- (10) A statement (indicating the date of such statement) that sets out –
- (a) the names of the major unit holders (excluding bare trustees) and their direct and deemed interests, stating the number and percentage of units in which they have an interest;
  - (b) the number of holders of each class of units and the voting rights attached to each class (where applicable);
  - (c) the names of the 30 unit holders having the largest number of units according to the Record of Depositors (without aggregating the securities from different securities accounts belonging to the same person) and the number and percentage of units held. In the case of securities account holders which are authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991, information in the account qualifier field of the securities account; and
  - (d) a breakdown of unit holding as follows:

No. of holders	Holdings	Total Holdings	%
	Less than 100		
	100 – 1,000		
	1,001 – 10,000		
	10,001 – 100,000		
	100,001 to less than 5% of the total number of units issued		
	5% and above of the total number of units issued		

- (11) The information in relation to an Employee Share Scheme of the business trust, if any, as set out in paragraph 27 in Part A of Appendix 9C.
- (12) A statement explaining the trustee-manager's responsibility for preparing the annual audited financial statements.
- (13) The following corporate governance related statements or reports:
- (a) the audit committee report in respect of the financial year required under paragraph 15.15;
  - (b) a statement on the activities of the nominating committee in the discharge of its duties for the financial year required under paragraph 15.08A(3);
  - (c) an overview of the application of the Principles set out in the MCCG in respect of the financial year required under paragraph 15.25(1);
  - (d) a statement on risk management and internal control in respect of the financial year required under paragraph 15.26(b);
  - (e) a statement by the board of directors of the trustee-manager relating to the training attended by directors in respect of the financial year required under paragraph 15.08(3); and
  - (f) a statement relating to the internal audit function of the business trust, i.e. whether the internal audit function is performed in-house or is outsourced and the costs incurred for the internal audit function in respect of the financial year.

- (14) A narrative statement of the management of material economic, environmental and social risks and opportunities, in the manner as prescribed by the Exchange.

*[Cross-reference: Practice Note 9]*

#### Part D

##### Additional contents of annual reports of a special purpose acquisition company (paragraph 9.51A)

A brief explanation of the status of utilisation of proceeds raised from its initial public offering, compared with disclosure of the proposed utilisation in its prospectus, segregated between those placed in the Trust Account from those which are not, and must include the information prescribed in the following table:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations (if the deviation is 5% or more)
	RM'000	RM'000		RM'000	%	
(i)						
(ii)						
(iii)						
(iv)						
(v)						
<b>Total</b>						

#### PART E

##### Contents of annual report of REITs (paragraph 9.45)

- (1) Description of the REIT including the name, type, duration and termination date of the REIT.
- (2) Distribution policy of the REIT.
- (3) Particulars of the management company as follows:
  - (a) name, address, telephone and facsimile numbers of the registered office of the management company;
  - (b) name, address, telephone and facsimile numbers of each office at which a register of unit holders is kept;
  - (c) the information in relation to directors and chief executive of the management company as set out in paragraphs 3 and 4 in Part A of Appendix 9C respectively;
  - (d) name and address of the company secretary of the management company;
  - (e) total number of board meetings in relation to the REIT held during the financial year; and



- 
- (f) particulars of any public sanction or penalty imposed on the management company by the relevant regulatory bodies during the financial year, if any.
- (4) Name, address, telephone and facsimile numbers of the registered office of the trustee.
- (5) Details of the investment committee member including the following:
- (a) name, age, nationality, qualification, experience and whether the person is an independent member;
  - (b) date the person was first appointed to the committee;
  - (c) any conflict of interest that the person has with the REIT;
  - (d) other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any; and
  - (e) the number of committee meetings attended in the financial year.
- (6) In the case of an Islamic REIT, details of the Shariah adviser as follows:
- (a) name, qualification and experience;
  - (b) any conflict of interest that the Shariah adviser has with the Islamic REIT;
  - (c) other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any; and
  - (d) if a corporation is appointed, in addition to the above -
    - (i) the address, telephone and facsimile numbers of the registered office of the corporation; and
    - (ii) the name, qualification and experience of the designated person responsible for Shariah matters of the Islamic REIT.
- (7) Name and address of any fund manager or trustee's delegate appointed pursuant to the SC's Guidelines on Listed REITs, and a description of their functions.
- (8) A list of all property development activities including acquisition of vacant land for such purpose, if applicable.
- (9) Statement containing the management discussion and analysis of the REIT's business operations and performance (including financial performance) during the financial year ("**REIT MD&A**") including the following information:

**Financial Information**

- (a) A comparative table covering the last 5 financial years, or since commencement of operations, if shorter, showing for the end of each financial year –
  - (i) the total asset value of the REIT;
  - (ii) the net asset value of the REIT (before and after distribution);

- 
- (iii) the net asset value per unit of the REIT (before and after distribution);
  - (iv) the highest and lowest price per unit;
  - (v) the number of units listed;
  - (vi) the distribution per unit (interim and final);
  - (vii) the distribution yield of the REIT; and
  - (viii) the MER of the REIT together with a statement that the MER has been verified by the auditors. If the MER varies by 10% or more as compared with the preceding year, an explanation for such variation.
- (b) Average total return of the REIT measured over the following periods as at the financial year end:
- (i) 1 financial year, or since commencement of operations, if shorter;
  - (ii) 3 financial years; and
  - (iii) 5 financial years.
- (c) Annual total return of the REIT for each of the last 5 financial years, or since commencement of operations, if shorter.
- (d) The REIT's performance benchmark.

**Real Estate Information**

- (e) The real estate of the REIT, including those held through a shareholding in a special purpose vehicle or acquired through a lease arrangement, as at the end of the financial year, including the following information:
- (i) details of the real estate (to be disclosed separately for each real estate) such as –
    - (aa) name and address of the real estate;
    - (bb) description, property type, and age of the real estate;
    - (cc) title details, encumbrances or limitations in title and interests (if any);
    - (dd) tenure of real estate and if it is real estate acquired through a lease arrangement, the remaining lease period;
    - (ee) net lettable area, existing use, occupancy rates and number of parking spaces;
    - (ff) brief particulars of tenancies highlighting, among others, the major tenants, tenancy and lease periods, average lease period, trade sector mix of tenants (in terms of percentage of gross rental income and net lettable area);
    - (gg) date of acquisition of real estate;

- 
- (hh) cost of acquisition;
  - (ii) fair value adjustments;
  - (jj) fair value of the real estate, date of latest valuation and name of independent valuer that carried out the valuation; and
  - (kk) name and address of the property manager for each real estate;
- (ii) where a real estate is acquired during the year, the following information:
    - (aa) identity of the vendor;
    - (bb) the information as set out in subparagraph (i) above; and
    - (cc) if the real estate is acquired from a related party, the relationship between the vendor with the REIT, management company or trustee;
  - (iii) where a real estate is disposed during the year, the following information as set out in subparagraph (i) above:
    - (aa) identity of the purchaser;
    - (bb) name and address of the real estate;
    - (cc) date of disposal;
    - (dd) disposal price;
    - (ee) market value of the real estate;
    - (ff) date of latest valuation;
    - (gg) name of independent valuer that carried out the valuation;
    - (hh) gain or loss on disposal; and
    - (ii) if the real estate is disposed to a related party, the relationship between the purchaser with the REIT, management company or trustee; and
  - (iv) an explanation on major maintenance costs and major capital expenditure incurred during the financial year.

**Operational Review**

- (f) A discussion on the operational review of the REIT including the following information:
  - (i) description of the REIT's investment objective and explanation on whether the REIT has achieved its investment objective;

- 
- (ii) description of the strategies and policies employed during the year, and if there is a change in the strategies or policies employed compared with the strategies and policies disclosed in the preceding financial year (or in the case of a newly listed REIT, the strategies and policies disclosed in the prospectus), a statement of such change;
  - (iii) the result of the operations of the REIT during the financial year;
  - (iv) the amount of income support payments received by the REIT during the financial year and the effect of these payments on the REIT's distribution per unit, if applicable;
  - (v) where the income support arrangement is embedded in a master lease arrangement, the difference between the rentals derived under the master lease arrangement and the actual rentals from the sub-leases during the financial year;
  - (vi) comparison between the REIT's performance and the performance benchmark for the last 5 financial years or since commencement of operations, if shorter, and illustrated in graphical form;
  - (vii) an explanation on any significant differences in portfolio composition between the financial year under review and previous year (where applicable);
  - (viii) an analysis of the REIT's performance based on changes in total net asset value and net asset value per unit since the last financial year or since commencement of operations, if shorter;
  - (ix) an analysis of the REIT's performance based on changes in prices since the last financial year or since listing, if shorter; and
  - (x) review of the market(s) (including foreign markets) in which the REIT invests in during the financial year and analysis by each real estate or property sector (e.g. industrial or commercial).

**Risks**

- (g) Any identified, anticipated or known risks that the REIT is exposed to which may have a material effect on the REIT's operations, performance, financial condition, and liquidity together with a discussion of the plans or strategies to mitigate such risks.

**Forward-looking statement**

- (h) Forward-looking statement providing commentary on the –
  - (i) possible trend, outlook and sustainability of the REIT's business; and
  - (ii) prospects of new businesses or investments,and the proposed strategies of the REIT based on its review of the above.
- (10) Brief explanation of the status of utilization of proceeds raised from any corporate proposal, where applicable.

- (11) The following particulars in relation to the audit and non-audit services rendered to the REIT for the financial year:
- (a) amount of audit fees paid or payable to the REIT's auditors; and
  - (b) amount of non-audit fees paid or payable to the REIT's auditors, or a firm or corporation affiliated to the auditors' firm.

- (12) A statement (indicating the date of such statement) that sets out –
- (a) the names of the major unit holders (excluding bare trustees) and their direct and deemed interests, stating the number and percentage of units in which they have an interest;
  - (b) the number of holders of each class of units and the voting rights attached to each class (where applicable);
  - (c) the names of the 30 unit holders having the largest number of units according to the Record of Depositors (without aggregating the securities from different securities accounts belonging to the same person) and the number and percentage of units held. In the case of securities account holders which are authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991, information in the account qualifier field of the securities account; and
  - (d) a breakdown of unit holding as follows:

<b>No. of holders</b>	<b>Holdings</b>	<b>Total Holdings</b>	<b>%</b>
	Less than 100		
	100 – 1,000		
	1,001 – 10,000		
	10,001 – 100,000		
	100,001 to less than 5% of the total number of units issued		
	5% and above of the total number of units issued		

- (13) A responsibility statement in respect of the annual audited financial statements required under paragraph 15.26(a).
- (14) The following corporate governance related statements or reports:
- (a) the audit committee report in respect of the financial year required under paragraph 15.15;
  - (b) an overview of the application of the Principles set out in the MCCG in respect of the financial year required under paragraph 15.25(1);
  - (c) a statement on risk management and internal control in respect of the financial year required under paragraph 15.26(b);
  - (d) a statement by the board of directors of the management company relating to the training attended by directors in respect of the financial year required under paragraph 15.08(3); and
  - (e) a statement relating to the internal audit function of the REIT, i.e. whether the internal audit function is performed in-house or is outsourced and the costs incurred for the internal audit function in respect of the financial year.

- 
- (15) A narrative statement of the management of material economic, environmental and social risks and opportunities, in the manner as prescribed by the Exchange.

*[Cross-reference: Practice Note 9]*

## Part F

### Contents of annual report of ETFs

(paragraph 9.49)

- (1) Description of the ETF including the name, type, duration and termination date of the ETF.
- (2) Distribution policy of the ETF.
- (3) Particulars of the management company as follows:
  - (a) name, address, telephone and facsimile numbers of the registered office of the management company;
  - (b) name, address, telephone and facsimile numbers of each office at which a register of unit holders is kept;
  - (c) the information in relation to directors and chief executive officer of the management company as set out in paragraphs 3 and 4 in Part A of Appendix 9C respectively;
  - (d) name and address of the company secretary of the management company;
  - (e) total number of board meetings in relation to the ETF held during the financial year; and
  - (f) particulars of any public sanction or penalty imposed on the management company by the relevant regulatory bodies during the financial year, if any.
- (4) Name, address, telephone and facsimile numbers of the registered office of the trustee.
- (5) In the case of an Islamic ETF, details of the Shariah adviser as follows:
  - (a) name, qualification and experience;
  - (b) any conflict of interest that the Shariah adviser has with the Islamic ETF;
  - (c) other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any;
  - (d) if a corporation is appointed, in addition to the above -
    - (i) the address, telephone and facsimile numbers of the registered office of the corporation; and
    - (ii) the name, qualification and experience of the designated person responsible for Shariah matters of the Islamic ETF.

- 
- (6) Name and address of any fund manager or trustee's delegate appointed pursuant to the SC's Guidelines on Exchange-Traded Funds, and a description of their functions.
- (7) Discussion on the ETF's performance which must include the following information:

**Financial Information**

- (a) A comparative table covering the last 5 financial years, or since commencement of operations, if shorter, showing for the end of each financial year –
- (i) the total asset value of the ETF;
  - (ii) the net asset value of the ETF (before and after distribution);
  - (iii) the net asset value per unit of the ETF (before and after distribution);
  - (iv) the highest and lowest price per unit;
  - (v) the number of units listed;
  - (vi) the distribution per unit (interim and final);
  - (vii) the distribution yield of the ETF; and
  - (viii) the MER of the ETF together with a statement that the MER has been verified by the auditors. If the MER varies by 10% or more as compared with the preceding year, an explanation for such variation.
- (b) Average total return of the ETF measured over the following periods as at the financial year end:
- (i) 1 financial year, or since commencement of operations, if shorter;
  - (ii) 3 financial years; and
  - (iii) 5 financial years.
- (c) Annual total return of the ETF for each of the last 5 financial years, or since commencement of operations, if shorter.
- (d) The performance of the ETF's benchmark or index.

**Investment Portfolio**

- (e) Details of all investments as at the end of the financial year classified by-
- (i) country;
  - (ii) industry; and
  - (iii) asset class (e.g. equity, REIT, bonds, derivatives, etc) with the following details:
    - (aa) description of investment;
    - (bb) quantity;

- 
- (cc) fair value; and
    - (dd) fair value as a percentage of the net asset value of the ETF.
  - (f) In the case of a synthetic ETF as defined in the SC's Guidelines on Exchange-Traded Funds, the following additional information of the OTC derivatives:
    - (i) details as set out in paragraph 7(e) above in relation to the underlying assets of the OTC derivatives; and
    - (ii) the identity of the counterparty to the OTC derivatives.

**Performance Review**

- (g) Description of the ETF's investment objective and the explanation on whether the ETF has achieved its investment objective.
  - (h) Description of the strategies and policies employed during the year, and if there is a change in the strategies or policies employed compared with the strategies and policies disclosed in the preceding financial year (or in the case of a newly listed ETF, the strategies and policies disclosed in the prospectus), a statement of such change.
  - (i) Review of the ETF's operations' result during the financial year.
  - (j) Comparison between the ETF's performance and the benchmark or index for the last 5 financial years or since commencement of operations, if shorter, illustrated in graphical form.
  - (k) The difference between the annual return of the ETF and the performance of the benchmark or index for the financial year under review, together with an explanation for the difference.
  - (l) The size of the tracking error of the ETF at the end of the financial year under review.
  - (m) An explanation on any significant differences in portfolio composition between the financial year under review and previous year (where applicable).
  - (n) An analysis of the ETF's performance based on changes in total net asset value and net asset value per unit since the last financial year or since commencement of operations, if shorter.
  - (o) An analysis of the ETF's performance based on changes in prices since the last financial year or since listing.
  - (p) Review of the market(s) relating to the benchmark or index (including foreign markets) in which the ETF invests in during the financial year.
  - (q) General assessment of the future prospects of the market(s) relating to the benchmark or index the ETF invests in, and the proposed strategies of the ETF based on the assessment.
- (8) The following details in respect of any Securities Transactions undertaken by the ETF:
- (a) the information below as at the end of the financial year:



- (i) amount of the securities involved in the Securities Transactions as a proportion of the total net asset value of the ETF;
  - (ii) description and nature of the collateral holdings; and
  - (iii) marked-to-market value of the non-cash collateral and value of the cash collateral;
  - (b) the amount of revenue earned by the ETF and the management company (if any) in respect of the Securities Transactions during the financial year; and
  - (c) the fees paid or payable to the lending representative, the lending agent or supplier representative, as the case may be, by the ETF in relation to the Securities Transactions during the financial year, if any.
- (9) Description of collateral holdings if collateral is used to mitigate the ETF's exposure to the counterparty of the OTC derivatives including the following information:
- (a) nature of the collateral;
  - (b) identity of the counterparty providing the collateral;
  - (c) marked-to-market value of the non-cash collateral with breakdown by asset class and credit rating, if applicable; and
  - (d) value and type of investments made with the cash collateral with a breakdown by asset class and credit rating, if applicable.
- (10) The following particulars in relation to the audit and non-audit services rendered to the ETF for the financial year:
- (a) amount of audit fees paid or payable to the ETF's auditors; and
  - (b) amount of non-audit fees paid or payable to the ETF's auditors, or a firm or corporation affiliated to the auditors' firm.

(11) A breakdown of unit holdings as follows:

<b>No. of holders</b>	<b>Holdings</b>	<b>Total Holdings</b>	<b>%</b>
	Less than 100		
	100 – 1,000		
	1,001 – 10,000		
	10,001 – 100,000		
	00,001 to less than 5% of the total number of units issued		
	5% and above of the total number of units issued		

(12) A statement by the board of directors of the management company relating to the training attended by directors in respect of the financial year required under paragraph 15.08(3).

[End of Appendix]

Appendix 9D  
Contents of distribution statements of REIT

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**APPENDIX 9D**

**Contents of distribution statements of REIT**

(paragraph 9.45(3))

- (1) The total gross and net income per unit for the period before charging management fees.
- (2) The net amount per unit (after allowing for charges and adjustments) recommended to be distributed to unit holders out of profits or reserves, together with the gross equivalent attributable to the distribution period.
- (3) The amount to be carried to reserves.
- (4) The total returns of the REIT.
- (5) The net asset value per unit before and after distribution.

[End of Appendix]

**APPENDIX 9E****Contents of half yearly report in relation to a special purpose acquisition company**  
(paragraph 9.51)

- (1) General description of a SPAC's operating expenses (including the management team's remuneration, if any) and the total amounts that have been spent.
- (2) Detailed description, analysis and discussion on the top 5 highest amount of operating expenses.
- (3) A statement of whether there is any abnormal circumstance that has affected or will affect the business and financial position of the SPAC.
- (4) Commentary from the board of directors on the direction and progress of the qualifying acquisition, including any change to the objective, strategy, status and capital of the SPAC.
- (5) In relation to the proceeds kept in the Trust Account, the composition of the investments, the SPAC's investment strategy, market and credit risks for such investment.
- (6) A brief explanation of the status of utilisation of proceeds raised from its initial public offering, compared with disclosure of the proposed utilisation in its prospectus, segregated between those placed in the Trust Account from those which are not, and must include the information prescribed in the following table:

<b>Purpose</b>	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Intended Timeframe for Utilisation</b>	<b>Deviation</b>	<b>Explanations (if the deviation is 5% or more)</b>
	<b>RM'000</b>	<b>RM'000</b>		<b>RM'000</b> <b>%</b>	
(i)					
(ii)					
(iii)					
(iv)					
(v)					
<b>Total</b>					

[End of Appendix]

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

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

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

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

- (a) **“acquisition or disposal of assets”** includes an option to acquire or dispose of assets;
- (b) **“asset”** 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 issuer, its subsidiary or holding company;
  - (ii) a chief executive of the listed issuer, its subsidiary or holding company;
  - (iii) in relation to a SPAC, a member of the SPAC’s management team;
  - (iv) in relation to a business trust, a director or chief executive of the trustee-manager, its subsidiary or holding company;
  - (v) in relation to a closed-end fund, in addition to a director or chief executive of the closed-end fund, a director or chief executive of the Managers, its subsidiary or holding company; and
  - (vi) in relation to a REIT, a director or chief executive of the management company;
- (d) **“financial assistance”** includes -
  - (i) lending or advancing of money;
  - (ii) guaranteeing, indemnifying or providing collateral for a debt; or
  - (iii) forgiving a debt, releasing or neglecting to enforce a financial obligation of another, or assuming the financial obligations of another;
- (e) **“joint venture”** means a contractual arrangement between 2 or more parties to undertake a specific business project subject to joint control in which the parties meet the costs of the project and receive a share of any resulting output;
- (eA) **“Major Disposal”** means a disposal of all or substantially all of a listed issuer’s assets which may result in the listed issuer being no longer suitable for continued listing on the Official List;

- 
- (f) **“major shareholder”** includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon –
- (i) a major shareholder of the listed issuer as defined under paragraph 1.01 or any other corporation which is its subsidiary or holding company;
  - (ii) in relation to a business trust, a major shareholder of the trustee-manager, its subsidiary or holding company;
  - (iii) in relation to a closed-end fund, in addition to a major shareholder of the closed-end fund, a major shareholder of the Managers, its subsidiary or holding company; and
  - (iv) in relation to a REIT, a major shareholder of the management company;
- (fA) **“major unit holder”** in relation to a business trust or a REIT 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 unit holder of the business trust or REIT as defined under paragraph 1.01;
- (g) **“percentage ratios”** means the figures, expressed as a percentage, resulting from each of the following calculations:
- (i) the value of the assets which are the subject matter of the transaction, compared with the net assets of the listed issuer;
  - (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 issuer (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 issuer;
  - (iv) the number of shares issued by the listed issuer as consideration for an acquisition, compared with the total number of shares previously in issue (excluding treasury shares);
  - (v) the aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of the listed issuer (excluding treasury shares);
  - (vi) the total assets which are the subject matter of the transaction compared with the total assets of the listed issuer;
  - (vii) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the listed issuer compared with the total assets of the listed issuer or in the case where a joint venture corporation is incorporated as a result of the joint venture, the total equity participation of the listed issuer in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net assets of the listed issuer. The value of the transaction should include shareholders’ loans and guarantees to be given by the listed issuer;
  - (viii) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the listed issuer, in the case of a disposal and where the acquisition of the subject matter took place within last 5 years; or
  - (ix) in respect of a transaction entered into by a REIT, the value of the transaction, compared with the total asset value of the REIT;

- 
- (h) **“property development corporation”** means a corporation whose core business is in –
- (i) development or redevelopment of real estate; or
  - (ii) real estate with development potential,
- and includes those rights to develop pursuant to a joint venture agreement, privatisation agreement or some other forms of joint arrangement;
- (i) **“property investment corporation”** means a corporation whose core business is in –
- (AA) the holding of landed or strata properties in the commercial, residential, industrial or agricultural sector (collectively referred to as **“investment properties”**) for letting and retention as investments; or
  - (BB) the purchase of investment properties for subsequent sale;
- (j) **“Recurrent Related Party Transaction”** means a related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of a listed issuer or its subsidiaries;
- (k) **“related party transaction”** means a transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party;
- (l) **“transaction”**, in relation to -
- (i) Part D of this Chapter, means the acquisition or disposal of assets by a listed issuer or its subsidiaries and includes any of the following actions undertaken by a listed issuer:
    - (aa) disposing of; or
    - (bb) granting, accepting, exercising or discharging an option or any other right or obligation, present or future, conditional or unconditional, to dispose of,a listed issuer’s developmental rights, all or substantially all its rights, benefits, or control in an asset, but excludes transactions of a revenue nature in the ordinary course of business;
  - (ii) Part E of this Chapter, includes -
    - (aa) the acquisition, disposal or leasing of assets;
    - (bb) the establishment of joint ventures;
    - (cc) the provision of financial assistance;
    - (dd) the provision or receipt of services; or
    - (ee) any business transaction or arrangement entered into,by a listed issuer or its subsidiaries; and
  - (iii) Parts D and E of this Chapter, excludes transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary;
- (m) **“value of the consideration”** includes any liability to be assumed; and

- (n) “**very substantial transaction**” means a disposal or acquisition of an asset where any of the percentage ratios is 100% or more, except an acquisition which will result in a significant change in the business direction or policy of a listed corporation.

## PART C – VALUATION AND INFORMATION

### 10.03 Basis of valuation

- (1) For the purpose of determining the value of the assets referred to in paragraph 10.02(g)(i), the following applies:
- (a) in an acquisition of equity interest in a corporation which would not result in such equity interest being accounted for using the equity method, the value is to be assessed by reference to the cost of investment;
  - (b) in an acquisition of equity interest in a corporation which would result in -
    - (i) such equity interest being accounted for using the equity method; or
    - (ii) such corporation being consolidated into the group financial statements (“**consolidation**”),the value is to be assessed by reference to the book value of the net assets represented by such equity interest;
  - (c) in a disposal of equity interest in a corporation where before the disposal such equity interest was not accounted for using the equity method, the value is to be assessed by reference to the carrying amount of the investment;
  - (d) in a disposal of equity interest in a corporation where before the disposal -
    - (i) such equity interest was accounted for using the equity method; or
    - (ii) such corporation was included in consolidation,the value is to be assessed by reference to the book value of the net assets represented by such equity interest; or
  - (e) in any acquisition of assets other than equity interest, the value of such assets is to be assessed by reference to the consideration. In the case of any disposal of assets other than equity interest, the value of such assets must be assessed by the consideration or the net book value of those assets, whichever is the greater.
- (2) For the purposes of determining the net profits of the assets which are the subject matter of the transaction referred to in paragraph 10.02(g)(ii) in relation to -
- (a) an acquisition of equity interest in a corporation which would result in –
    - (i) such equity interest being accounted for using the equity method; or
    - (ii) such corporation being included in consolidation,the net profits refer to the profits after tax attributable to the owners of the corporation (before other comprehensive income or loss) represented by such equity interest being acquired;

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- (b) a disposal of equity interest of a corporation where, before the disposal –
- (i) such equity interest was accounted for using the equity method; or
  - (ii) such corporation was included in consolidation,
- the net profits refer to the profits after tax attributable to the owners of the corporation (before other comprehensive income or loss) represented by such equity interest being disposed;
- (c) an acquisition of equity interest in a corporation which would not result in such equity interest being accounted for using the equity method, the net profits are to be assessed by reference to the dividend income derived from such investment based on the last financial year end of such corporation; and
- (d) a disposal of equity interest of a corporation where, before the disposal, such equity interest was not accounted for using the equity method, the net profits are to be assessed by reference to the dividend income derived from such investment based on the last financial year end of such corporation.
- (3) The market value of the issued shares of the corporation will be determined as the weighted average market price for the issued shares for the 5 market days before the date on which the terms of the transaction were agreed upon.
- (4) For the purpose of computation of indicators of materiality (including the percentage ratios) in this Chapter, the following applies:
- (a) the figures used must, in the case of total assets, net assets, net book value of assets and net profits, be figures shown in the latest published or announced audited financial statements of the listed issuer or audited consolidated financial statements of the listed issuer, if the listed issuer has subsidiaries;
  - (b) the total assets, net assets and net book value of assets may be adjusted to take into account subsequent completed transactions in respect of which adequate information has already been issued to shareholders and where the adjustments have been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange;
  - (c) the listed issuer may use the total assets, net assets, net book value of assets included in the statement of financial position in its latest published or announced interim financial report provided that the report has been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange;
  - (d) the listed issuer may use the net profits based on the unaudited 12 months results provided that the results have been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange; and
  - (e) the figures used must, in the case of cost of investment or carrying amount of the investment referred to in subparagraph (1) above, be based on –
    - (i) the latest published or announced audited financial statements of the listed issuer or audited consolidated financial statements of the listed issuer, if the listed issuer has subsidiaries; or



- 
- (ii) the latest published or announced interim financial report of the listed issuer provided that the report has been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange.
- (5) In the case of an acquisition or disposal by the grant or exercise of an option, the consideration for the acquisition or disposal is the total of the issue price of the option and its exercise price.
- (6) If deferred consideration is or may be payable or receivable by a listed issuer or its subsidiary in the future, the consideration to be taken into account is the maximum total consideration payable or receivable under the transaction.
- (7) In circumstances where any one of the percentage ratios produces an anomalous result or where the percentage ratios are inappropriate to the sphere of the activity of the listed issuer, or for any other reason that the Exchange deems fit, the Exchange may -
- (a) disregard the results or percentage ratio; and/or
- (b) substitute or apply other relevant indicators of size.
- (8) The calculation set out in subparagraph 10.02(g)(v) is only applicable in respect of -
- (a) transactions involving consideration in the form of listed equity shares; or
- (b) transactions where all the other percentage ratios produce anomalous results or are inapplicable.
- (9) In relation to any acquisition or disposal of equity interest in a corporation, the calculation set out in subparagraph 10.02(g)(vi) is only applicable where -
- (a) the acquisition would result in such corporation being included in consolidation; or
- (b) before the disposal, such corporation was included in consolidation.
- (10) For the purposes of this paragraph, unless the context otherwise requires, the following words or expressions have the meanings given under the approved accounting standards of the Malaysian Accounting Standards Board:
- (a) equity method;
- (b) carrying amount; and
- (c) consolidation.

#### 10.04 Valuation

- (1) A listed issuer must ensure that a valuation is conducted where -
- (a) a transaction involves an acquisition or disposal of any real estate or any corporation which owns real estate; and
- (b) any one of the percentage ratios of the transaction is -
- (i) 25% or more, for a transaction falling under Part D; or
- (ii) 5% or more, for a related party transaction falling under Part E.

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- (2) For the purposes of subparagraph (1) above, a valuation is required for an acquisition or disposal of a corporation which owns real estate –
- (a) if the corporation is a property development or property investment corporation, the valuation must be conducted on all material real estate; and
  - (b) if the corporation is not a property development or property investment corporation, a valuation is only required if the real estate is to be revalued or has been revalued and the revalued amount is used, whether wholly or partly, as the basis in determining the purchase or disposal consideration.
- (3) Where a valuation is required under subparagraphs (1) and (2) above, the listed issuer must -
- (a) submit to the Exchange 2 copies of the valuation report on the real estate concerned and a copy of the valuer's undertaking letter in the form of Appendix 6D immediately after the listed issuer announces the transaction (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 valuers undertaking letter to the Exchange at least 1 month before it submits its draft circular in relation to the transaction to the Exchange; and
  - (b) ensure that the date of valuation which forms the basis of the valuation certificate included in the circular is not more than 6 months before the date of the circular issued to shareholders.
- (4) A listed issuer and its valuer must ensure that the valuation report submitted pursuant to subparagraph (3) above complies with these Requirements and the SC's Asset Valuation Guidelines.
- (5) 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.
- (6) Notwithstanding subparagraphs (1), (2) and (3) 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 or obtain a second opinion on the valuation of the asset proposed to be acquired or disposed in respect of any transaction other than the transaction referred to in subparagraph (1) and (2) above.
- (7) 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.
- (8) 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.
- (9) For the purposes of subparagraphs (3)(a), (4), (5) and (8) above, a "valuation report" includes a valuation certificate.

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**PART D – ACQUISITIONS AND DISPOSALS****10.05 Requirements for transactions with percentage ratio below 5%**

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

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

- (1) Where any one of the percentage ratios of a transaction is 5%, or more, the listed issuer must announce the transaction to the Exchange as soon as possible after terms of the transaction have been agreed. The listed issuer must include the information set out in Appendix 10A in the announcement.
- (2) The listed issuer must also furnish the Exchange, in a separate letter, the percentage ratios applicable to such transaction.
- (3) Subparagraphs (1) and (2) do not apply to a transaction where the value of the consideration of the transaction is less than RM500,000.

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

- (1) Where any one of the percentage ratios of a transaction is 25% or more, in addition to the requirements of paragraph 10.06, the listed issuer must –
  - (a) issue a circular which includes the information set out in Appendix 10B to its shareholders; and
  - (b) seek shareholder approval of the transaction in a general meeting.
- (2) The listed issuer must submit the draft circular to the Exchange together with a checklist showing compliance with Appendix 10B.
- (3) Subparagraphs (1) and (2) do not apply to a transaction where the value of the consideration of the transaction is less than RM500,000.

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

(1) Where any one of the percentage ratios of a related party transaction is 0.25% or more, a listed issuer must announce the related party transaction to the Exchange as soon as possible after terms of the transaction have been agreed, unless -

- (a) the value of the consideration of the transaction is less than RM500,000; or
- (b) it is a Recurrent Related Party Transaction.

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

(2) Subject to subparagraphs (9) and (10) below, where any one of the percentage ratios of a related party transaction is 5% or more, in addition to subparagraph (1), a listed issuer must -

- (a) send a circular which includes the information set out in Appendix 10B and Appendix 10D to the shareholders. The draft circular must be submitted to the Exchange together with a checklist showing compliance with Appendices 10B and 10D;
- (b) obtain its shareholder approval of the transaction in general meeting; and
- (c) appoint an independent adviser who is a corporate finance adviser within the meaning of the SC's Principal Adviser Guidelines, before the terms of the transaction are agreed upon.

(3) The independent adviser must, in relation to the transaction -

- (a) comment as to -
  - (i) whether the transaction is fair and reasonable so far as the shareholders are concerned; and
  - (ii) whether the transaction is to the detriment of minority shareholders,and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
- (b) advise minority shareholders on whether they should vote in favour of the transaction; and
- (c) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in subparagraphs (a) and (b) above.

(4) Subject to subparagraph (9) below, for a related party transaction other than a Recurrent Related Party Transaction, where any one of the percentage ratios is 25% or more, in addition to subparagraph (2) above, the listed issuer must, before the terms of the transaction are agreed upon, appoint a main adviser, who is a Principal Adviser. The Principal Adviser must -

- (a) advise the listed issuer whether such transaction is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the listed issuer;

- 
- (aA) ensure that such transaction complies with the relevant laws, regulations or guidelines, where applicable;
- (b) ensure full disclosure of all information required to be disclosed in the announcement and circular; and
- (c) confirm to the Exchange after the transaction has been completed and all the necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction.
- (5) The Exchange has the discretion not to allow an independent adviser to continue to act or be appointed as an independent adviser if, in its opinion, the adviser is deemed not to be independent.
- (6) A director with any interest, direct or indirect, ("**interested director**") must abstain from board deliberation and voting on the relevant resolution in respect of the related party transaction.
- (7) In a meeting to obtain shareholder or unit holder approval -
- (a) a related party with any interest, direct or indirect ("**interested related party**"), must not vote on the resolution in respect of the related party transaction;
- (b) an interested related party who is –
- (i) in the case of a corporation, a director or major shareholder;
- (ii) in the case of a business trust, a trustee-manager, a director or major shareholder of the trustee-manager or major unit holder of the business trust;
- (iii) in the case of a closed-end fund, a director or major shareholder of the closed-end fund, the Managers or a director or major shareholder of the Managers; or
- (iv) in the case of a REIT, a management company, a trustee, a director or major shareholder of the management company or major unit holder of the REIT,
- must ensure that persons connected with it abstain from voting on the resolution in respect of the related party transaction; and
- (c) where the interested related party is a person connected with -
- (i) in the case of a corporation, a director or major shareholder;
- (ii) in the case of a business trust, a trustee-manager, a director or major shareholder of the trustee-manager or major unit holder of the business trust;
- (iii) in the case of a closed-end fund, a director or major shareholder of the closed-end fund, the Managers or a director or major shareholder of the Managers; or
- (iv) in the case of a REIT, a management company, a trustee, a director or major shareholder of the management company or major unit holder of the REIT,
- such persons stated in subparagraphs (i), (ii), (iii) or (iv) above, as the case may be, must not vote on the resolution in respect of the related party transaction.
- (7A) [Deleted]

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- (8) An interested director in a related party transaction, must inform the relevant board of directors approving the transaction, 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 issuer or its subsidiary, as the case may be.
- (9) Where any one of the percentage ratios of a related party transaction entered into between a subsidiary of a listed issuer and another person, is 5% or more and there are no other interested relationships except for a related party having an interest in the transaction who is -
- (a) a director or major shareholder of such subsidiary or the holding company of such subsidiary (other than the listed issuer or a holding company of the listed issuer) (“**said director**” or “**said major shareholder**”); or
  - (b) a person connected with the said director or said major shareholder,
- the listed issuer is exempted from -
- (i) issuing a circular to shareholders;
  - (ii) obtaining shareholder approval of the transaction in general meeting; and
  - (iii) appointing a main adviser and independent adviser, as the case may be;
- provided that the board of directors of the listed issuer -
- (aa) approves the transaction before the terms of transaction are agreed upon; and
  - (bb) ensures that the transaction is fair and reasonable to the listed issuer and is in the best interests of the listed issuer.
- (10) Subparagraphs (2), (3), (4) and (9) do not apply to a related party transaction where the value of the consideration of the transaction is less than RM500,000.
- (11) The following transactions are not normally regarded as related party transactions:
- (a) the issue of securities by the listed issuer for cash (subject to paragraph 6.06), the issue of securities by way of bonus issue, the grant of options and the issue of securities arising from the exercise of options under a Share Issuance Scheme (subject to compliance with Chapter 6), subscription of securities on a pro rata basis, subdivision of shares, consolidation of shares or payment of dividend;
  - (b) [deleted]
  - (c) a transaction between the listed issuer 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 5% other than via the listed issuer; and
    - (ii) no other interest such as commission or other kinds of benefit received from the listed issuer or any of its subsidiaries or the other person in relation to the said transaction;

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- (d) an acquisition or disposal by the listed issuer or any of its subsidiaries from or to a third party of an interest in another corporation where the related party holds less than 10% in that other corporation other than via the listed issuer;
  - (e) the provision or receipt of financial assistance or services, upon normal commercial terms and in the ordinary course of business, from a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate;
  - (f) directors fees and remuneration, and employment remuneration;
  - (g) a transaction between a listed issuer or any of its subsidiaries and another person for the provision or receipt of goods or services which are Exempted Transactions where-
    - (i) the goods or services are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted; and
    - (ii) all material terms including the prices or charges are applied consistently to all customers or classes of customers;

For the purposes of this subparagraph -

- (i) "**goods**" excludes securities;
- (ii) "**classes of customers**" excludes such class by reason solely or otherwise that the customers are related parties of the listed issuer or its subsidiaries;
- (iii) "**Exempted Transactions**" means the following:
  - (aa) provision or usage of public utility services such as water, electricity, telecommunications, broadcasting services, postal or courier services, insurance, unit trusts, stockbroking services, public transport, education, medical services, provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and
  - (bb) such other types of transactions that may be prescribed by the Exchange from time to time;
- (h) the entry into or renewal of tenancy of properties of not more than 3 years, the terms of which are supported by an independent valuation;
- (i) a contract that is awarded by or on behalf of the Government of Malaysia or a State Government to the listed issuer or its subsidiary provided that the listed issuer immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C in the announcement;

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- (j) a contract that is awarded by way of a public tender -
- (i) in relation to the listed awardee or its subsidiaries provided that the listed issuer immediately announces to the Exchange the terms of the awarded contract, the value of at least the 3 closest bids or if not applicable, such lesser number of bids received, and an explanation of the basis for selecting the winning bid; and
  - (ii) in relation to the successful listed bidder or its subsidiaries provided that -
    - (aa) the awardee is listed or is a subsidiary of a listed issuer;
    - (bb) majority of the directors and members of the audit committees of the listed issuers (whether as the bidder or the awardee or the holding companies of the bidder or awardee subsidiaries) are different; and
    - (cc) the listed bidder immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C in the announcement;
- (k) a transaction between a listed issuer or any of its subsidiaries and another person which involves the sharing of services or facilities provided by one or more of such parties or other similar arrangements whereby the consideration merely involves reimbursement or sharing of costs in proportion to the utilisation of the services or facilities;
- (l) a transaction between the listed issuer 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 10% other than via the listed issuer;
- (m) a transaction between the listed issuer or any of its subsidiaries and another person where there are no other interested relationships except for -
- (i) common major shareholders; or
  - (ii) a person connected with a major shareholder being a major shareholder of the other person,
- provided that the following conditions are satisfied:
- (aa) the major shareholder and/or the person connected with the major shareholder is/are not the largest shareholder of the listed issuer;
  - (bb) the major shareholder and/or the person connected with the major shareholder is/are not a party to the said transaction, initiator, agent or involved in any other manner in the said transaction;
  - (cc) the major shareholder does not have any representative in an executive capacity on the board of directors of the listed issuer or any of its subsidiaries; and
  - (dd) the major shareholder is -
    - (A) a statutory institution who is managing funds belonging to the general public;



- 
- (B) a closed end fund, unit trust or investment fund (but excluding an investment holding corporation); or
  - (C) an insurance corporation whose activities are regulated by any written law relating to insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate, and the said insurance corporation is managing its insurance fund (together with its own shareholders' funds or otherwise). For the purposes of this subparagraph, "**insurance fund**" has the meaning given in section 2 of the Financial Services Act 2013;
- (n) a transaction between the listed issuer and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed issuer or person connected with such director or major shareholder having an interest in the transaction;
  - (o) a transaction between a subsidiary of a listed issuer ("**transacting subsidiary**") and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed issuer (other than the transacting subsidiary or holding companies of the transacting subsidiary) or a person connected with such director or major shareholder having an interest in the transaction;
  - (p) subscription to or acquisition by a listed issuer or its subsidiaries not listed on any stock exchange, of debt securities and/or redeemable preference shares issued or guaranteed by the Government of Malaysia, Bank Negara Malaysia, a State Government or an equivalent foreign regulatory authority as the Exchange deems appropriate; or
  - (q) a disposal by a listed issuer or any of its subsidiaries of an interest in an investee corporation where a related party is also a major shareholder or person connected with a major shareholder of the investee corporation (other than via the listed issuer), provided that -
    - (i) the related party, person connected with the related party or both, are not a party, initiator or agent to the said disposal; and
    - (ii) the disposal is effected on the Exchange where the counterparty's identity is unknown to the listed issuer or its subsidiaries (as the case may be) at the time of the disposal.

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

#### 10.09 Recurrent Related Party Transactions

- (1) Notwithstanding paragraph 10.08(1)(b) above, a listed issuer must immediately announce a Recurrent Related Party Transaction as follows:
  - (a) in relation to a listed issuer with a share capital of RM60 million and above -
    - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or

- 
- (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more,  
  
whichever is the higher; or
  - (b) in relation to a listed issuer with a share capital which is less than RM60 million -
    - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or
    - (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more,  
  
whichever is the lower.
- (2) A listed issuer may seek a mandate from its shareholders for Recurrent Related Party Transactions subject to the following:
- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
  - (b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under subparagraph (1) above;
  - (c) the listed issuer's circular to shareholders for the shareholder mandate includes the information as may be prescribed by the Exchange. The draft circular must be submitted to the Exchange together with a checklist showing compliance with such information;
  - (d) in a meeting to obtain shareholder or unit holder mandate, the relevant related party must comply with the requirements set out in paragraph 10.08(7) above;
  - (dA) [deleted]
  - (e) the listed issuer immediately announces to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.
- [Cross reference: Practice Note 12]*
- (3) Where a listed issuer has procured a shareholder mandate pursuant to subparagraph (2) above, the provisions of paragraph 10.08 will not apply.

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

### **10.10 Very substantial transaction**

Where a transaction is a very substantial transaction, a listed issuer must include additional information set out in Part G of Appendices 10A and 10B, respectively, in the announcement of the transaction to the Exchange and the circular issued to the shareholders.

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

- (1) Where a transaction will result in a significant change in the business direction or policy of the listed issuer, the listed issuer must first procure the SC's approval for the transaction and comply with the SC's Equity Guidelines.
- (2) The listed issuer must include the additional information set out in Part H of Appendix 10A, in the announcement of the transaction to the Exchange.
- (2A) [Deleted]
- (3) [Deleted]

**PART F(A) – MAJOR DISPOSAL OF ASSETS RESULTING IN LISTED ISSUERS NO LONGER SUITABLE FOR LISTING****10.11A Major Disposal**

- (1) A listed issuer which intends to undertake a Major Disposal must:
  - (a) appoint a main adviser, who is a Principal Adviser, before the terms of the Major Disposal are agreed upon;
  - (b) appoint an independent adviser who is a corporate finance adviser within the meaning of the SC's Principal Adviser Guidelines;
  - (bA) ensure that a valuation is conducted on all its material real estate, if the total net book value of all the listed issuer's real estate contributes 50% or more to the total assets of the listed issuer on a consolidated basis;
  - (c) include additional information set out in Part I of Appendix 10A and Part J of Appendix 10B respectively, in the announcement of the Major Disposal to the Exchange, and the circular issued to the shareholders or unit holders; and
  - (d) convene a general meeting and obtain shareholder or unit holder approval of at least 75% of the total number of issued shares or units held by the shareholders or unit holders present and voting either in person or by proxy at the meeting for such Major Disposal.
- (2) The main adviser must, in relation to the Major Disposal -
  - (a) ensure that the Major Disposal complies with the relevant laws, regulations or guidelines, where applicable; and
  - (b) ensure full disclosure of all information required to be disclosed in the announcement and circular.
- (3) The independent adviser must, in relation to the Major Disposal –
  - (a) comment as to whether the Major Disposal and its related proposals (if any) are fair and reasonable in so far as the shareholders or unit holders are concerned. Such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion. In arriving at such opinion, the independent adviser should comply with the relevant provisions relating to an independent adviser's recommendation in Schedule 2, Part III of the Rules on Take-Overs, Mergers and Compulsory Acquisitions;

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- (b) advise the shareholders or unit holders on whether they should vote in favour of the Major Disposal and its related proposals (if any); and
  - (c) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in subparagraphs (a) and (b) above.
- (4) If in the Exchange's opinion, an independent adviser is not independent, the Exchange may disallow such independent adviser to be appointed or continue to act as an independent adviser.
- (5) In the event a valuation is required to be conducted on all its material real estate pursuant to subparagraph (1)(bA) above, the listed issuer or its valuer, or both, as the case may be, must comply with paragraphs 10.04(3) to 10.04(8), where applicable.

## PART G – OTHER REQUIREMENTS

### 10.12 Aggregation of transactions

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

*[Cross reference: Practice Note 14]*

### 10.13 Diversification in operations carried on by a listed issuer

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

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

- (2) For the purpose of subparagraph (1) above, 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 and the total percentage ratio of assets allocated for the diversification is 25% or more.

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**PART H – [DELETED]****10.14 [Deleted]****PART I – ACQUISITION OR DISPOSAL INVOLVING MOG ASSETS****10.15 Acquisition or disposal involving MOG Assets**

In addition to the requirements set out in this Chapter, a listed issuer which intends to undertake an acquisition or disposal involving MOG assets as defined by the Exchange where any one of the percentage ratios of the transaction is 25% or more, must also comply with such other requirements as may be prescribed by the Exchange.

*[Cross reference: Practice Note 32]*

**PART J – SPECIFIC REQUIREMENTS RELATING TO REITS****10.16 Disposal of developed real estate after completion of property development activities**

- (1) If a REIT intends to dispose any real estate developed by the REIT within 2 years from the date of completion of the development, it must -
  - (a) obtain the trustee's consent for the disposal;
  - (b) announce the disposal and include the information set out in Appendix 10A in the announcement;
  - (c) issue a circular which includes the information set out in Appendix 10B to its unit holders;
  - (d) seek unit holders' approval for the disposal in a general meeting by way of a special resolution; and
  - (e) comply with the valuation requirements in paragraphs 10.04(3) to 10.04(9).
- (2) If the disposal involves the interest of a related party, the REIT must, in addition to subparagraph (1) above, do the following:
  - (a) if the percentage ratio of the transaction is 5% or more and the value of the consideration of the transaction is RM500,000 or more, appoint an independent adviser who is a corporate finance adviser within the meaning of the SC's Principal Adviser Guidelines, before the terms of the transaction are agreed upon;
  - (b) if the percentage ratio of the transaction is 25% or more and the value of the consideration of the transaction is RM500,000 or more, in addition to the independent adviser, appoint a main adviser who is a Principal Adviser, before the terms of the transaction are agreed upon;
  - (c) ensure that the announcement and circular include the information set out in Appendices 10C and 10D respectively; and
  - (d) comply with paragraphs 10.08(6) to 10.08(8).
- (3) The independent adviser and the main adviser appointed pursuant to subparagraph (2) above must comply with paragraphs 10.08(3) and 10.08(4) respectively.

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**10.17 Lease arrangement**

A REIT which invests in a real estate through a lease arrangement must ensure the following:

- (a) the lease arrangement satisfies the applicable requirements stipulated in the SC's Guidelines on Listed REITs;
- (b) the requirements in this Chapter are complied with as if the entry into the lease arrangement is a transaction;
- (c) the requirements in paragraph 10.04 are complied with where a valuation is conducted on the lease arrangement that requires unit holders' approval; and
- (d) the announcement and circular to unit holders must include the information set out in Part C(A) of Appendices 10A and 10B respectively.

[End of Chapter]

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

(paragraphs 10.06(1), 10.08(1), 10.08(11)(i) and (j), 10.11A(1)(c), 10.16 and 10.17)

**Part A****General information to be included, where applicable, in announcement of transactions****DETAILS OF THE TRANSACTION**

- (1) The details of the transaction including the following:
  - (a) the date on which the terms of the transaction were agreed upon;
  - (b) the manner in which the consideration will be satisfied including the terms of any arrangement for payment on a deferred basis;
  - (c) where the consideration is in the form of shares, the weighted average market price for the shares for the 5 market days before the date on which the terms of the transaction were agreed upon;
  - (d) particulars of the assets being acquired or disposed of; and
  - (e) a description of the business carried on.
- (2) The financial information on the assets which are the subject matter of the transaction, including the net profits attributable to the assets and net assets or net book value of the assets.
- (3) In the case of an acquisition -
  - (a) where the consideration is to be satisfied in whole or in part by an issue of securities of the listed issuer -
    - (i) the number and type of securities to be issued;
    - (ii) the ranking of the securities;
    - (iii) whether listing will be sought for the securities; and
    - (iv) the issue price, basis of determining the issue price and justification for the pricing of the securities;
    - (v) [deleted]
    - (vi) [deleted]
  - (b) where the consideration is to be satisfied in whole or in part by way of transfer of treasury shares, the information as set out in Part B of Appendix 12C (if applicable);
  - (c) where the purchase consideration is to be satisfied by cash, the source of funding and its breakdown;
  - (d) particulars of all liabilities, including contingent liabilities and guarantees to be assumed by the listed issuer, arising from the transaction; and

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- (e) the name of the vendor including the names of its directors and substantial shareholders together with their respective direct and/or indirect shareholdings, if the vendor is a corporation.
- (4) In the case of a disposal -
- (a) where shares or other securities are intended to form part of the consideration -
    - (i) the number and type of securities to be issued;
    - (ii) the ranking of the securities;
    - (iiA) whether listing will be sought for the securities;
    - (iii) the issue price, basis of determining the issue price and justification for the pricing of the securities;
    - (iv) a statement as to whether such securities are to be sold or retained;
    - (v) the principal activities, share capital and number of issued shares of the corporation in which the securities are or will be held; and
    - (vi) the names of the directors and substantial shareholders of the corporation in which the securities are or will be held;
  - (b) the original cost of investment and the date of such investment;
  - (c) the name of the purchaser including the names of its directors and substantial shareholders together with their respective direct and/or indirect shareholdings, if the purchaser is a corporation;
  - (d) particulars of -
    - (i) any liabilities, including contingent liabilities, in relation to the disposal which remain with the listed issuer, together with the details and justification for such arrangements; and
    - (ii) any guarantees given by the listed issuer to the purchaser or target company; and
  - (e) if the disposal is expected to result in the listed issuer becoming a Cash Company or a PN17 Issuer, a statement to that effect.

**BASIS OF AND JUSTIFICATION FOR THE CONSIDERATION**

- (5) The total consideration, together with –
- (a) the basis of arriving at the consideration, other than on a “willing buyer willing seller” basis. If it was based on net assets, the year the net assets were taken into consideration, quantifying the net assets and stating whether it was based on audited financial statements; and
  - (b) the justification for the consideration.



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- (6) If the consideration is based on or involves a profit guarantee -
- (a) a statement as to whether the profit guarantee provided is realistic, taking into consideration the historical performance and future prospects of the corporation or asset to be acquired; and
  - (b) details of the listed issuer's right of recourse in the event the profit guarantee is not met.

**RATIONALE AND BENEFITS OF THE TRANSACTION**

- (7) The rationale for the transaction including any benefit which is expected to accrue to the listed issuer from the business, financial and operational perspective.

**UTILISATION OF PROCEEDS**

- (8) Where the sale consideration is to be satisfied in cash, the intended application of the sale proceeds and the breakdown, including the timeframe for full utilisation of proceeds.

**PROSPECTS**

- (9) The prospects of the assets or interests to be acquired.

**RISKS OF THE TRANSACTION**

- (10) The risks in relation to the transaction including risk factors of the assets or interests to be acquired.

**EFFECTS OF THE TRANSACTION**

- (11) The effect of the transaction on the listed issuer, which includes the effect of the transaction on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' direct and/or indirect shareholding of the listed issuer, in tabular form.
- (12) In the case of a disposal, the expected gains or losses to the group.

**APPROVAL / CONSENT REQUIRED**

- (13) A statement on whether the transaction is subject to approval of the shareholders and the relevant government authorities together with the following information:
- (a) in the case of shareholder approval, the highest percentage ratio applicable to the transaction pursuant to paragraph 10.02(g) of these Requirements; and
  - (b) in the case of approval from the relevant government authorities, the estimated time frame for submission of the application to such authorities.

**INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED**

- (14) A statement on whether the directors, major shareholders or persons connected with a director or major shareholder, have any interest, direct or indirect, in the transaction, and the nature and extent of their interests.

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**DIRECTORS STATEMENT / RECOMMENDATION**

- (15) A statement by the board of directors, excluding interested directors, stating whether the transaction is in the best interests 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.

**ESTIMATED TIME FRAME FOR COMPLETION**

- (16) The estimated time frame to complete the transaction.

**ADDITIONAL INFORMATION IF PERCENTAGE RATIO IS 25% OR MORE**

- (17) Where any one of the percentage ratios is 25% or more, the following information must be included:
- (a) if a feasibility report in relation to the transaction has been prepared, the name of the expert who prepared the report, a brief conclusion of the report, and a statement on the time and place where such report may be inspected;
  - (b) [deleted]
  - (c) for depleting or specialised businesses such as timber concessions, information on the reserves, extraction rates and returns;
  - (d) where another corporation is acquired or disposed of, or where shares or other securities in another corporation are to be received as consideration for a disposal, the following information in respect of the other corporation:
    - (i) the general nature of business conducted by the corporation and its subsidiaries including -
      - (aa) commencement date of the business operation;
      - (bb) principal products manufactured or services rendered; and
      - (cc) principal markets for the products or services;
    - (ii) the audited financial information (past 3 years or since incorporation, whichever is the later) and the latest interim results, if available, stating turnover, profit before tax and profit after tax and non-controlling interest; and
    - (iii) where there is any material fluctuation in turnover or profits in any of the years, an explanation for the fluctuation.

**FURTHER / ADDITIONAL INFORMATION**

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

**APPENDICES**

- (19) The salient features of the agreement and valuation report, if any, and the time and place where such documents may be inspected.

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

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

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

- (1) A description of each real estate including -
  - (a) the postal address or identification (lot, title number, relevant mukim, district and state) of the real estate;
  - (b) a brief description (e.g. whether land or building, approximate area, etc.);
  - (c) the existing and proposed use (e.g. shops, offices, factories, residential, etc.). If currently let out or is proposed to be let out, the details of the rentals and the rental income or expected rental income per month or per annum. If the real estate to be disposed is currently used as a factory, the effect of a disposal on the operations;
  - (d) the approximate age of the buildings;
  - (e) the terms of the tenure; if leasehold, the expiry date of the lease;
  - (f) whether any valuation was carried out on the real estate; if so, the name of the independent registered valuer, date and method of valuation and quantification of the market value;

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- (g) the net book value based on latest audited financial statements; and
  - (h) the encumbrances, if any.
- (2) If the real estate acquired or disposed of is an estate or plantation, the following additional information:
- (a) the present and future usage;
  - (b) the type of estate or plantation;
  - (c) the maturity of the trees; and
  - (d) the production for the past 3 years.
- (3) Where the real estate consists of buildings, the following:
- (a) the amount of lettable space;
  - (b) the amount of lettable space available for letting and the occupancy; and
  - (c) the percentage of occupancy.
- (4) Where the real estate is in the process of being developed or is intended to be developed, the following additional details:
- (a) the details of development potential, i.e. name of the project, type of development - residential, industrial or commercial, number of units in respect of each type of development;
  - (b) the total development cost;
  - (c) the expected commencement and completion date(s) of development;
  - (d) the gross development value;
  - (e) the stage or percentage of completion;
  - (f) the sources of funds to finance the development cost; and
  - (g) whether relevant approvals for the development have been obtained and date(s) obtained.
- (5) Where the real estate is acquired by a REIT, the following additional specific information:
- (a) in the case of an acquisition of real estate where the REIT does not have majority ownership and control, the risks associated with holding such real estates; or
  - (b) in the case of an acquisition of real estate under construction or vacant land for development –
    - (i) the aggregate value of the real estate under construction and the estimated property development cost, compared with the total asset value of the REIT, expressed as a percentage;

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- (ii) the expected yield arising from the developed real estate compared with the total yield of the REIT, expressed as a percentage, together with the assumptions made in determining the expected yield; and
- (iii) the impact of the acquisition of real estate on the expected yield of the REIT.

**Part C(A)****Additional specific information to be included in relation to a transaction entered into by a REIT which involves an investment in real estate through a lease arrangement**

- (a) Salient terms and conditions of the lease arrangement including the tenure of the lease to be held by the REIT.
- (b) Details of the lessor.
- (c) If the REIT enters into a lease arrangement which is not possible to be registered or recognised by the relevant land authority, the statement must include the following information:
  - (i) confirmation that the real estate of the lease arrangement is ancillary to a real estate of the REIT, either existing or proposed to be acquired;
  - (ii) the value of the lease arrangement compared with the value of the real estate of the REIT that it is ancillary to, expressed as a percentage; and
  - (iii) if the value of the lease arrangement exceeds 5% of the value of the real estate of the REIT that it is ancillary to, a statement that the lease arrangement is subject to SC's prior consent and the estimated time frame for submission of the application to the SC.
- (d) Confirmation from the board of directors of the management company that –
  - (i) the lease arrangement is in the best interests of unit holders; and
  - (ii) the interests of the unit holders are protected with respect to the risk relating to the REIT not being the registered proprietor of the real estate and a legal opinion has been obtained for this purpose.

**Part C(B)****Additional specific information to be included in relation to a transaction entered into by a REIT with income support arrangement**

- (a) Detailed terms of the income support arrangement, including how the income support is priced into the purchase consideration of the real estate (where applicable), and the tenure or remaining tenure of the income support, as the case may be.
- (b) The expected yields with and without the income support arrangement.
- (c) Payments receivable or received from the income support arrangement.

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

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

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

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

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

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

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**Part G****Additional specific information to be included in relation to very substantial transactions**  
(paragraph 10.10)

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

**Part H****Additional specific information to be included in relation to significant change in business direction or policy of a listed issuer**  
(paragraphs 10.11 & 10.14)

- (1) The following additional audited financial information of the assets or interests to be acquired for the past 3 to 5 financial years (depending on the profit test or infrastructure project corporation test used for compliance with the SC's Equity Guidelines) or since the date of incorporation or commencement of operations, whichever is the later:
  - (a) basic and diluted earnings per share;
  - (b) total current assets and total current liabilities;
  - (c) total assets and total liabilities;
  - (d) net assets or net liabilities;
  - (e) issued capital and reserves;
  - (f) total borrowings;
  - (g) current ratio; and
  - (h) gearing ratio.
- (2) The pro forma effects of the proposed acquisition or restructuring exercise on the net assets and gearing (based on the latest audited financial statements) of the listed issuer on completion of the acquisition or restructuring exercise.

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- (3) For assets or interests which do not have any profitability track record (as in certain privatisation cases), the information must include, but not be limited to, the total cost needed to put on-stream the operation of the assets or interests and the proportion to be assumed or guaranteed by the listed issuer, the expected date on which profit contribution will accrue to the listed issuer and the expected returns to be derived, together with appropriate assumptions used.
  - (4) If the transaction results in a change in the controlling shareholder of the listed issuer, or in relation to a listed business trust, a change in the controlling unit holder of the listed business trust or controlling shareholder of the trustee-manager for the listed business trust, a statement to that effect and the following information in respect of the new shareholder or unit holder:
    - (a) the name;
    - (b) the date and place of incorporation;
    - (c) the names of directors and substantial shareholders or substantial unit holders and their respective shareholdings or unit holdings; and
    - (d) the principal business.
  - (5) If the transaction results in a change in the board of directors of the listed corporation, the following information in respect of the new board of directors:
    - (a) name and nationality; and
    - (b) occupation and qualification.
  - (6) Background of the vendors who are substantial shareholders or substantial unit holders of the assets or interests to be acquired:
    - (a) name;
    - (b) date and place of incorporation;
    - (c) principal activities;
    - (d) substantial shareholders or substantial unit holders and directors and their respective shareholdings or unit holdings.

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

(paragraph 10.11A(1)(c))

- (1) Identity of the independent adviser, the date of its appointment and a statement explaining the role of the independent adviser.
- (2) Identity of the ultimate offeror as defined in the Take-Overs and Mergers Code as if the Major Disposal were the proposed take-over offer.
- (3) A statement whether the board of directors is seeking other alternative bids.



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- (4) Where the consideration for the Major Disposal is by way of cash or partly in cash, a statement whether the acquirer has sufficient financial resources to undertake the acquisition.

[End of Appendix]

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**APPENDIX 10B****Contents of circular to shareholders in relation to transactions**  
(paragraphs 10.07(1), 10.08(2)(a), 10.11A(1)(c), 10.16 and 10.17)**Part A****General information to be included, where applicable, in the circular to shareholders in relation to transactions****COVER PAGE**

- (1) If voting or other action is required, a heading drawing attention to the importance of the document and advising holders of securities who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that 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 TRANSACTION**

- (4) The details of the transaction, including the following:
  - (a) the date on which terms of the transaction were agreed upon and the date on which the transaction and any revision to it was announced;
  - (b) how the consideration will be satisfied including the terms of any arrangement for payment on a deferred basis;
  - (c) where the consideration is in the form of shares, the weighted average market price for the shares for the 5 market days before the date on which the terms of the transaction were agreed upon; and
  - (d) a description of the corporation or assets to be acquired or disposed of, as the case may be.
- (5) The audited financial and other relevant information pertaining to the assets, including the net profits attributable to the assets and net assets or the net book value of the assets.
- (6) In the case of an acquisition -
  - (a) where the consideration is to be satisfied in whole or in part by an issue of securities of the listed issuer -
    - (i) the number and type of securities to be issued;
    - (ii) the ranking of the securities;

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- (iii) the issue price, basis of determining the issue price and the justification for the pricing of the securities; and
    - (iv) [deleted]
    - (v) [deleted]
    - (vi) the highest and lowest prices of such securities as transacted on the Exchange for the preceding 12 months including the last transacted price before the announcement on the transaction and on the latest practicable date before the printing of the circular;
  - (b) where the consideration is to be satisfied in whole or in part by way of transfer of treasury shares, the information as set out in Part B of Appendix 12C (if applicable);
  - (c) where the purchase consideration is to be satisfied wholly or partly by cash, the source(s) of funding and the breakdown;
  - (d) a statement as to whether the corporation or assets will be acquired free from encumbrances;
  - (e) the particulars of all liabilities, including contingent liabilities, and guarantees to be assumed by the listed issuer arising from the acquisition;
  - (f) the estimated additional financial commitment required in putting the assets acquired on-stream; and
  - (g) the name of the vendor including the names of its directors and substantial shareholders together with their respective direct and/or indirect shareholdings, if the vendor is a corporation.
- (7) In the case of a disposal -
- (a) where shares or other securities are intended to form part of the consideration -
    - (i) the number and type of securities to be issued;
    - (ii) the ranking of the securities;
    - (iii) whether listing will be sought for the securities;
    - (iv) the issue price, the basis of determining the issue price and the justification for the pricing of the securities; and
    - (v) a statement as to whether such securities are to be sold or retained;
  - (b) the original cost of investment and the date of such investment;
  - (c) the name of the purchaser including the names of its directors and substantial shareholders together with their respective direct and/or indirect shareholdings, if the purchaser is a corporation;

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- (d) particulars of -
- (i) any liabilities, including contingent liabilities, in relation to the disposal which remain with the listed issuer, together with the details and justification of such arrangements; and
  - (ii) any guarantees given by the listed issuer to the purchaser or target company; and
- (e) if the disposal is expected to result in the listed issuer becoming a Cash Company or a PN17 Issuer, a statement to that effect.
- (8) The valuation of the assets as at the latest practicable date, if applicable, and the name of the independent registered valuers.

**BASIS OF AND JUSTIFICATION FOR THE CONSIDERATION**

- (9) The total consideration, together with -
- (a) the basis of arriving at the consideration, other than on a “willing buyer willing seller” basis. If it was based on net assets, the year the net asset was taken into consideration, quantifying the net assets and stating whether it was based on audited financial statements; and
  - (b) the justification for the consideration.
- (10) If the consideration is based on or involves a profit guarantee -
- (a) a statement as to whether the profit guarantee provided is realistic, taking into consideration the historical performance and future prospects of the corporation or asset to be acquired;
  - (b) details of the listed issuer’s right of recourse in the event the profit guarantee is not met.

**RATIONALE AND BENEFITS OF THE TRANSACTION**

- (11) The rationale for the transaction including any benefit which is expected to accrue to the listed issuer from the business, financial and operational perspective.

**UTILISATION OF PROCEEDS**

- (12) The following information if the sale consideration is to be satisfied in cash:
- (a) the intended application of the sale proceeds and the breakdown;
  - (b) the timeframe for the full utilisation of proceeds; and
  - (c) if the proceeds are to be used for -
    - (i) reducing borrowings, the quantification of the total borrowings of the group as at the latest practicable date before printing of the circular and the savings in interest payment or expense per annum arising from the repayment;
    - (ii) investments, details of the investments. If these have not yet been identified, a statement of how the proceeds will be utilised in the meantime, pending identification of the investments; and

- (iii) working capital, the details and breakdown.

**PROSPECTS, OUTLOOK AND FUTURE PLAN**

- (13) In relation to the assets or interests to be acquired -
- (a) the outlook of the industry where the assets or interests to be acquired operates together with the prospects in light of the outlook and competition; and
  - (b) [deleted]
  - (c) a description of the listed issuer's future plans for the assets or interests and steps to be taken (including time frame and financial resources required to be committed) to realise such plans.

**RISKS OF THE TRANSACTION**

- (14) The risks in relation to -
- (a) the transaction;
  - (b) the assets or interests to be acquired (as well as the corporation whose securities are to be received as consideration for the disposal); and
  - (c) the overall industry where the assets or interests to be acquired operates,
- which had or could materially affect, directly or indirectly, the business, operating results and financial condition of the listed issuer and the mitigating factors.

**EFFECTS OF THE TRANSACTION**

- (15) The effects of each transaction on the following, in tabular form:
- (a) the share capital, and substantial shareholders' direct and/or indirect shareholdings based on the latest practicable date;
  - (b) the net assets per share and gearing based on the latest audited consolidated financial statements for the most recently completed financial period, assuming that the transaction had been effected at the end of that financial period; and
  - (c) the earning per share based on the latest audited consolidated financial statements for the most recently completed financial period, assuming that the transaction had been effected at the beginning of that financial period.
- (16) In the case of a disposal -
- (a) the expected gains or losses to the group;
  - (b) the subject matter's contribution to the group's net profit based on the latest audited financial statements; and
  - (c) a description of the strategy or business plan to address the loss of the contribution from the subject matter.

**APPROVAL / CONSENT REQUIRED**

- (17) A statement on whether the transaction is subject to the approval of shareholders and the relevant government authorities together with the following information:
- (a) in the case of shareholder approval, the highest percentage ratio applicable to the transaction pursuant to paragraph 10.02(g) of these Requirements; and
  - (b) in the case of approval from the relevant government authorities, the conditions imposed and the status of compliance.

**CONDITIONALITY OF TRANSACTION**

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

**INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED**

- (19) A statement on whether the directors, major shareholders 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.

**DIRECTORS STATEMENT / RECOMMENDATION**

- (20) A statement by the board of directors, excluding interested directors, stating whether the transaction is in the best interests 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.
- (21) A recommendation from the directors, excluding interested directors, as to the voting action shareholders should take, and the basis of such recommendation.

**TENTATIVE TIMETABLE FOR IMPLEMENTATION**

- (22) The tentative timetable for the implementation of the transaction.

**FURTHER / ADDITIONAL INFORMATION**

- (23) Where a feasibility report in relation to the acquiree corporation and assets has been prepared, the name of the expert who prepared the report and a brief conclusion of the report. Incorporate the letter from the expert, and make available for inspection the report and letter.
- (24) Any other information which the security holders and their advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.
- (25) For depleting or specialised businesses such as timber concessions, information on the breakdown of assets/inventories, reserves, extraction rates and returns.

**APPENDICES**

- (26) The salient features of the agreement relating to the transaction.

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

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- (h) the type of assets owned;
  - (i) the particulars of directors including name, nationality, designation and their direct and indirect shareholdings;
  - (j) the particulars of substantial shareholders including name, nationality, country of incorporation and their direct and indirect shareholdings;
  - (k) the financial information based on the audited financial statements (past 3 years or since incorporation, whichever is the later) and the latest interim results, if available, stating -
    - (i) the turnover;
    - (ii) the profit before tax but after non-controlling interest;
    - (iii) the profit after tax and non-controlling interest;
    - (iv) [deleted]
    - (v) the net earnings per share;
    - (vi) the paid-up capital;
    - (vii) the shareholders' funds;
    - (viii) the net assets;
    - (ix) the net assets per share;
    - (x) the current ratio;
    - (xi) total borrowings including all interest-bearing debts; and
    - (xii) the gearing ratio.
  - (l) the commentary on past performance, which should include analysis and/or discussion of -
    - (i) significant and specific factors contributing to exceptional performance in any of the financial years under review and significant changes in the financial performance on a year-to-year basis, whether favourable or adverse;
    - (ii) accounting policies adopted which are peculiar to the corporation/ business because of the nature of the business or the industry it involves in, as well as the effects of such policies on the determination of income or financial position; and
    - (iii) any audit qualification for the financial statements in any of the financial years under review; and
  - (m) the latest audited financial statements together with the notes and the auditors' report (not required if accountant's report is provided).
- (28) Where the percentage ratio is 50% or more, a directors' report on the unlisted corporation to be acquired.



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(29) 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) details of material commitments and contingent liabilities incurred or known to be incurred by the listed issuer;
- (c) 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 and/or letter (if applicable) in the form and context in which it is included; and
  - (ii) by the adviser as to whether 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;

- (d) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the corporation to be acquired or disposed of and the corporation whose shares or convertible securities are to be issued as consideration for the disposal by the listed issuer within 2 years immediately preceding the date of the circular. The following particulars must be disclosed in respect of each such contract:
  - (i) the date of the contract;
  - (ii) the parties of the contract;
  - (iii) the general nature; and
  - (iv) the consideration and mode of satisfaction;
- (e) a statement of all material litigation, claims or arbitration involving the corporation/assets to be acquired or disposed of and the corporation whose shares or convertible securities are to be issued as consideration for the disposal by the listed issuer including those pending or threatened against such corporations. The following information must be disclosed:
  - (i) the background;
  - (ii) the date of the suit,

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

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

- (1) The details of the joint-venture partners.
- (2) The current share capital and number of issued shares.
- (3) The terms of the joint-venture agreement.
- (4) The breakdown of the total capital and investment outlay in the joint-venture.
- (5) The eventual share capital and number of issued shares of the joint-venture corporation.
- (6) The number and type of the shares making up the share capital. Where there is more than one type of shares or securities issued, the following:

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- (a) the differences between the different types of shares or securities;
  - (b) whether convertible; if so, the rate and period;
  - (c) whether redeemable; if so, the rate and period; and
  - (d) the tenure.
- (7) The equity interest held by the respective parties.
  - (8) The name of the joint-venture corporation.
  - (9) The source(s) of funds for financing the investment in the joint-venture corporation, and the breakdown.
  - (10) If no joint-venture corporation will be set up, the terms of cost and profit sharing and the estimated total cost of project.

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

- (1) A description of each real estate including -
  - (a) the postal address or identification (lot, title number, relevant mukim, district and state) of the real estate;
  - (b) a brief description (e.g. whether land or building, approximate area, etc.);
  - (c) the existing and proposed use (e.g. shops, offices, factories, residential, or vacant etc.); if currently let out or is proposed to be let out, the details of the rentals and the rental income or expected rental income per month or per annum. If the real estate to be disposed is currently used as a factory, the effect of a disposal on the operations;
  - (d) the gross development value;
  - (e) the terms of the tenure; if leasehold, the expiry date of the lease;
  - (f) a valuation certificate which must comply with the SC's Asset Valuation Guidelines. The valuation report and valuation certificate must be made available for inspection;
  - (g) a quantification of the market value of the real estate as appraised by the independent registered valuer;
  - (h) the net book value based on the latest audited financial statements; and
  - (i) the encumbrances, if any.
- (2) If the real estate acquired or disposed of is an estate or plantation, the following additional information:
  - (a) the present and future usage;
  - (b) the type of estate or plantation;

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- (c) the maturity of the trees;
  - (d) the production for the past 3 years; and
  - (e) the profit contribution or revenue and expense account of the estate for the past 3 years.
- (3) Where the real estate to be acquired or disposed of consist of buildings the following additional information:
- (a) the number of storeys, gross built-up and net lettable or useable areas;
  - (b) the area to be self-occupied and let out respectively; and
  - (c) the percentage of occupancy.
- (4) Where the real estate is in the process of being or is intended to be developed, the following additional details:
- (a) the details of development potential, i.e. name of the project, type of development - residential, industrial or commercial, number of units in respect of each type of development;
  - (b) the total development cost;
  - (c) the expected commencement and completion date(s) of development;
  - (d) the expected profits to be derived;
  - (e) the stage or percentage of completion;
  - (f) the sources of funds to finance the development cost;
  - (g) whether relevant approvals for the development have been obtained and date(s) obtained;
  - (h) whether for sale or rental. If for sale, the percentage of sales or number of units sold to-date. If for rental, the expected rental income per annum; and
  - (i) whether planning consent has been obtained and if so, whether there are any conditions attached to such consent.
- (5) Where the real estate is acquired by a REIT, the following additional specific information:
- (a) in the case of an acquisition of real estate where the REIT does not have majority ownership and control, the risks associated with holding such real estates; or
  - (b) in the case of an acquisition of real estate under construction or vacant land for development –
    - (i) the aggregate value of the real estate under construction and the estimated property development cost, compared with the total asset value of the REIT, expressed as a percentage;

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- (ii) the expected yield arising from the developed real estate compared with the total yield of the REIT, expressed as a percentage, together with the assumptions made in determining the expected yield; and
- (iii) the impact of the acquisition of real estate on the expected yield of the REIT.

**Part C(A)****Additional specific information to be included in relation to a transaction entered into by a REIT which involves an investment in real estate through a lease arrangement**

- (a) Salient terms and conditions of the lease arrangement including the tenure of the lease to be held by the REIT.
- (b) Details of the lessor.
- (c) If the REIT enters into a lease arrangement which is not possible to be registered or recognised by the relevant land authority, the statement must include the following information:
  - (i) confirmation that the real estate of the lease arrangement is ancillary to a real estate of the REIT, either existing or proposed to be acquired;
  - (ii) the value of the lease arrangement compared with the value of the real estate of the REIT that it is ancillary to, expressed as a percentage; and
  - (iii) if the value of the lease arrangement exceeds 5% of the value of the real estate of the REIT that it is ancillary to, confirmation that the REIT has obtained the SC's prior consent, the conditions imposed (if any) and status of compliance.
- (d) Confirmation from the board of directors of the management company that the lease arrangement is in the best interests of unit holders.
- (e) Legal opinion on whether the interests of unit holders are protected with respect to the risk relating to the REIT not being the registered proprietor of the real estate.

**Part C(B)****Additional specific information to be included in relation to a transaction entered into by a REIT with income support arrangement**

- (a) Detailed terms of the income support arrangement, including how the income support is priced into the purchase consideration of the real estate (where applicable), and the tenure or remaining tenure of the income support, as the case may be.
- (b) The expected yields with and without the income support arrangement.
- (c) Payments receivable or received from the income support arrangement.

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

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

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

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

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

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

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

(paragraph 10.10)

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

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

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

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- (3) An accountant's report on the unlisted corporation to be acquired which must include the following:
- (a) the statement of profit and loss and other comprehensive income (or its equivalent) in respect of each of the 3 financial years immediately preceding the last date to which the financial statements were made up; and
  - (b) the statement of financial position (or its equivalent) for each of the past 3 financial years immediately preceding the last date to which the financial statements were made up.

The report will not be required if the percentage ratio for the very substantial transaction is triggered due to aggregation of the transactions of the unlisted corporation under paragraph 10.12, but where individually, the percentage ratio of each transaction is less than 100%.

- (4) For assets or interests to be acquired which do not have any profitability track record (as in certain privatisation cases), the information must include, but not be limited to -
- (a) the total cost needed to put on-stream the operation of the assets or interests and the proportion to be assumed or guaranteed by the listed issuer;
  - (b) the expected date on which the profit contribution will accrue to the listed issuer; and
  - (c) the expected returns to be derived,

together with the appropriate assumptions used. The listed issuer must ensure that the information provided is verified and confirmed by independent experts.

- (5) In the case of a disposal, a statement on the listed issuer's future activities and direction after the disposal of the asset.

**Part H**

[Deleted]

**Part I**

[Deleted]

**Part J****Additional specific information to be included in relation to Major Disposals**  
(paragraph 10.11A(1)(c))

- (1) A statement by the board of directors stating whether the Major Disposal is fair and reasonable and in the best interest of the listed issuer, together with the reasons and factors taken into consideration in forming that opinion.
- (2) A statement by the board of directors setting out the following:
  - (a) detailed description of the future plans of the listed issuer;



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- (b) whether it is the listed issuer's intention to maintain its listing status;
  - (c) the intended application of the sale proceeds and the breakdown, including the timeframe for the full utilisation of proceeds; and
  - (d) implications of Practice Note 16, if applicable.
- (3) A separate letter by the independent adviser incorporating -
- (a) its opinion as to whether the Major Disposal and its related proposals (if any) are fair and reasonable in so far as the shareholders or unit holders are concerned. Such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration, in forming that opinion. In arriving at such opinion, the independent adviser should comply with the relevant provisions relating to an independent adviser's recommendation in Schedule 2, Part III of the Rules on Take-Overs, Mergers and Compulsory Acquisitions; and
  - (b) its advice to the shareholders or unit holders on whether they should vote in favour of the Major Disposal and its related proposals (if any).
- (4) The independent advice circular must include the following:
- (a) the industry and its outlook in which the listed issuer has its core or major business activities;
  - (b) the prospects of the listed issuer in light of its industry outlook and competition; and
  - (c) in the case of a securities exchange offer –
    - (i) the industry and its outlook in which the acquirer has its core or major business activities; and
    - (ii) the prospects of the acquirer in light of its industry's outlook and competition.
- (5) Where the consideration for the Major Disposal is by way of cash or partly in cash, a statement by the board of directors and commentary by the independent adviser as to whether the acquirer has sufficient financial resources to undertake the acquisition.
- (6) A statement by the board of directors on the listed issuer's intention to deal with its treasury shares and the impact of such dealing on the shareholders or unit holders' entitlement pursuant to the Major Disposal, if any.

[End of Appendix]

**Appendix 10C**  
**Additional contents of announcement**  
**for related party transactions**

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

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

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

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

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

[End of Appendix]

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

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

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

[End of Appendix]

CHAPTER 11 TAKE-OVERS AND MERGERS

[Deleted]

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

This Chapter sets out the requirements that must be complied with by a listed corporation or a listed issuer which is a business trust or REIT in respect of the purchase of its own securities.

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

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

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

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

A listed corporation must not purchase its own shares unless its shareholders have, by ordinary resolution passed at a general meeting, given an authorisation to its directors to make such purchase(s) and –

- (a) where it is incorporated under the Companies Act, it complies with sections 112, 113 and 127 of the Companies Act; or
- (b) where it is a foreign corporation, it complies with sections 112, 113 and 127 of the Companies Act subject to the necessary modifications.

**12.04 On the market transactions**

Subject to paragraphs 12.25(1) and 12.26(2) below, a listed corporation must ensure that any purchase by the listed corporation of its own shares, or resale of its treasury shares is effected only on the market of the Exchange.

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

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

**12.06 Share Buy-back Statement to shareholders for purchase of own shares**

- (1) A listed corporation seeking authorisation from its shareholders to purchase its own shares or renew an existing authorisation, must issue a statement accompanying its notice of general meeting ("**Share Buy-back Statement**") that includes the information set out in Appendix 12A.
- (2) [Deleted]
- (3) [Deleted]
- (4) [Deleted]
- (5) The listed corporation must submit the Share Buy-back Statement to the Exchange together with a checklist showing compliance with Appendix 12A.

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

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

**12.08 Announcement of outcome of general meeting**

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

**12.09 Maximum limit**

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

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

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

**12.11 Types of funds**

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

**PART E – [DELETED]****12.12 [Deleted]****12.13 [Deleted]****PART F – ADDITIONAL REQUIREMENTS****12.14 Public shareholding**

A listed corporation must not purchase its own shares on the Exchange if that purchase(s) will result in the listed corporation being in breach of paragraph 8.02(1).

**12.15 Appointment of stockbroker**

A listed corporation intending to purchase its own shares or resell treasury shares on the Exchange may appoint up to 2 Participating Organisations for that purpose. The listed corporation must ensure that all dealing(s) in its own shares or treasury shares are made through the said Participating Organisations only.

**12.16 Notice of appointment of stockbroker**

A listed corporation must lodge a notice of the appointment of the Participating Organisations concerned with the Exchange immediately and the listed corporation must open one securities account in its own name with such Participating Organisations designated as “Share Buy-Back Account” which must solely be used for the purchase of its own shares or resale of treasury shares.

**12.17 Purchase price**

A listed corporation may only purchase its own shares on the Exchange at a price which is not more than 15% above the weighted average market price for the shares for the 5 market days immediately before the purchase.



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**12.18 Resale or transfer price**

A listed corporation may only resell treasury shares on the Exchange or transfer treasury shares pursuant to section 127(7) of the Companies Act, at -

- (a) a price which is not less than the weighted average market price for the shares for the 5 market days immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price for the shares for the 5 market days immediately before the resale or transfer provided that -
  - (i) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

**12.19 Notification of purchase**

A listed corporation must immediately announce to the Exchange any purchase(s) of its own shares not later than 6.30 p.m. on the day of the purchase. The listed corporation must include in its announcement, the information set out in Part A of Appendix 12C.

**12.20 Notification of resale or transfer**

A listed corporation must immediately announce to the Exchange any resale or transfer of its treasury shares pursuant to section 127(7) of the Companies Act, not later than 6.30 p.m. on the day of the resale or transfer. The listed corporation must include in its announcement the information set out in Part B of Appendix 12C.

**12.21 Notification of cancellation**

A listed corporation must immediately announce to the Exchange any cancellation of its shares or treasury shares not later than 6.30 p.m. on the day of the cancellation. The listed corporation must include in its announcement the information set out in Part C of Appendix 12C.

**12.22 Exercise of powers**

- (1) A listed corporation and its directors in exercising the power to purchase a listed corporation's own shares or resell treasury shares, are subject, at all times, to all such obligations imposed on them under the law, including but not limited to the provisions of Part V of the CMSA.
- (2) In exercising its power to purchase its own shares or resell treasury shares, a listed corporation must not engage in speculative trading activities in relation to such purchase or resale.

**12.23 [Deleted]****12.24 Status of purchased shares**

All shares which are purchased by the listed corporation will be automatically de-listed upon their cancellation by the listed corporation.

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**PART G – SPECIFIC REQUIREMENTS FOR SHARE BUY-BACK BY A SPECIAL PURPOSE ACQUISITION COMPANY****12.25 Share buy-back by a SPAC**

- (1) Notwithstanding paragraph 12.04, a SPAC may purchase its own shares in accordance with sections 112, 113 and 127 of the Companies Act, through a Direct Business Transaction solely for the purpose of paying a pro rata portion of the amount held in the SPAC's Trust Account to holders of the voting securities who voted against the qualifying acquisition proposed to be undertaken by the SPAC.
- (2) The following provisions are not applicable to a SPAC which purchases its own shares in accordance with subparagraph (1) above:
  - (a) paragraph 12.03;
  - (b) paragraph 12.04;
  - (c) paragraph 12.06;
  - (d) paragraph 12.07;
  - (e) paragraph 12.08;
  - (f) paragraph 12.09;
  - (g) paragraph 12.14, provided that the SPAC undertakes reasonable steps to comply with the spread requirement set out in paragraph 8.02;
  - (h) paragraph 12.17;
  - (i) paragraph 12.18; and
  - (j) paragraph 12.20.
- (3) A SPAC must immediately cancel all the shares it purchased pursuant to subparagraph (1) above and make an announcement pursuant to paragraph 12.21.
- (4) Except as provided in this paragraph 12.25, a SPAC must not purchase its own shares until it has fully paid or satisfied the consideration of the qualifying acquisition and the ownership of the assets acquired by the SPAC is beneficially and legally vested in the SPAC.

**PART H – REQUIREMENTS RELATING TO BUY-BACK OF ODD LOT SHARES****12.26 Buy-back of odd lot shares**

- (1) A listed corporation which intends to purchase its own shares in odd lots ("**odd lot shares**") must comply with the provisions in this Part, in addition to those set out in Parts B, C, D, E and F of this Chapter, where applicable and with the necessary modifications.
- (2) Notwithstanding paragraph 12.04, a listed corporation may purchase its odd lot shares:
  - (a) through a Direct Business Transaction; or

- 
- (b) in any other manner as may be approved by the Exchange,  
in accordance with such requirements as may be prescribed or imposed by the Exchange.

## **PART I – SPECIFIC REQUIREMENTS FOR UNIT BUY-BACK BY A BUSINESS TRUST**

### **12.27 Unit buy-back by a business trust**

- (1) A trustee-manager must comply with the following when undertaking a purchase of the business trust's own units:
- (a) the provisions in this Part, in addition to the relevant provisions in this Chapter, where applicable and with the necessary modifications; and
  - (b) sections 112, 113 and 127 of the Companies Act as if the business trust were a company mentioned in those provisions of the Companies Act, where applicable and with the necessary modifications.
- (2) A trustee-manager must ensure that any purchase of the business trust's own units is made in good faith and in the interest of the unit holders.
- (3) The following provisions are not applicable to a unit buy-back of a business trust:
- (a) paragraph 12.18;
  - (b) paragraph 12.20; and
  - (c) paragraph 12.23.
- (4) A trustee-manager must immediately cancel all the units it purchased pursuant to subparagraph (1) above.

## **PART J – SPECIFIC REQUIREMENTS FOR UNIT BUY-BACK BY A REIT**

### **12.28 Unit buy-back by a REIT**

- (1) A management company must comply with the following when undertaking a purchase of the REIT's own units:
- (a) the provisions in this Part, in addition to the relevant provisions in this Chapter, where applicable and with the necessary modifications; and
  - (b) sections 112, 113 and 127 of the Companies Act as if the REIT were a company mentioned in those provisions of the Companies Act, where applicable and with the necessary modifications.
- (2) A management company must ensure that any purchase of the REIT's own units is made in good faith and in the interest of the unit holders.
- (3) The following provisions are not applicable to a unit buy-back of a REIT:
- (a) paragraph 12.18; and
  - (b) paragraph 12.20.

- (4) A management company must immediately cancel all the units it purchased pursuant to subparagraph (1) above.

[End of Chapter]

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**APPENDIX 12A****Contents of Share Buy-back Statement**

(paragraph 12.06(1))

- (1) A heading drawing attention to the importance of the circular and advising holders of shares who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the Share Buy-back Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Share Buy-back Statement. In relation to the Share Buy-back Statement which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (3) The reasons for the proposed purchase.
- (4) The maximum number or percentage of shares to be acquired.
- (5) The total maximum amount of funds to be allocated for the proposed purchase or otherwise a basis, other than reference to any person's discretion or opinion, or a formula to determine the maximum fund that is to be allocated.
- (6) The amount of retained profits based on the latest audited and unaudited financial statements.
- (7) The number of shares held directly and indirectly by the directors and substantial shareholders.
- (8) The source of funds for the purpose of the proposed purchase including, where applicable, details relating to financing for the proposed purchase, the repayment capabilities of the listed corporation and the impact on its cash flow.
- (9) The direct and indirect interests of the directors and major shareholders and any person connected with the directors or major shareholders, or both, in the proposed purchase of shares or resale of treasury shares.
- (10) Both the potential advantages and disadvantages of the proposed purchase to the listed corporation and its shareholders respectively.
- (11) Any material financial effect on the listed corporation or group if the proposed purchase(s) were to be carried out in full at any time during the proposed authorised period (such as the working capital of the listed corporation as compared with the position disclosed in the most recent published or announced audited financial statements).
- (12) A statement as to the consequences of the proposed purchase on the listed corporation and its shareholders with regard to the Take-Overs and Mergers Code or in relation to a foreign corporation, the relevant laws of the place of incorporation in respect of take-overs and mergers.
- (13) The details of any purchase made in the preceding 12 months giving the date of each purchase, the purchase price per share or the highest, lowest and average prices paid, and total consideration paid for such purchase(s).

**Appendix 12A**  
**Contents of share buy-back statement**

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- (14) The number of shares currently held as treasury shares and details of any resale or transfer of treasury shares made in the preceding 12 months including -
- (a) date of each resale or transfer;
  - (b) in the case where the shares are resold, the resale price per share or the highest, lowest and average resale prices, and total consideration received for such resale(s); and
  - (c) in the case where the shares are transferred, the purpose of the transfer, the transfer price and the basis for such price.
- (15) The details of any cancellation of shares made in the preceding 12 months.
- (16) The details of the highest and lowest prices at which the relevant shares were traded on the Exchange for the preceding 12 months and the last transacted price on the latest practicable date before printing the circular.
- (17) Whether it is the proposed intention of the directors to retain the shares as treasury shares or cancel them, or both, the rationale for the alternatives chosen, and if available, information as to the percentage or number of shares purchased which are to be retained or cancelled, or both.
- (18) The public shareholding spread of the listed corporation, as at the latest practicable date.
- (19) A statement by the board of directors whether the proposal is in the best interest of the listed corporation.
- (20) A recommendation from the board of directors as to the voting action that shareholders should take.
- (21) An appendix containing the following information:
- (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the circular misleading;
  - (b) where a person is named in the circular as having advised the listed corporation or its directors, a statement that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name and/or letter (where applicable) in the form and context in which it is included;
  - (c) [deleted]
  - (d) [deleted]
  - (e) a statement that for a period of not less than 2 weeks following the publication of the Share Buy-back Statement, the following documents (or copies of the documents) may be inspected at the registered office of the listed corporation:
    - (i) its constitution;

**Appendix 12A**  
**Contents of share buy-back statement**

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- (ii) the audited financial statements of the listed corporation/group for the past 2 financial years and the latest unaudited results since the last audited financial statements;
  - (iii) all reports, letters or other documents, statement of financial position, valuations and statements by any expert, any part of which is extracted or referred to in the circular; and
  - (iv) the letters of consent referred to in subparagraph (b) above.
  - (v) [deleted]
  - (vi) [deleted]
- (22) Any other information concerning the proposed purchase as shareholders and their advisers would reasonably require and would reasonably expect to find in the Share Buy-back Statement for the purposes of making an informed assessment as to the merits of approving the proposed purchase and the extent of the risks involved in doing so.

[End of Appendix]

**Appendix 12B**  
**Contents of ordinary resolution for share buy-back**

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**APPENDIX 12B**

**Contents of ordinary resolution in relation to a share buy-back**  
(paragraph 12.07(1))

- (1) The total number or percentage and description of the shares which the listed corporation is authorised to purchase on the Exchange.
- (2) The dates on which the authority conferred by the resolution will commence and determine.
- (3) The maximum funds to be allocated by the listed corporation for the purpose of purchasing its own shares or a basis, other than reference to any person's discretion or opinion, or a formula to determine the maximum fund that is to be allocated.
- (4) Whether the shares are proposed to be cancelled or retained as treasury shares, or both and, if available, information as to percentage or number of shares purchased which are to be retained and/or cancelled.

[End of Appendix]



**Appendix 12C**  
**Contents of announcement for purchase,**  
**resale, transfer or cancellation of shares**

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**APPENDIX 12C****Part A****Contents of announcement in relation to shares purchased**  
(paragraph 12.19)

- (1) The date of purchase.
- (2) The description of shares purchased.
- (3) The number of shares purchased.
- (4) The price of each share or, where relevant, the highest and lowest price paid.
- (5) The total consideration paid.
- (6) The number of shares purchased retained in treasury.
- (7) The number of shares purchased which are proposed to be cancelled.
- (8) The cumulative net outstanding treasury shares at the date of notification, where applicable.
- (9) Where all or any of the shares are proposed to be cancelled, the adjusted share capital.

**Part B****Contents of announcement in relation to resale or transfer of treasury shares**  
(paragraph 12.20)

- (1) The date of resale or transfer.
- (2) [Deleted]
- (3) The number of shares resold or transferred.
- (4) In the case where the shares are resold, the resale price of each share or, where relevant, the highest and lowest resale price sold, and the total consideration received.
- (5) [Deleted]
- (5A) In the case where the shares are transferred –
  - (a) the purpose of the transfer;
  - (b) the transfer price and basis for the price;
  - (c) the direct and indirect interests of the directors and major shareholders and any person connected with the directors or major shareholders in the transfer, if any; and

**Appendix 12C**  
**Contents of announcement for purchase,**  
**resale, transfer or cancellation of shares**

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- (d) if the treasury shares are transferred as purchase consideration, details of the vendor as set out in paragraph 3(e), Part A of Appendix 10A.
- (6) Total number of treasury shares held after the resale or transfer.

**Part C**

**Contents of announcement in relation to cancellation of shares**  
(paragraph 12.21)

- (1) The number of shares cancelled.
- (2) The date of cancellation.
- (3) The outstanding and paid-up capital of the listed corporation after cancellation.

[End of Appendix]

Appendix 12D  
Disclosure in annual report for share buy-back

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APPENDIX 12D

[Deleted]

[End of Appendix]

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**CHAPTER 13 ARRANGEMENTS AND RECONSTRUCTIONS****PART A – GENERAL****13.01 Introduction**

This Chapter sets out the requirements that must be complied by a listed corporation which intends to undertake a scheme of compromise, arrangement, amalgamation, or reconstruction.

**PART B – SCHEMES OF COMPROMISE, ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION****13.02 Immediate announcements**

- (1) A listed corporation which is undertaking a scheme of compromise, arrangement, amalgamation or reconstruction ("**proposed Scheme**") must immediately announce the proposed Scheme to the Exchange. The listed corporation must also immediately announce to the Exchange the information set out in Appendix 13A as and when the same becomes available.
- (2) A listed corporation must also immediately announce to the Exchange any material development in the proposed Scheme.

**13.03 Contents of explanatory statement/circular**

- (1) A listed corporation must ensure that any explanatory statement/circular required by Subdivision 2 of Division 7 of Part III of the Companies Act to be given to the holders of securities of the listed corporation includes the information set out in Appendix 13B.
- (2) The draft explanatory statement/circular must be submitted to the Exchange together with a checklist showing compliance with Appendix 13B.

**PART C – SUBDIVISION OF SHARES****13.04 Application of Chapter 6 and Specified Subdivision**

- (1) A listed corporation which intends to subdivide its shares must comply with Chapter 6, as if the subdivision were a bonus issue, where applicable and with the necessary modifications.

*[Cross reference: Practice Note 28]*

- (2) [Deleted]
- (3) For the purpose of this paragraph, unless the context otherwise requires, a "**Specified Subdivision**" is a subdivision of shares which -
  - (a) is not conditional upon any other corporate proposal; or
  - (b) is conditional upon another corporate proposal but –
    - (i) that other corporate proposal is a bonus issue; or
    - (ii) that other corporate proposal has been completed or become unconditional.

13.05 [Deleted]

13.06 [Deleted]

13.07 [Deleted]

13.08 [Deleted]

13.09 [Deleted]

13.10 [Deleted]

13.11 [Deleted]

13.12 [Deleted]

13.13 [Deleted]

## PART D – CONSOLIDATION OF SHARES

### 13.14 Specified Consolidation

- (1) For purposes of this Part D, unless the context otherwise requires, a “**Specified Consolidation**” is a consolidation of shares which –
- (a) is not conditional upon any other corporate proposal; or
  - (b) is conditional upon another corporate proposal but -
    - (i) that other corporate proposal is a bonus issue; or
    - (ii) that other corporate proposal has been completed or become unconditional.
- (2) [Deleted]

### 13.15 Ranking of consolidated shares

The consolidated shares must rank pari passu in all respects with each other.

### 13.16 Application for consolidation of shares

- (1) The listed corporation must file with the Exchange an application which includes the information set out in Part A of Appendix 13C and in addition, with regard to a proposed Specified Consolidation, Part B of Appendix 13C. The application must be filed not later than 1 month from the date of the listed corporation’s announcement pertaining to the proposed consolidation.
- (2) The Exchange will exercise discretion over the approval for the consolidation of the listed corporation’s shares and may approve or reject applications for the consolidation of such shares by listed corporations, as it deems fit.
- (3) Where the Exchange approves an application for the consolidation of shares by the listed corporation, such approval may be unconditional or subject to such conditions, as it deems fit.

- 
- (4) Where the proposed consolidation is a non-Specified Consolidation, the listed corporation which has obtained approval for consolidation of shares must file with the Exchange an application for quotation of the consolidated shares, which must be accompanied by the documents specified in Part C of Appendix 13C and such other documents as may be specified in the approval-in-principle granted by the Exchange.

### 13.17 Procedures relating to a non-Specified Consolidation

The following procedures apply to a non-Specified Consolidation, with the necessary adaptations, as may be applicable:

- (a) listed corporation immediately announces to the Exchange upon the approval of the listed corporation's board of directors being given for the consolidation;
- (b) listed corporation submits application to the Exchange for the consolidation of shares;
- (c) listed corporation obtains the Exchange's approval for the consolidation of shares;
- (d) listed corporation obtains its shareholder approval;
- (e) listed corporation immediately announces to the Exchange the books closing date;
- (f) listed corporation issues the consolidated shares;
- (g) listed corporation files with the Exchange an application for quotation together with supporting documents; and
- (h) the consolidated shares are listed and quoted on the Exchange 2 market days after receipt of the application for quotation together with the requisite documents and/or confirmations and the same have been found to be complete in all respects.

### 13.18 Procedures relating to a Specified Consolidation

The following procedures apply to a Specified Consolidation by the listed corporation, with the necessary adaptations, as may be applicable:

- (a) listed corporation immediately announces to the Exchange upon the approval of the listed corporation's board of directors being given for the consolidation;
- (b) listed corporation submits application to the Exchange for the Specified Consolidation;
- (c) listed corporation obtains the Exchange's approval for the Specified Consolidation;
- (d) listed corporation obtains its shareholder approval;
- (e) listed corporation immediately announces to the Exchange the books closing date and the date of listing and quotation of the consolidated shares;
- (f) listed corporation issues consolidated shares;
- (g) listed corporation announces to the Exchange the books closing date on the number and type of shares to be consolidated on such date; and
- (h) the consolidated shares are listed and quoted on the Exchange on the next market day following the books closing date.

**13.19 Convertible securities**

- (1) Where a listed corporation has previously procured approval-in-principle for the listing of shares arising from the exercise or conversion of its convertible securities (“**conversion shares**”), no further application for an approval-in-principle need to be made by the listed corporation for listing of conversion shares that are adjusted as a result of consolidation of shares undertaken by the listed corporation.
- (2) Where a listed corporation intends to issue warrants or other convertible securities arising from adjustments due to a consolidation of shares (“**consequential securities**”), the listed corporation must comply with the provisions of Part I of Chapter 6, where applicable, in addition to those set out in this Chapter.

**13.20 Announcement to the Exchange**

- (1) The listed corporation must include in the announcement to the Exchange relating to the proposed consolidation the information set out in Appendix 13D.
- (2) In relation to a Specified Consolidation, a listed corporation must -
  - (a) include the date of listing and quotation of the consolidated shares in the announcement of the books closing date; and
  - (b) announce on the books closing date, the number and type of the shares to be consolidated.

**13.21 Circular in relation to consolidation of shares**

- (1) The listed corporation must ensure that the circular to be sent to its shareholders to obtain shareholder approval for the proposed consolidation includes the information set out in Appendix 13E.
- (2) The listed corporation must submit the draft circular to the Exchange together with a checklist showing compliance with Appendix 13E.

**13.22 Fixing of books closing date for consolidation of shares**

The listed corporation must not fix a books closing date for the purpose of consolidating its shares until -

- (a) the proposed consolidation has been approved by the Exchange; and
- (b) the approval of the shareholders in general meeting in respect of the proposed consolidation has been obtained.

**13.23 Allotment of securities, despatch of notices of allotment and application for quotation in respect of consolidated shares**

- (1) Within 4 market days of the books closing date for the proposed consolidation or such other period as may be prescribed by the Exchange, a listed corporation must -
  - (a) issue the consolidated shares;
  - (b) despatch notices of allotment of the consolidated shares to the shareholders; and
  - (c) make an application for the quotation of the consolidated shares.

(2) Subparagraph (1) above does not apply to a Specified Consolidation.

[ End of Chapter ]



**Appendix 13A**  
**Contents of announcement for the proposed Scheme**

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**APPENDIX 13A****Contents of announcement in relation to the proposed Scheme**  
(paragraph 13.02(1))

- (1) The date of the restraining order (where applicable).
- (2) The duration of the restraining order (where applicable).
- (3) A list of corporations (listed corporation and its subsidiaries) which are involved in the proposed Scheme.
- (4) The details of the proposed Scheme.
- (5) All steps proposed to be taken for the completion of the proposed Scheme.
- (6) The effects of the proposed Scheme, including the effect on -
  - (a) where applicable, the group structure before and after the proposed Scheme;
  - (b) the share capital;
  - (c) the substantial shareholding structure;
  - (d) the net assets per share and the earnings per share of the group; and
  - (e) the gearing position.
- (7) The approvals required from the relevant authorities and the conditions imposed by such authorities (if any).
- (8) The details of the interests of the directors, major shareholders and/or persons connected with them in the proposed Scheme.
- (9) Where applicable, the details of the transferee corporation which must include but not be limited to the history and business of the operation.

[ End of Appendix ]

**Appendix 13B**  
**Contents of explanatory statement/circular for the proposed Scheme**

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**APPENDIX 13B****Contents of explanatory statement/circular in relation to the proposed Scheme**  
(paragraph 13.03(1))

- (1) A heading drawing attention to the importance of the document and advising holders of securities who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the explanatory statement/circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the document.
- (3) The purpose of the document.
- (4) The date of the restraining order (where applicable).
- (5) The duration of the restraining order (where applicable).
- (6) A list of the corporations (listed corporation and its subsidiaries) which are involved in the proposed Scheme.
- (7) The details of the proposed Scheme.
- (8) All steps proposed to be taken for the completion of the proposed Scheme.
- (9) The effects of the proposed Scheme, including the effect on -
  - (a) where applicable, the group structure before and after the proposed Scheme;
  - (b) the share capital;
  - (c) the substantial shareholding structure;
  - (d) the net assets per share and the earnings per share of the group; and
  - (e) the gearing position.
- (10) The approvals required from the relevant authorities and the conditions imposed by such authorities (if any).
- (11) The details of the interests of the directors, major shareholders and/or persons connected with them in the proposed Scheme.
- (12) Where applicable, the details of the transferee corporation which must include but not limited to -
  - (a) the history and business of the operation;
  - (b) the share capital;
  - (c) the information on directors, substantial shareholders and their shareholdings in the transferee;

**Appendix 13B**

**Contents of explanatory statement/circular for the proposed Scheme**

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- (d) the details of its subsidiaries and associated companies;
  - (e) the details of its profit and dividend record; and
  - (f) the accountants' report on the transferee corporation and the corporations to be acquired.
- (13) A statement by the board of the directors as to whether the proposed Scheme is in the best interests of the listed corporation.
- (14) Where voting is required, a recommendation from the board of directors as to the voting action that securities holders should take.
- (15) An appendix containing the following information:
- (a) a responsibility statement by the directors that the explanatory statement/circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the explanatory statement/circular misleading;
  - (b) where a person is named in the explanatory statement/circular as having advised the listed corporation or its directors, a statement that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name and/or letter (where applicable) in the form and context in which it is included;
  - (c) a statement of all material contracts (not being contracts entered into in the ordinary course of business), entered into by the listed corporation and/or its subsidiaries and the transferee (where applicable) within 2 years immediately preceding the date of the explanatory statement/circular. The following particulars must be disclosed in respect of each such contract:
    - (i) the date of the contract;
    - (ii) the parties of the contract;
    - (iii) the general nature; and
    - (iv) the consideration and the mode of satisfaction;
  - (d) a statement of all material litigation, claims or arbitration involving the listed corporation and/or any of its subsidiaries and the transferee (where applicable) including those pending or threatened against such corporations. The following particulars must be disclosed:
    - (i) the background;
    - (ii) the date of the suit;
    - (iii) the names of the plaintiff(s) and defendant(s);
    - (iv) the estimate of the maximum exposure to liabilities;

**Appendix 13B**

**Contents of explanatory statement/circular for the proposed Scheme**

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- (v) the directors'/solicitors' opinion of the outcome; and
  - (vi) the status;
- (e) a statement that from the date of the explanatory statement/circular to the date of meeting, the following documents (or copies of the documents) in respect of the listed corporation and the transferee, where applicable, may be inspected at the registered office of the listed corporation:
- (i) the constitution;
  - (ii) the audited financial statements of the listed corporation/group and transferee (where applicable) for the past 2 financial years preceding the publication of the explanatory statement/circular and the latest unaudited results since the last audited financial statements;
  - (iii) all reports, letters or other documents, statement of financial condition, valuations and statements by any expert, any part of which is extracted or referred to in the explanatory statement/circular; and
  - (iv) the letters of consent referred to in subparagraph(b) above;
  - (v) the material contracts referred to in subparagraph (c) above; and
  - (vi) the relevant cause papers in respect of the material litigation referred to in subparagraph (d) above.
- (16) Any other information which the securities holders and their advisers would reasonably expect to find in an explanatory statement/circular of that nature for the purpose of making an informed decision.

[ End of Appendix ]

**Appendix 13C**  
**Contents of application for consolidation of shares**  
**& quotation of consolidated shares**

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**APPENDIX 13C****Part A****Contents of an application for consolidation of shares**  
(paragraph 13.16(1))

- (1) Title Page showing -
  - (a) the name of the listed issuer;
  - (b) the full title or designation of the listed issuer's existing shares and shares proposed for consolidation;
  - (c) the date of application and formal request for consolidation, specifying the amount and the title of the shares after the consolidation, and whether the shares are fully paid; and
  - (d) the purpose of consolidation.
- (2) A table showing before and after the consolidation, the following:
  - (a) the designation or title of each class of shares;
  - (b) [deleted]
  - (c) the number of shares issued; and
  - (d) [deleted]
  - (e) the ranking of the shares.
- (3) The details of the proposed consolidation.
- (4) The details of approvals from the other relevant authorities in relation to the proposed consolidation, if applicable.
- (5) A confirmation from the listed issuer whether the proposed consolidation of shares will be approved by way of ordinary resolution in accordance with its constitution or special resolution.
- (6) [deleted]
- (7) The dates of meeting of directors and shareholders at which the consolidation of shares was authorised and the date of approval(s) of the relevant authorities.
- (8) A statement as to whether there has been any important development affecting the listed issuer or its business since the latest annual report of the listed issuer. If so, a description of such development.
- (9) The expected timeframe for completion of the proposed consolidation.
- (10) A statement whether the consolidation is conditional upon any other corporate proposal including -
  - (a) the details of such other corporate proposals; and

**Appendix 13C**  
**Contents of application for consolidation of shares**  
**& quotation of consolidated shares**

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- (b) the estimated timeframe for completion of the other corporate proposals.

**Part B**

**Additional contents of an application for consolidation of shares which is a Specified Consolidation**

(paragraph 13.16(1))

The following documents:

- (1) an undertaking that the consolidated shares will rank pari passu in all respects with each other;
- (2) an undertaking that all notices of allotment will be issued and despatched to the shareholders as expeditiously as possible and in any event, not later than 4 market days after the date of listing and quotation of the consolidated shares;
- (3) an undertaking that all conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the consolidated shares will be met;
- (4) an undertaking that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the consolidated shares including any order, injunction or any other directive issued by any court of law; and
- (5) an undertaking to immediately inform the Exchange upon becoming aware, after submission of the application, that the listed issuer has failed to meet any of the above undertakings referred to in subparagraphs (1) to (3) above or of any circumstances or facts referred to in subparagraph (4) above.

**Part C**

**Contents of an application for quotation of consolidated shares where the consolidation is a non-Specified Consolidation**

(paragraph 13.16(4))

- (1) The number and type of the existing and proposed consolidated shares.
- (2) A confirmation that all notices of allotment have been issued and despatched to the shareholders.
- (3) A confirmation from the listed issuer that the Depository is ready to credit the consolidated shares to the accounts of the shareholders, after receiving the allotment information for crediting of the consolidated shares.
- (4) A confirmation that the consolidated shares will rank pari passu in all respects with each other.
- (5) A certified true copy of the relevant resolution passed by shareholders in general meeting.

**Appendix 13C**  
**Contents of application for consolidation of shares**  
**& quotation of consolidated shares**

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- (6) A confirmation that all conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the consolidated shares have been met.
  
- (7) A confirmation that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the consolidated shares including any order, injunction or any other directive issued by any court of law.

[ End of Appendix ]

**Appendix 13D**  
**Contents of announcement**  
**for proposed consolidation of shares**

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**APPENDIX 13D****Contents of announcement in relation to a proposed consolidation of shares**  
(paragraph 13.20)

- (1) The number and type of the existing and proposed consolidated shares.
- (2) The ranking of the proposed consolidated shares.
- (3) The reasons for and purpose of the proposed consolidation.
- (4) The details of the proposed consolidation.
- (5) The effect of the proposed consolidation on -
  - (a) the total number of issued shares and shares to be issued pursuant to existing share option schemes or shares to be issued pursuant to the exercise and/or conversion of existing convertible securities;
  - (b) the net assets per share based on the latest audited consolidated financial statements; and
  - (c) the earnings per share of the group.
- (6) The approvals required for the proposed consolidation of shares and the estimated time frame for submission of the application to the relevant authorities.
- (7) Whether a suspension will be imposed on the trading of the shares in view of the proposed consolidation.

[ End of Appendix ]



**Appendix 13E**  
**Contents of circular for**  
**proposed consolidation of shares**

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**APPENDIX 13E****Contents of circular in relation to a proposed consolidation of shares**

(paragraph 13.21(1))

- (1) A heading drawing attention to the importance of the circular and advising holders of shares who are in any doubt as to what action to take to consult appropriate independent professional advisers.
- (2) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular.
- (3) The purpose of the circular.
- (4) The reasons for and purposes of the proposed consolidation of shares.
- (5) The details of the proposed consolidation and date on which the proposed consolidation of shares was announced.
- (6) The number and type of the existing and proposed consolidated shares.
- (7) The listed issuer's share price adjusted for the consolidation.
- (8) The ranking of the proposed consolidated shares and treatment of any fractions.
- (9) The details of any other intended corporate exercise/scheme which have been announced but not yet completed before the printing of the circular.
- (10) The effects of the proposed consolidation on -
  - (a) the total number of issued shares and shares to be issued pursuant to existing share option schemes or shares to be issued pursuant to the exercise and/or conversion of existing convertible securities;
  - (b) the net assets per share based on the latest audited consolidated financial statements; and
  - (c) the earnings per share of the group.
- (11) The expected timeframe for completion of the proposed consolidation.
- (12) The monthly highest and lowest market prices of the listed shares transacted for the 12 months preceding the date of the circular and the last transacted price immediately before the announcement of the consolidation of shares and as at the latest practicable date before the printing of the circular.
- (13) The approvals required for the proposed consolidation of shares and dates on which such approvals were obtained and conditions of the approvals.
- (14) A statement by the board of directors stating whether the exercise is in the best interest of the listed issuer.
- (15) A recommendation from the board of directors as to the voting action that shareholders should take.

**Appendix 13E**  
**Contents of circular for**  
**proposed consolidation of shares**

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- (16) An appendix containing the following information:
- (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed 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 that such adviser or expert has given and has not withdrawn its written consent to the inclusion of the adviser's or expert's name and/or letter (if applicable) in the form and context in which it is included; and
  - (c) a statement that from the date of the circular until the date of the general meeting the following documents (or copies of the documents) may be inspected at the registered office of the listed issuer:
    - (i) the constitution of the listed issuer;
    - (ii) the audited financial statements of the listed issuer and/or group for the past 2 financial years and the latest unaudited results since the last audited financial statements;
    - (iii) all reports, letters or other documents, statement of financial position, valuations and statements by any expert, any part of which is extracted or referred to in the circular; and
    - (iv) the letters of consent referred to in subparagraph (b) above.
- (17) Any other information which the shareholders and their advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

[ End of Appendix ]

APPENDIX 13F

[Deleted]

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**CHAPTER 14 DEALINGS IN LISTED SECURITIES****PART A – GENERAL****14.01 Introduction**

This Chapter sets out the requirements that must be complied with by a listed issuer, its directors and principal officers in relation to dealings by its directors and principal officers in listed securities.

**PART B – DEFINITIONS****14.02 Definitions**

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

- (a) **“1 full market day”** excludes the day on which an announcement is made. Therefore, for the purposes of paragraph 14.08(c), regardless of what time the Exchange receives an announcement on a given day, dealings can only commence after 1 full market day from the day on which the announcement is made;
- (b) **“closed period”** means a period commencing 30 calendar days before the targeted date of announcement up to the date of the announcement of the following to the Exchange –
  - (i) in relation to a listed issuer, its quarterly reports; or
  - (ii) in relation to a listed collective investment scheme or listed business trust, the quarterly reports or annual reports of the listed collective investment scheme or listed business trust, as the case may be;
- (c) **“dealing”** includes any one or more of the following actions, whether undertaken as principal or as agent -
  - (i) acquiring or disposing of securities or any interest in securities;
  - (ii) subscribing for or underwriting securities;
  - (iii) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into -
    - (aa) any agreement for or with a view to acquiring or disposing of securities or any interest in securities;
    - (bb) any agreement for or with a view to subscribing for or underwriting securities; or
    - (cc) any agreement the purpose or avowed purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the values of securities; and
  - (iv) granting, accepting, acquiring, disposing of, exercising or discharging an option (whether for the call or put or both) or any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities or any interest in securities;

- 
- (d) “**deal**” will be construed in accordance with the meaning of “dealing” as defined above;
- (e) “**interest in securities**” has the meaning given to it under section 4 of the CMSA;
- (f) “**other listed issuers**” in relation to an affected person, means listed issuers other than the affected person’s own listed issuer;
- (g) “**own listed issuer**” in relation to an affected person, means the listed issuer in which an affected person holds the position of a director or a principal officer;
- (h) “**price-sensitive information**” means information that “on becoming generally available would or would tend to have a material effect on the price or value of securities” as referred to in section 185 of the CMSA; and
- (i) “**principal officer**” means -
- (i) in relation to a listed issuer or its major subsidiary, the chief executive who is not a director, the chief financial officer or any other employee of the listed issuer or its major subsidiary respectively who has access or is privy to price-sensitive information in relation to the listed issuer;
  - (ii) in relation to a listed collective investment scheme (other than a closed-end fund), the chief executive of the management company who is not a director, the chief financial officer or any other employee of the management company, who has access or is privy to price-sensitive information in relation to the collective investment scheme;
  - (iii) in relation to a closed-end fund, the persons set out in subparagraph (i) above or the Managers; and
  - (iv) in relation to a listed business trust, the chief executive of the trustee-manager who is not a director, the chief financial officer or any other employee of the trustee-manager, who has access or is privy to price-sensitive information in relation to the business trust.

## PART C – APPLICATION

### 14.03 Application

- (1) The requirements in this Chapter apply to dealings in any listed securities by the following categories of persons (collectively referred to as “**affected persons**”):
- (a) a director and principal officer of the listed issuer; and
  - (b) a director and principal officer of a listed corporation’s major subsidiary.
- (2) Notwithstanding subparagraph (1) above, a director and principal officer of the management company of an ETF need not comply with the requirements of this Chapter.

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**PART D – RESTRICTIONS****14.04 Possession of price-sensitive information**

An affected person must not deal in the listed securities of his own listed issuer or of other listed issuers as long as he is in possession of price-sensitive information relating to such listed securities.

**14.05 General restriction on dealings**

An affected person who is not in possession of price-sensitive information relating to listed securities may engage in dealings with such listed securities during a closed period provided that he complies with the procedures set out in paragraph 14.08 below.

**PART E – EXEMPTIONS****14.06 Exemptions**

The following categories of dealings are exempted from the restrictions or requirements of paragraphs 14.04 and 14.05 respectively:

- (a) the acceptance or exercise of options or rights under a Share Issuance Scheme or share option scheme;
- (b) the exercise of warrants;
- (c) the conversion of convertible securities;
- (d) the acceptance of entitlements under an issue or offer of securities, where such issue or offer is made available to all holders of a listed issuer's securities or to all holders of a relevant class of its securities, on the same terms;
- (e) the undertaking to accept, or the acceptance of a take-over offer; and
- (f) the undertaking to accept, or the acceptance of securities as part of a merger by way of a scheme of arrangement.

**14.07 Subsequent dealings**

For the avoidance of doubt, subsequent dealings in any securities obtained as a result of the dealings stated in paragraph 14.06 are not exempted from the restrictions in paragraphs 14.04 and 14.05.

**PART F – PROCEDURES FOR DEALINGS****14.08 Procedure for dealings during closed periods**

An affected person who wishes to deal in the listed securities of his own listed issuer ("**affected company**") during a closed period must comply with the following procedures:

- (a) before the proposed dealing, the affected person must give notice of intention to deal in writing to the affected company;
- (b) upon receipt of such notice, the affected company must immediately announce to the Exchange, among others, the following information:

- 
- (i) the affected person's current holdings of securities in the affected company; and
  - (ii) the affected person's intention to deal in the securities of the affected company during a closed period;
- (c) the proposed dealing can only be effected after 1 full market day from the date of the announcement made pursuant to subparagraph (a) above;
- (d) the affected person must give notice of the dealing in writing to the company secretary of the affected company within 1 full market day after the dealing has occurred and the affected company must immediately announce such notice to the Exchange. The affected company must include the following in the notice and announcement:
- (i) the date on which the dealing occurred;
  - (ii) the consideration for the dealing; and
  - (iii) the number of securities involved in the dealing, both in absolute terms and as a percentage of all issued securities of that class in the affected company;
- (e) a listed issuer must maintain a proper record of all notices received by it pursuant to subparagraph (d) above; and
- (f) the company secretary of a listed issuer must, at each meeting of the board of directors, table a summary of dealings notified to the listed issuer since the last board meeting.

#### **14.09 Procedure for dealings outside closed periods**

Where an affected person deals in the listed securities of the affected company outside closed periods, the affected person, the affected company and the company secretary of the affected company must comply with the following requirements:

- (a) the affected person must, within 3 market days after the dealing has occurred, give notice of the dealing in writing to the company secretary of the affected company and the affected company must immediately announce such notice to the Exchange. The affected company must include the information set out in paragraph 14.08(d) in the notice and announcement;
- (b) the listed issuer must maintain a proper record of all notices received by it pursuant to subparagraph (a) above; and
- (c) the company secretary of the listed issuer must, at each meeting of the board of directors, table a summary of dealings notified to the listed issuer since the last board meeting.

[ End of Chapter ]

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**CHAPTER 15 CORPORATE GOVERNANCE****PART A – GENERAL****15.01 Introduction**

This Chapter sets out the requirements that must be complied with by a listed issuer and its directors with regard to corporate governance.

**PART B – DIRECTORS****15.02 Composition of the board of directors**

- (1) A listed issuer must ensure that at least 2 directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are independent directors.
- (2) If the number of directors of the listed issuer is not 3 or a multiple of 3, then the number nearest 1/3 must be used.
- (3) In the event of any vacancy in the board of directors, resulting in non-compliance with subparagraph (1) above, a listed issuer must fill the vacancy within 3 months.

**15.03 Undertaking and letter by directors**

- (1) A person who is a director of a listed issuer at the time this paragraph comes into force or is appointed as a director of a listed issuer after that, must give to the Exchange immediately after this paragraph comes into force or his appointment, whichever is the later, and in any event not later than 14 days after that, an undertaking in the form as may be prescribed by the Exchange.

*[Cross reference: Annexure PN21-C of Practice Note 21; Annexures PN23-C & PN23-G of Practice Note 23]*

- (2) A person who is appointed as an independent director must give to the Exchange immediately after this paragraph comes into force or his appointment, whichever is the later, and in any event not later than 14 days after that, a letter in the form as may be prescribed by the Exchange.

*[Cross reference: Annexure PN21-D of Practice Note 21; Annexures PN23-D & PN23-H of Practice Note 23]*

**15.03A Provision of information by directors**

Where a listed issuer, management company or trustee-manager makes an enquiry with any one of its directors for the purpose of making a disclosure pursuant to these Requirements, such director must provide information promptly to the listed issuer, management company or trustee-manager that-

- (a) is clear, unambiguous and accurate;
- (b) does not contain any material omission; and
- (c) is not false or misleading.



**15.04 Rights of directors**

Unless otherwise provided by or subject to any applicable laws or these Requirements, a listed issuer must ensure that every director has the right to the resources, whenever necessary and reasonable for the performance of his duties, at the cost of the listed issuer and in accordance with a procedure to be determined by the board of directors, including but not limited to -

- (a) obtaining full and unrestricted access to any information pertaining to the listed issuer;
- (b) obtaining full and unrestricted access to the advice and services of the company secretary; and
- (c) obtaining independent professional or other advice.

**15.05 Qualification, vacation of office and removal of directors**

(1) A listed issuer must ensure that no person is appointed or allowed to act as a director of the issuer or be involved whether directly or indirectly in the management of the issuer, including acting in an advisory capacity in relation to the issuer, if he -

- (a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
- (b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- (c) has been convicted by a court of law of an offence under the securities laws or the corporations laws of the listed issuer's place of incorporation,

within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

(2) [Deleted]

(3) The office of a director will become vacant if the director -

- (a) falls within the circumstances set out in section 208 of the Companies Act;
- (b) [deleted];
- (c) is absent from more than 50% of the total board of directors' meetings held during a financial year; or
- (d) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in subparagraphs (1)(a), (b) or (c) above.

(4) For the purposes of subparagraph (3)(c) above, if a director is appointed after the commencement of a financial year, then only the board of directors' meetings held after his appointment will be taken into account.

- 
- (5) Where a director is removed from office, the listed issuer must forward to the Exchange a copy of any written representations made by the director in question at the same time as copies of such representations are sent to members of the listed issuer under section 207(3)(b) of the Companies Act, unless copies of such representations need not be sent out by reason of the circumstances specified in section 207(5) of the Companies Act.

#### **15.06 Restriction on directorships in listed issuers**

- (1) A director of an applicant or a listed issuer must not hold more than 5 directorships in listed issuers.
- (2) [Deleted]

#### **15.07 [Deleted]**

#### **15.08 Directors' training**

- (1) A director of a listed issuer must ensure that he attends such training programmes as may be prescribed by the Exchange from time to time.
- (2) The Exchange considers continuous training for directors of listed issuers as important to enable the directors to effectively discharge their duties. In this respect, the board of directors of a listed issuer must on a continuous basis, evaluate and determine the training needs of its directors. The subject matter of training must be one that aids the director in the discharge of his duties as a director.
- (3) The board of directors must disclose in the annual report of the listed issuer, a statement on the training attended by its directors which includes the following information:
- (a) the board has undertaken an assessment of the training needs of each director;
  - (b) a brief description on the type of training that the directors have attended for the financial year; and
  - (c) in exceptional circumstances where any director has not attended any training during the financial year, valid justifications for the non-attendance of such director.

*[Cross reference: Practice Note 5]*

### **PART B(A) – NOMINATING COMMITTEE**

#### **15.08A Nominating committee**

- (1) A listed issuer must establish a nominating committee which comprises exclusively of non-executive directors, a majority of whom must be independent.
- (2) The nominating committee must have written terms of reference dealing with its authority and duties which must include the selection and assessment of directors, and such information must be made available on the listed issuer's website.
- (3) The listed issuer must provide, in its annual report, a statement about the activities of the nominating committee in the discharge of its duties for the financial year. Such statement must include how the requirements set out in paragraph 2.20A of these Requirements are met and contain the following information:

- 
- (a) the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the listed issuer;
  - (b) the board nomination and election process of directors and criteria used by the nominating committee in the selection process; and
  - (c) the assessment undertaken by the nominating committee in respect of its board, committees and individual directors together with the criteria used for such assessment.

## **PART C – AUDIT COMMITTEE**

### **15.09 Composition of the audit committee**

- (1) A listed issuer must appoint an audit committee from amongst its directors which fulfils the following requirements:
  - (a) the audit committee must be composed of not fewer than 3 members;
  - (b) all the audit committee members must be non-executive directors, with a majority of them being independent directors; and
  - (c) at least one member of the audit committee -
    - (i) must be a member of the Malaysian Institute of Accountants; or
    - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and -
      - (aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
      - (bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
    - (iii) fulfils such other requirements as prescribed or approved by the Exchange.
- (2) A listed issuer must ensure that no alternate director is appointed as a member of the audit committee.

*[Cross reference: Practice Note 13]*

### **15.10 Chairman of the audit committee**

The members of an audit committee must elect a chairman among themselves who is an independent director.

### **15.11 Written terms of reference**

An audit committee must have written terms of reference which deal with its authority and duties, and such information must be made available on the listed issuer's website.

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**15.12 Functions of the audit committee**

Without limiting the generality of paragraph 15.11 above, a listed issuer must ensure an audit committee, amongst others, discharges the following functions:

- (1) review the following and report the same to the board of directors of the listed issuer:
  - (a) with the external auditor, the audit plan;
  - (b) with the external auditor, his evaluation of the system of internal controls;
  - (c) with the external auditor, his audit report;
  - (d) the assistance given by the employees of the listed issuer to the external auditor;
  - (e) the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
  - (f) the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations;
  - (g) the quarterly results and year-end financial statements, before the approval by the board of directors, focusing particularly on -
    - (i) changes in or implementation of major accounting policy changes;
    - (ii) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
    - (iii) compliance with accounting standards and other legal requirements;
  - (h) any related party transaction and conflict of interests situation that may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions of management integrity;
  - (i) any letter of resignation from the external auditors of the listed issuer; and
  - (j) whether there is reason (supported by grounds) to believe that the listed issuer's external auditor is not suitable for re-appointment; and
- (2) recommend the nomination of a person or persons as external auditors.

**15.13 Attendance of other directors and employees**

A listed issuer must ensure that other directors and employees attend any particular audit committee meeting only at the audit committee's invitation, specific to the relevant meeting.

**15.14 Procedure of audit committee**

An audit committee may regulate its own procedure, in particular -

- (a) the calling of meetings;
- (b) the notice to be given of such meetings;

- 
- (c) the voting and proceedings of such meetings;
  - (d) the keeping of minutes; and
  - (e) the custody, production and inspection of such minutes.

#### 15.15 Audit committee report

- (1) A listed issuer must ensure that its board of directors prepare an audit committee report at the end of each financial year that complies with subparagraphs (2) and (3) below.
- (2) The audit committee report must be clearly set out in the annual report of the listed issuer.
- (3) The audit committee report must include the following:
  - (a) the composition of the audit committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors are independent or otherwise);
  - (b) [deleted]
  - (c) the number of audit committee meetings held during the financial year and details of attendance of each audit committee member;
  - (d) a summary of the work of the audit committee in the discharge of its functions and duties for that financial year of the listed issuer and how it has met its responsibilities;
  - (e) a summary of the work of the internal audit function.

#### 15.16 Reporting of breaches to the Exchange

Where an audit committee is of the view that a matter reported by it to the board of directors of a listed issuer has not been satisfactorily resolved resulting in a breach of these Requirements, the audit committee must promptly report such matter to the Exchange.

#### 15.17 Rights of the audit committee

A listed issuer must ensure that wherever necessary and reasonable for the performance of its duties, an audit committee must, in accordance with a procedure to be determined by the board of directors and at the cost of the listed issuer -

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the listed issuer;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of other directors and employees of the listed issuer, whenever deemed necessary.

**15.18 Quorum of an audit committee**

In order to form a quorum in respect of a meeting of an audit committee, the majority of members present must be independent directors.

**15.19 Retirement and resignation**

In the event of any vacancy in an audit committee resulting in the non-compliance of paragraphs 15.09(1) and 15.10 above, a listed issuer must fill the vacancy within 3 months.

**15.20 Review of the audit committee**

The nominating committee of a listed issuer must review the term of office and performance of an audit committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

**PART D – AUDITORS****15.21 External auditor**

In appointing an external auditor, a listed issuer must consider, among others –

- (a) the adequacy of the experience and resources of the accounting firm;
- (b) the persons assigned to the audit;
- (c) the accounting firm's audit engagements;
- (d) the size and complexity of the listed issuer's group being audited; and
- (e) the number and experience of supervisory and professional staff assigned to the particular audit.

**15.22 Removal or resignation of external auditors**

Where external auditors are removed from office or give notice to the listed issuer of their desire to resign as external auditors of listed issuer, the listed issuer must forward to the Exchange a copy of any written representations or statement of circumstances connected with the resignation made by the external auditors at the same time as copies of such representations or statement of circumstances are submitted to the Registrar pursuant to section 284 of the Companies Act.

**15.23 Review of statements**

A listed issuer must ensure that the external auditors review a statement made by the board of directors of a listed issuer pursuant to subparagraph 15.26(b) below, with regard to the state of risk management and internal control of the listed issuer and report the results thereof to the board of directors of the listed issuer.

**15.24 Right to request for meeting**

Upon the request of the external auditor, the chairman of the audit committee must convene a meeting of the committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.

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**PART E – CORPORATE GOVERNANCE DISCLOSURE****15.25 Disclosure of corporate governance related information**

- (1) A listed issuer must ensure that its board of directors provides an overview of the application of the Principles set out in the MCCG, in its annual report.
- (2) In addition, the listed issuer must disclose the application of each Practice set out in the MCCG during the financial year, to the Exchange in a prescribed format and announce the same together with the announcement of the annual report. The listed issuer must state in its annual report, the designated website link or address where such disclosure may be downloaded.
- (3) A listed issuer which is a closed-end fund, business trust or REIT is only required to comply with subparagraph (1).

*[Cross reference: Practice Note 9]*

**15.26 Additional statements by the board of directors**

A listed issuer must ensure that its board of directors makes the following additional statements in its annual report:

- (a) a statement explaining the board of directors' responsibility for preparing the annual audited financial statements; and
- (b) a statement about the state of risk management and internal control of the listed issuer as a group.

*[Cross reference: Practice Note 9]*

**PART F – INTERNAL AUDIT****15.27 Internal audit**

- (1) A listed issuer must establish an internal audit function which is independent of the activities it audits.
- (2) A listed issuer must ensure its internal audit function reports directly to the audit committee.

**PART G – SPECIFIC REQUIREMENTS FOR A LISTED ISSUER OR SPECIAL PURPOSE ACQUISITION COMPANY INVOLVED IN MOG ACTIVITIES****15.28 Additional specific requirements**

A listed issuer falling within any one of the following categories must comply with the additional governance requirements as may be prescribed by the Exchange:

- (a) a listed issuer admitted as an MOG corporation under the SC's Equity Guidelines;
- (b) a SPAC intending to acquire MOG assets as defined by the Exchange as part of its qualifying acquisition; or

- 
- (c) a listed issuer whose MOG exploration or extraction activities represent 50% or more of the total assets, revenue, operating expenses or after-tax profit based on its latest published or announced audited financial statements or audited consolidated financial statements, as the case may be.

*[Cross reference: Practice Note 32]*

## **PART H – ANTI-CORRUPTION AND WHISTLE-BLOWING**

### **15.29 Anti-corruption and whistle-blowing**

- (1) A listed issuer and its board of directors must ensure that -
- (a) the following are established and maintained for the listed issuer and its subsidiaries ("**group**"):
    - (i) policies and procedures on anti-corruption that are, at a minimum, guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009; and
    - (ii) policies and procedures on whistle-blowing;
  - (b) the policies and procedures in subparagraph (a) above are reviewed periodically to assess their effectiveness, and in any event, at least once every 3 years; and
  - (c) corruption risk is included in its annual risk assessment of the group.
- (2) A listed issuer must also publish on its website –
- (a) its policy on anti-corruption; and
  - (b) its policy and procedures on whistle-blowing.

[ End of Chapter ]



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**CHAPTER 16 SUSPENSION, DE-LISTING AND ENFORCEMENT****PART A – GENERAL****16.01 Introduction**

- (1) This Chapter sets out the following:
  - (a) the requirements that must be complied with by a listed issuer in respect of voluntary suspension and withdrawal by the listed issuer from the Official List; and
  - (b) the powers of the Exchange with regard to -
    - (i) trading halt, suspension and de-listing of a listed issuer or any class of its listed securities 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****16.02 Suspension of trading imposed by the Exchange**

- (1) The Exchange may at any time suspend the trading of listed securities in any of the following circumstances:
  - (a) in the event of any substantial corporate exercise or capital restructuring of a listed issuer including a scheme of arrangement, compromise, amalgamation or selective capital reduction;
  - (b) in the event of a conversion exercise of singly quoted shares to shares which are separately quoted on the Official List;
  - (c) 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;
  - (d) in any circumstances as provided in these Requirements;
  - (e) in the event of any breach of these Requirements by a listed issuer, management company or trustee-manager;
  - (f) upon notice by the SC to the Exchange that in its opinion a listed issuer, management company or trustee-manager has breached or has failed to comply with any provision of the securities laws or the SC's guidelines, or that it is necessary or expedient in the public interest and where it would be for the protection of investors;
  - (g) in the event of maturity of a listed debt security, convertible security or structured warrant;
  - (h) upon the suspension of the trading of such securities listed on another stock exchange;

- 
- (i) upon the commencement of a voluntary winding-up of a listed issuer in accordance with the Companies Act;
  - (iA) in relation to a listed issuer which is a collective investment scheme or business trust, upon the commencement of a winding-up of the collective investment scheme or business trust in accordance with the deed, the relevant guidelines issued by the SC or the CMSA; or
  - (j) where the Exchange deems it appropriate for some other reason.
- (2) Subject to subparagraph (3) below, where the public security holding spread of a listed issuer is 10% or less of its total listed shares (excluding treasury shares) or listed units, the Exchange shall suspend trading of the securities of the listed issuer upon expiry of 30 market days from the date of immediate announcement by the listed issuer pursuant to -
- (a) paragraph 8.02(3); or
  - (b) paragraph 9.19(48) where the listed issuer has announced that the offeror intends to maintain the listed issuer's listing status.

In this regard, the suspension will only be uplifted upon the listed issuer's full compliance with the public security holding spread requirements under paragraph 8.02(1) or as may be determined by the Exchange.

- (3) The Exchange shall suspend trading of the securities of the listed issuer in relation to a take-over offer under the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction, upon expiry of 5 market days from the close of the offer period if the listed issuer has made an announcement that the offeror does not intend to maintain the listed issuer's listing status pursuant to paragraph 9.19(48).
- (4) The Exchange will notify the SC of any decision to suspend the trading of any class of the listed securities of a listed issuer pursuant to subparagraphs (1)(c), (e) or (h) above.

*[Cross reference: Practice Notes 16 and 17]*

### **16.03 Voluntary suspension**

The Exchange may at any time, at its discretion, suspend trading of the listed securities at the request of the listed issuer.

*[Cross reference: Practice Note 2]*

### **16.04 Trading Halt**

Without prejudice to the powers of the Exchange under paragraph 16.02, the Exchange may at any time, halt the trading of any listed securities upon -

- (a) the listed issuer releasing a material announcement;
- (b) the Exchange being notified that the trading of the securities or in the case of structured warrants, the underlying securities of the structured warrant, is halted or suspended on the securities exchange where it is quoted.

*[Cross reference: Practice Note 20]*

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**PART C – WITHDRAWAL OF LISTING AND DE-LISTING BY THE EXCHANGE****16.05 Withdrawal of listing**

- (1) The Exchange may grant a listed issuer's request for withdrawal from the Official List.
- (2) The Exchange will notify the SC of any decision to approve a request for withdrawal from the Official List.

**16.06 Request for withdrawal**

- (1) Subject to paragraph 16.07, a listed issuer may not request to withdraw its listing from the Official List, unless -
  - (a) the listed issuer convenes a general meeting to obtain its shareholder or unit holder 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 or unit holders and the holders of any other class of listed securities includes the information set out in Part A of Appendix 16A. The draft circular must be submitted to the Exchange together with a checklist showing compliance with Part A of Appendix 16A;
  - (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 or unit holders 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 or unit holders 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 or unit holders and other securities holders respectively, present and voting either in person or by proxy at each meeting.

Where the constituent document of the listed issuer imposes a stricter condition in respect of the votes required to approve the withdrawal of listing, such stricter condition will apply in substitution of the foregoing provision;

- (c) the shareholders or unit holders 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 issuer appoints an independent adviser, which meets the approval of the independent directors, to advise and make recommendations for the consideration of the shareholders or unit holders 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.

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- (2) The independent adviser appointed pursuant to subparagraph (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 or unit holders 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. In arriving at such opinion, the independent adviser should comply with the relevant provisions relating to an independent adviser's recommendation in Schedule 2, Part III of the Rules on Take-Overs, Mergers and Compulsory Acquisitions;
  - (b) advise the shareholders or unit holders 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 subparagraphs (a) and (b) above.
- (3) If in the Exchange's opinion, an independent adviser is not independent, the Exchange may disallow such independent adviser to be appointed or continue to act as an independent adviser.

#### **16.07 Withdrawal in a take-over offer or corporate proposal**

Notwithstanding paragraph 16.06 above, a listed issuer may withdraw its listing from the Official List in the following circumstances:

- (a) in relation to a take-over offer under the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction, upon 90% or more of its listed shares (excluding treasury shares) or listed units being held by a shareholder or unit holder, either individually or jointly with associates of the said shareholder or unit holder; or
- (b) in relation to a corporate proposal undertaken by or in relation to the listed issuer, upon 100% of the listed shares or listed units of the listed issuer being held by a shareholder or unit holder either individually or jointly with associates of the said shareholder or unit holder,

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

#### **16.08 Application for withdrawal**

A listed issuer intending to withdraw its listing from the Official List must file with the Exchange an application which includes the information set out in Part B of Appendix 16A.

#### **16.09 Additional requirements**

The Exchange may at its discretion impose any additional condition for the withdrawal of any listed issuer from listing on the Official List.

#### **16.10 Withdrawal of other securities**

Where a listed issuer applies to withdraw its ordinary shares from the Official List, such application will be deemed to apply to the withdrawal of other classes of securities issued by the listed issuer and listed on the Official List.

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**16.11 De-listing by the Exchange**

- (1) The Exchange may at any time de-list a listed issuer or any listed securities from the Official List in any of the following circumstances:
- (a) where the listed issuer fails to comply with these Requirements, subject to consultation with the SC;
  - (b) in other circumstances as provided under paragraphs 8.03, 8.03A, 8.04, 9.28 or paragraphs 2, 3 and 4 of Practice Note 29, upon which the Exchange will notify the SC of the same;  
  
*[Cross reference: Practice Note 29]*
  - (c) upon the de-listing of the listed issuer or the de-listing of such securities on another stock exchange;
  - (d) in relation to a SPAC, when it fails to complete a qualifying acquisition within 36 months from the date of its admission to the Exchange; or
  - (e) where in the opinion of the Exchange, circumstances exist which do not warrant the continued listing of any listed securities, a listed issuer or any class of its listed securities, subject to consultation with the SC where applicable.
- (2) The Exchange shall de-list a listed issuer in any one of the following circumstances:
- (a) pursuant to a directive, requirement or condition imposed by the SC, after which the Exchange will notify the SC of the decision to de-list;
  - (b) upon the maturity or expiry of a class of securities;
  - (c) [deleted]
  - (d) upon a winding up of a listed issuer. For this purpose, “**winding up of a listed issuer**” includes any of the following circumstances:
    - (i) upon the commencement of a voluntary winding-up of a listed issuer in accordance with the Companies Act;
    - (ii) upon a winding up order being made against a listed issuer; or
    - (iii) upon the winding-up of a collective investment scheme or business trust in accordance with the deed, the relevant guidelines issued by the SC or the CMSA;
  - (e) where a structured warrant has been fully exercised before expiry or maturity; or
  - (f) in the case of a structured warrant, upon the de-listing of the underlying securities by the securities exchange where it is quoted.

*[Cross reference: Practice Notes 16 and 17]*

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**PART D – ENFORCEMENT****16.12 Breach by subsidiaries**

A breach of these Requirements by any one of the subsidiaries of a listed issuer will be deemed a breach of these Requirements by the listed issuer.

**16.13 Breach by directors**

A director of a listed issuer, management company or trustee-manager, as the case may be, must not-

- (a) cause, aid or abet a breach of these Requirements by such listed issuer, management company or trustee-manager, as the case may be; or
- (b) permit, either knowingly or where he had reasonable means of obtaining such knowledge, such listed issuer, management company or trustee-manager, as the case may be, to commit a breach of these Requirements.

**16.14 [Deleted]****16.15 [Deleted]****16.16 Power to obtain documents**

The Exchange may, arising from or in relation to its investigation, enforcement or both -

- (a) by notice in writing require an applicant, a listed issuer, management company, trustee, trustee-manager or their directors, officers, employees or advisers, or any other person to whom these Requirements are directed, to produce for inspection any documents, books, papers, registers, records or accounts (whether recorded in documentary or electronic form) (referred to collectively as “**Information**” in this Part D) that are held by the person concerned or to which the person concerned has control or access over;
- (b) inspect and make copies of, or take notes from, such Information;
- (c) retain such Information for such periods as the Exchange deems fit; or
- (d) disclose or forward such Information to such authorities or parties as the Exchange deems fit.

**16.17 Listed issuer to ensure compliance**

Where a direction is issued or an obligation is placed on an officer or other employee of an applicant, listed issuer, management company or trustee-manager under these Requirements, such applicant, listed issuer, management company or trustee-manager must ensure that such officer or employee complies with the said direction or obligation.

**16.17A Breach of undertakings**

For the purpose of this Chapter, any breach of an undertaking given to the Exchange pursuant to these Requirements will be treated as a breach of these Requirements.

**16.18 Breach of these Requirements**

- (1) In the event of any breach of these Requirements by any applicant, listed issuer, management company, trustee, trustee-manager or its directors, officers or advisers or any other person to whom these Requirements are directed, the Exchange may take or impose such actions or penalties as it considers appropriate.
- (2) The Exchange will notify the SC of any decision to take or impose any action or penalty referred to in paragraph 16.19 except where the decision is made in consultation with the SC.

**16.19 Types of actions or penalties**

- (1) Without prejudice to any of the powers granted to the Exchange under any written law in relation to the enforcement of these Requirements, the types of action or penalty that the Exchange may take or impose for a breach of these Requirements include any one or more of the following:
  - (a) in relation to applicants, listed issuers, management companies, trustees, or trustee manager -
    - (i) issuance of a caution letter;
    - (ii) issuance of a private reprimand;
    - (iii) issuance of a public reprimand;
    - (iv) imposition of a fine not exceeding RM1 million;
    - (v) issuance of a letter directing the listed issuer, management company, trustee, or trustee-manager to rectify the non-compliance, which direction will remain in force until it is revoked;
    - (vi) imposition of one or more condition(s) for compliance;
    - (vii) non-acceptance of applications or submissions, with or without conditions imposed (after consultation with the SC);
    - (viii) imposition of condition(s) on the delivery or settlement of trades entered into in respect of the listed issuer's securities;
    - (ix) suspension of trading of the listed securities;
    - (x) de-listing of any listed securities;
    - (xi) de-listing of a listed issuer or any class of its listed securities;
    - (xii) mandating education, training or such other types of programs as may be determined by the Exchange to be undertaken or implemented by the listed issuer, management company, trustee or the trustee-manager, as the case may be for its directors and/or management; or
    - (xiii) any other action which the Exchange may deem appropriate, subject to consultation with the SC;

- 
- (b) in relation to directors or officers of an applicant, a listed issuer, management company, trustee, or trustee-manager, a Controlling Person as defined in paragraph 2.22, or any other person to whom these Requirements are directed -
- (i) issuance of a caution letter;
  - (ii) issuance of a private reprimand;
  - (iii) issuance of a public reprimand;
  - (iv) imposition of a fine not exceeding RM1 million;
  - (v) issuance of a letter directing the person in default to rectify the non-compliance, which direction will remain in force until it is revoked;
  - (vi) imposition of one or more condition(s) for compliance;
  - (vii) imposition of a moratorium on or prohibition of dealings in the listed issuer's and/or other listed securities by the relevant director, officer or other person; or
  - (viii) any other action which the Exchange may deem appropriate, subject to consultation with the SC;
- (c) in relation to advisers -
- (i) issuance of a caution letter;
  - (ii) issuance of a private reprimand;
  - (iii) issuance of a public reprimand;
  - (iv) imposition of a fine not exceeding RM1 million;
  - (v) issuance of a letter directing the adviser to rectify the non-compliance, which direction will remain in force until it is revoked;
  - (vi) imposition of one or more condition(s) for compliance;
  - (vii) non-acceptance of applications or submissions or documents, made or prepared by the adviser, with or without conditions imposed (after consultation with the SC); or
  - (viii) any other action which the Exchange may deem appropriate, subject to consultation with the SC.
- (2) Where an applicant, a listed issuer, management company, trustee, trustee-manager or its directors, officers or advisers or any other person to whom these Requirements are directed, has failed to comply with a direction or pay any fine imposed by the Exchange under subparagraph (1) above, the Exchange may impose additional actions or penalties as specified in subparagraph (1) on such persons. Such additional actions or penalties may include, without limitation, the imposition of additional fines in such manner as the Exchange deems fit (e.g. additional fines on a daily basis until the full amount due is paid to the Exchange) or suspension of trading or de-listing of securities in the case of a listed issuer.



**16.20 Cumulative actions or penalties**

If an applicant, a listed issuer, management company, trustee, trustee-manager or its directors, officers, advisers 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 paragraph 16.19, the Exchange has the power to commence enforcement proceedings against such applicant, listed issuer, management company, trustee, trustee-manager or its directors, officers, advisers or any other person to whom these Requirements are directed and take or impose one or more actions or penalties as provided under paragraph 16.19.

**16.21 Other rights**

The exercise of the powers in paragraphs 16.18 and 16.19 does not in any way prejudice the other rights of the Exchange against an applicant, a listed issuer, management company, trustee, trustee-manager or its directors, officers or advisers or any other person to whom these Requirements are directed.

**16.21A 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.

**16.22 Confirmation by the Exchange**

The confirmation given by the Exchange that it has no further comments on any document that is submitted to the Exchange for perusal pursuant to these Requirements will not preclude the Exchange from taking enforcement action against the listed issuer, its advisers, or both, in the event of any failure by such listed issuer, its advisers or both to comply with these Requirements pertaining to the form and content of the said document.

**16.23 Referral of conduct to other authorities**

The Exchange may, at any time, and in its absolute discretion, refer the conduct of any applicant, listed issuer, management company, trustee, trustee-manager or its directors, officers, advisers or any other person to whom these Requirements are directed, to any relevant authority or professional body, without giving notice to such persons.

**16.24 Committee or sub-committee to decide**

The Exchange will appoint a committee or sub-committee or officer(s) of the Exchange or Exchange Holding Company to discharge the exercise of its powers under paragraphs 16.18 and 16.19.

**16.25 [Deleted]****16.26 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.

*[Cross reference: Practice Note 30]*

**16.27 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.

*[Cross reference: Practice Note 30]*

- (2) The Exchange may suspend the enforcement of any such decision that is the subject of the appeal until the disposal of the appeal.

**16.28 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.

**16.29 Agreed settlement**

- (1) A person who is the subject of an enforcement proceeding by the Exchange may, at any time before the Exchange makes a decision, propose a settlement of the enforcement proceeding 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 paragraph 16.26, proceed with a full enforcement proceeding.

*[Cross reference: Practice Note 30]*

**16.30 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]

**Appendix 16A**  
**Contents of circular & application for withdrawal of listing**

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**APPENDIX 16A****Part A****Contents of circular in relation to withdrawal of listing**

(paragraph 16.06(a))

- (1) A heading drawing attention to the importance of the circular and advising holders of securities who are in any doubt as to what action to take to consult appropriate independent professional advisers.
- (2) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular.
- (3) The reasons and facts concerning the withdrawal of securities of the listed issuer.
- (4) The opinion of the board of directors in respect of the withdrawal.
- (5) A letter of opinion of the independent adviser in connection with the withdrawal of the securities of the listed issuer as well as the fairness and reasonableness of the exit offer by way of an appendix.
- (6) An appendix containing the following information:
  - (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed 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 that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name and/or letter (where applicable) in the form and context in which it is included;
  - (c) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the listed issuer and/or its subsidiaries within 2 years immediately preceding the date of the circular. The following particulars must be disclosed in respect of each such contract:
    - (i) the date of the contract;
    - (ii) the parties of the contract;
    - (iii) the general nature; and
    - (iv) the consideration and mode of satisfaction;
  - (d) a statement of all material litigation, claims or arbitration involving the listed issuer and/or any of its subsidiaries, including those pending or threatened against such corporations. The following particulars must be disclosed:

**Appendix 16A**

**Contents of circular & application for withdrawal of listing**

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- (i) the background;
  - (ii) the date of the suit;
  - (iii) the names of the plaintiff(s) and defendant(s);
  - (iv) the estimate of the maximum exposure to liabilities;
  - (v) the directors'/solicitors' opinion of the outcome; and
  - (vi) the status;
- (e) a statement that from the date of the circular to the date of the general meeting the following documents (or copies of the documents) may be inspected at the registered office of the listed issuer:
- (i) the constitution;
  - (ii) the audited financial statements of the listed issuer/group for the past 2 financial years and the latest unaudited results since the last audited financial statements;
  - (iii) all reports, letters or other documents, statement of financial position, valuations and statements by any expert, any part of which is extracted or referred to in the circular;
  - (iv) the letters of consent referred to in subparagraph (b) above;
  - (v) the material contracts referred to in subparagraph (c) above; and
  - (vi) the relevant cause papers in respect of the material litigation referred to in subparagraph (d) above.
- (7) Any other information which the shareholders and holders of any other class of listed securities and their advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

**Part B****Contents of application for withdrawal**

(paragraph 16.08)

- (1) The full and detailed reasons for the withdrawal.
- (2) The board resolution for the withdrawal.
- (3) The confirmation that the approval of any other relevant authority, if required, has been obtained.
- (4) The confirmation that the listed issuer has obtained approval of its shareholders and the holders of any other class of listed securities, if applicable, in accordance with paragraph 16.06.
- (5) Any other information or explanation as may be required by the Exchange.

[End of Appendix]

**BURSA MALAYSIA SECURITIES BERHAD**

**PRACTICE NOTE 1  
DEFAULT IN PAYMENT**

[Deleted]

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**BURSA MALAYSIA SECURITIES BERHAD**
**PRACTICE NOTE 2**  
**REQUESTS FOR SUSPENSION**

Details		Cross References
Effective date:	1 June 2001	Paragraph 16.03
Revision date:	3 August 2009	

**1.0 Introduction**

- 1.1 Suspension in the trading of securities (“**suspension**”) may be effected under any of the circumstances set out in paragraphs 16.02 and 16.03 of the Listing Requirements.
- 1.2 Suspensions may be effected at the request of the listed issuer or imposed by the Exchange independently of any such request subject to the relevant requirements set out in this Practice Note.
- 1.3 This Practice Note clarifies the operational procedures in respect of a request for suspension made by listed issuers.

**2.0 Form and information for a request for suspension**

- 2.1 Any request for suspension must be made in writing and in the form of Annexure PN2-A. In the addition, a listed issuer must provide to the Exchange any other information as may be requested by the Exchange.
- 2.2 The request for suspension must be signed by a member of the listed issuer’s senior management such as the company secretary, managing director or chief executive who is duly empowered to do so by the board of directors of the listed issuer.
- 2.3 The Exchange will only consider a request for suspension where the information requested pursuant to paragraph 2.1 has been fully and completely provided.

**3.0 Situations which may warrant suspension**

- 3.1 The Exchange may approve a listed issuer’s request for suspension where -
- (a) the listed issuer requires time to prepare and release an announcement relating to a material transaction, such as -
- (i) a very substantial transaction as defined in Chapter 10 of the Listing Requirements;
- (ii) a significant change in the business direction or policy of a listed corporation;  
or

- 
- (iii) any other corporate exercise which the Exchange considers to be material;
  - (b) the listed issuer intends to -
    - (i) make a material announcement, including one that falls within paragraph 3.2 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.
- 3.2 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 paragraph 10.02(l) of the Listing Requirements, where the percentage ratio calculated in accordance with Chapter 10 of the Listing Requirements is 25% or more;
  - (d) a notice of take-over being served on a listed issuer which the public has no prior knowledge of; or
  - (e) any other corporate exercise.
- 3.3 A listed issuer should not request for a suspension if it relates to a corporate exercise where the facts are still in a state of flux and no disclosure can yet be made.
- 4.0 Suspension period and announcement timeframe**
- 4.1 If the Exchange grants a suspension for any of the reasons stated in paragraph 3.1, the period of suspension that may be approved by the Exchange is -
- (a) up to 3 market days only where the reason for suspension falls within the ambit of paragraph 3.1(a);
  - (b) up to 1 market day only where the reason for suspension falls within the ambit of paragraph 3.1(b); and
  - (c) such other period as deemed appropriate by the Exchange where the reason for suspension falls within the ambit of paragraph 3.1(c) .
- 4.2 For the purposes of computation of the period of suspension -
- (a) if a suspension is effected at 9.00 a.m., the day the suspension is effected will be counted as 1 market day; or
  - (b) if a suspension is effected after 9.00 a.m., the day suspension is effected will not be counted as 1 market day of suspension.

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## 5.0 Announcements

- 5.1 If a suspension is granted by the Exchange under paragraph 3.1(a), the listed issuer must announce the relevant information to the Exchange on or before the expiry of the period of suspension that is approved by the Exchange pursuant to paragraph 4.1.
- 5.2 If a suspension is granted by the Exchange under paragraph 3.1(b), the listed issuer must announce the relevant information to the Exchange on the day suspension is requested to take effect.
- 5.3 If a suspension is granted by the Exchange under paragraph 3.1(c), the listed issuer must announce the relevant information to the Exchange on such date as may be specified by the Exchange.

## 6.0 Suspension

- 6.1 A listed issuer should submit its request for suspension at least 1 hour before the time suspension is requested to commence. For the purpose of this paragraph, the “1 hour” means any 1 hour between 9 a.m. to 1 p.m. and 2 p.m. to 5.30 p.m.
- 6.2 Where the Exchange decides to allow a suspension, such suspension will be imposed immediately upon the decision being made, even if it may be before the date or time suspension is requested to commence.
- 6.3 If the Exchange considers that the reasons given in support of a request for suspension do not warrant a suspension -
- (a) the Exchange will inform the listed issuer; and
  - (b) the Exchange may at its discretion, require a listed issuer to announce sufficient information to enable an investor to make an informed decision, as soon as practicable or within a time prescribed by the Exchange, which in any event will not be longer than 1 market day from notification.

## 7.0 Illustration

- 7.1 The following are illustrations of the application of paragraphs 6.1 and 6.2:
- (a) If A Bhd intends to have its securities suspended at 9.00 a.m. on Monday, it should submit its request for suspension by 4.30 p.m. on the previous Friday.
  - (b) Where the submission is made on Friday and the Exchange decides on Friday to allow the suspension, suspension will be effected immediately on Friday itself (if at that time, the trading session has not yet ended).
  - (c) However, pursuant to paragraph 4.2(b), the Exchange will not take into account the suspension effected on Friday when computing the period of suspension.



## ANNEXURE PN2-A

**Request for Suspension Form**

(paragraph 2.1)

Name of listed issuer: \_\_\_\_\_

Date of request: \_\_\_\_\_

Period of suspension: \_\_\_\_\_ (day/s) From: \_\_\_\_\_ a.m./p.m., [ \_\_\_\_\_ day &amp; date ] to

\_\_\_\_\_ a.m./p.m., [ \_\_\_\_\_ day &amp; date ]

Expected date of announcement to the Exchange: \_\_\_\_\_

Reason for request. Please tick the relevant box(es):

**3.1(a): We require time to prepare and release an announcement relating to the following material transaction:**

(i)	very substantial acquisition.	
(ii)	significant change in business direction or policy of a listed corporation as defined in Chapter 1 of the Listing Requirements.	
(iii)	any other corporate exercise.	

In the case of paragraph 3.1(a)(iii) above, to provide full details of the nature of the corporate exercise, including justification why the corporate exercise is material, and, if applicable the percentage ratio.

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The maximum period of suspension allowed under paragraph 3.1(a)(i) – (iii) above is 3 market days.

**3.1(b): We intend to make a material announcement or hold a press conference to make a material announcement before the close of trading of the following:**

(i)	interim financial report	
(ii)	bonus issue or fund raising exercise	
(iii)	transaction where the percentage ratio is equal to or exceeds 25%	
(iv)	notice of take-over being served on our Company which the public has no prior knowledge	
(v)	any other corporate exercise.	

**Annexure PN2-A  
Requests for Suspension Form**

In the case of paragraph 3.1(b)(v) above, to provide full details of the corporate exercise, including justification why the corporate exercise is material, and if applicable, the percentage ratio.

\_\_\_\_\_

\_\_\_\_\_

The maximum period of suspension allowed under paragraphs 3.1(b)(i) – (v) above is 1 market day.

If your request does not conform strictly to the requirements set out in paragraph 3.1(a) & 3.1(b) above, please provide justifications.

\_\_\_\_\_

\_\_\_\_\_

**3.1(c) any other reasons.**

In the case of this paragraph 3.1(c), to provide full details of the nature of the corporate exercise/circumstances including why this warrants a suspension in the trading of your Company's securities; and if applicable, the percentage ratio.

\_\_\_\_\_

\_\_\_\_\_

We confirm that the above information is true and further that -

- (a) the announcement to the Exchange containing the request for suspension and the reasons for it, together with any additional information necessary to keep the market informed is attached;
- (b) we are not aware of any reason why the securities of our company should not be suspended; and
- (c) our past 12 months' record of suspension in tabular form is attached.

Contact Person(s):

Name: (1) \_\_\_\_\_ (2) \_\_\_\_\_

Telephone No. (Direct): (1) \_\_\_\_\_ (2) \_\_\_\_\_

(Mobile): (1) \_\_\_\_\_ (2) \_\_\_\_\_

**Annexure PN2-A  
Requests for Suspension Form**

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Signed by: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Notes:

- (1) Please contact the relevant personnel from Listing Division for clarification/help before submitting the request for suspension.
- (2) If you are requesting for suspension to commence at 9.00 a.m. please contact the relevant personnel from Listing Division by 4.30 p.m. on the preceding trading day. If you are requesting for suspension to commence at 2.30 p.m., please contact the relevant personnel from Listing Division by 12.00 noon on the same day.
- (3) Details of the relevant contact person can be obtained from Bursa's website: [www.bursamalaysia.com/website/bm/contact\\_us.html](http://www.bursamalaysia.com/website/bm/contact_us.html)
- (4) Kindly fax your request to any one of the following numbers:
  - (a) 03-2072 0676
  - (b) 03-2072 0675
  - (c) 03-2072 0692
  - (d) 03-2072 0689

Past 12 Months' Record of Suspension

Date of Request	Reason for Suspension	Suspension Period Requested (Date & No of Days)	Suspension Period Allowed by the Exchange (Date & No of Days)	Extension of Suspension Requested (Date & No of Days)	Extension of Suspension Allowed by the Exchange (Date & No of Days)	Total Number of Days of Suspension	Date of Full Announcement

**BURSA MALAYSIA SECURITIES BERHAD**

**PRACTICE NOTE 3**

**DISCLOSURE FOR INTERNET-RELATED BUSINESSES OR E-COMMERCE  
ACTIVITIES**

[Deleted]

**BURSA MALAYSIA SECURITIES BERHAD**

**PRACTICE NOTE NO 4/2001**

**CRITERIA AND OBLIGATIONS PURSUANT TO PARAGRAPH 8.14 OF  
THE LISTING REQUIREMENTS**

[Deleted]

## BURSA MALAYSIA SECURITIES BERHAD

PRACTICE NOTE 5  
TRAINING FOR DIRECTORS

Details		Cross References
Effective date:	15 February 2001	Paragraph 15.08
Revision date:	3 August 2009	

**1.0 Introduction**

- 1.1 This Practice Note prescribes the requirements of the Exchange in relation to training programmes that must be attended by directors of a listed issuer or an applicant seeking listing on the Official List of the Exchange ("**Directors**") in compliance with the Listing Requirements.
- 1.2 Pursuant to paragraph 15.08 of the Listing Requirements, Directors must attend training programmes that are prescribed by the Exchange from time to time.
- 1.3 The Exchange has prescribed that Directors attend the Mandatory Accreditation Programme ("**MAP**") under paragraph 15.08 of the Listing Requirements.

**2.0 Mandatory Accreditation Programme (MAP)**

- 2.1 The MAP will be organised by such body corporate as may be approved by the Exchange ("**Approved Organiser**").
- 2.2 A Director must comply with the following requirements in relation to the MAP:
- (a) A Director must attend the MAP in full and procure a certificate from the Approved Organiser to confirm his completion of the MAP;
- (b) A Director must complete the MAP within the time set out in the table below.

No.	Director	Timeframe to Complete MAP
(i)	A Director who is appointed for the first time as a director of a listed issuer	Within 4 months from the date of appointment
(ii)	A Director of an applicant seeking listing on the Exchange	Within 4 months from the date of listing of the applicant unless the Director falls within the category set out in subparagraph (i) above in which case the period in subparagraph (i) applies

- (c) Unless otherwise stipulated by the Exchange, only a Director who has been issued a certificate by the Approved Organiser for completion of the MAP within the timeframes stipulated in subparagraph (b) above or such other timeframe as may be allowed by the Exchange will be deemed to have completed the MAP.
- 2.3 The course content and duration of the MAP may be varied by the Approved Organiser with the approval of the Exchange at any time deemed necessary. A Director who has already been issued with a certificate for completing the MAP or any part of the MAP before the date of variation will not be affected by the variation.
- 3.0 Duty of listed issuers**
- 3.1 Listed issuers must notify their directors of the requirement to attend the MAP.



**BURSA MALAYSIA SECURITIES BERHAD**

**PRACTICE NOTE NO 6/2001**

**INDEPENDENT DIRECTORS**

[Deleted]

## BURSA MALAYSIA SECURITIES BERHAD

## PRACTICE NOTE 7

## CLASSIFICATION OF APPLICANTS OR LISTED ISSUERS

Details		Cross References
Effective date:	1 June 2001	Paragraph 8.11
Revision date:	3 August 2009, 3 June 2019	

**1.0 Introduction**

- 1.1 The Exchange classifies all applicants seeking admission on the Official List of the Exchange as well as listed issuers into homogeneous group (“**Sectors**”) of a similar industry based on the applicants’ or listed issuers’ core business.
- 1.2 Pursuant to Bursa Malaysia Securities Berhad Main Market Listing Requirements (“**Listing Requirements**”), an applicant is required to propose its classification into any one of the Sectors (“**Classification**”) and a listed issuer is also required to make a proposal to the Exchange whenever a change to its Classification becomes necessary.
- 1.3 The Classification proposed by an applicant or a listed issuer is subject to the approval of the Exchange. The Exchange reserves the right to classify an applicant or listed issuer into a sector which in the opinion of the Exchange is more appropriate for the applicant or listed issuer.
- 1.4 This Practice Note sets out the following:
- (a) the Sectors that are prescribed by the Exchange;
  - (b) the criteria in determining and proposing the Classification; and
  - (c) the manner in which an applicant or listed issuer is to inform or notify the Exchange of its proposed Classification or proposal for change in Classification, as the case may be.

**2.0 Definition**

- 2.1 For the purpose of this Practice Note, unless the context otherwise requires, “**core business**” means the business which provides the principal source of operating revenue or after-tax profits to an applicant or listed issuer and which comprises the principal activities of the applicant or listed issuer, and its subsidiary companies.

**Practice Note 7**  
**Classification of Applicants or Listed Issuers**

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**3.0 Sectors prescribed by the Exchange**

- 3.1 The Exchange will prescribe the Sectors for all listed issuers from time to time. The list of Sectors can be obtained from the Exchange's official website.
- 3.2 The Exchange reserves the right to vary the list of Sectors or the criteria when determining the Classification of a listed issuer and in that event, a listed issuer would be notified of its new Classification accordingly.

**4.0 Classification of listed issuers**

- 4.1 An applicant or a listed issuer must, when filing an application for listing to the Exchange, furnish the Exchange a proposal of its Classification by completing and submitting to the Exchange the Classification/Re-Classification Form (which is available on the Exchange's official website), together with supporting documents.
- 4.2 In determining the Classification of the applicant or listed issuer into any one of the Sectors, an applicant or a listed issuer must examine the amount of contribution made by its various business activities for the past 2 years. A listed issuer will be classified into the Sector which most closely fits its source of revenue or if there are several sources of revenue, the business which consistently generates the highest revenue of the listed issuer. The Classification will also be determined based on either the immediate end use of the product or the industry processes used.
- 4.3 Segmental reporting normally discloses revenue before tax, non-controlling interests, extraordinary items and interest earned or incurred. Unless there is audited evidence that any of these items is specifically attributable to a class of business for which the revenue is disclosed, it will be disregarded in assessing the sources of revenue. Where any part of the listed issuer's business is to earn interest or incur interest, or interest expenses are central to its business, then such interest must be taken into account in determining the listed issuer's business.
- 4.4 The Exchange will seek to maintain stability in the Classification and will disregard what the Exchange considers to be temporary fluctuations in the fortunes of individual businesses.

**5.0 Exchange's power to require additional information or instruct change in Classification**

- 5.1 The Exchange may, at its discretion, require an applicant or a listed issuer to provide additional information to the Exchange.
- 5.2 The Exchange may, where the circumstances warrant the same but without assigning any reasons, classify an applicant or change the Classification of a listed issuer into a Sector which, in the opinion of the Exchange, is more appropriate for the applicant or listed issuer.

**Practice Note 7**  
**Classification of Applicants or Listed Issuers**

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**6.0 Changes to listed issuer's classification**

- 6.1 Where there is a significant change in the business direction or policy in a listed issuer, the listed issuer must, upon completion of the relevant corporate exercise, immediately notify the Exchange of the proposal for change in its Classification by completing and submitting to the Exchange the Classification/Re-Classification Form (which is available on the Exchange's official website), together with supporting documents.
- 6.2 Where the Classification does not accurately reflect its current core business, the listed issuer must submit to the Exchange a proposal for a change by completing and submitting to the Exchange the Classification/Re-Classification Form (which is available on the Exchange's official website), together with supporting documents.
- 6.3 A listed issuer's Classification may also be reviewed by the Exchange either at its discretion, at the request of the listed issuer as per paragraphs 6.1 and 6.2 above, or of the advisers acting on its behalf.

**BURSA MALAYSIA SECURITIES BERHAD**

**PRACTICE NOTE NO 8/2001**

**SUBMISSION OF SEMI-ANNUAL RETURNS**

[Deleted]

## BURSA MALAYSIA SECURITIES BERHAD

### PRACTICE NOTE 9

#### RISK MANAGEMENT AND INTERNAL CONTROL, CORPORATE GOVERNANCE AND SUSTAINABILITY STATEMENT

Details	Cross References
Effective date: 1 June 2001	Paragraphs 15.25, 15.26, paragraph 9.45(2) and paragraph 29, Part A of Appendix 9C
Revision date: 3 August 2009, 29 November 2012, 3 May 2016, 31 December 2016, 31 December 2017	

#### 1.0 Introduction

1.1 Paragraph 15.25 of the Listing Requirements states that a listed issuer must make the following corporate governance disclosures:

- (a) an overview of the application of the Principles set out in the MCGG ("**Principle**") by its board of directors to be included in its annual report ("**CG Overview Statement**"); and
- (b) the application of each Practice set out in the MCGG ("**Practice**") during the financial year to be disclosed to the Exchange in a prescribed format ("**CG Report**") and announce the same together with the announcement of the annual report.

The listed issuer must state in its annual report, the designated website link or address where the CG Report may be downloaded.

1.2 Paragraph 15.26(b) of the Listing Requirements requires a listed issuer to ensure that its board of directors makes a statement in its annual report about the state of risk management and internal control of the listed issuer as a group ("**Risk Management and Internal Control Statement**").

1.2A Paragraph 9.45(2) and paragraph 29, Part A of Appendix 9C of the Listing Requirements provide that a listed issuer must include in its annual report, a narrative statement of the listed issuer's management of material economic, environmental and social risks and opportunities ("**Sustainability Statement**").

1.3 This Practice Note clarifies the obligation of the listed issuers in making the CG Overview Statement, the CG Report, the Risk Management and Internal Control Statement and the Sustainability Statement.

1.4 [Deleted].

**Practice Note 9**  
**Risk Management and Internal Control,**  
**Corporate Governance and Sustainability Statement**

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## 2.0 General principles

2.1 [Deleted]

2.2 [Deleted]

2.2A If a subject matter is required to be disclosed in the annual report pursuant to the Listing Requirements which relates to a Practice, the disclosure will be deemed made if the information is disclosed in the CG Report. In this case, the listed issuer need not repeat the disclosure in the annual report.

2.3 A listed issuer must ensure that the CG Overview Statement, the CG Report and the Risk Management and Internal Control Statement are approved by the board of directors of the listed issuer.

## PART I – CORPORATE GOVERNANCE DISCLOSURES

### 3.0 Contents of the corporate governance disclosures

#### General

3.1 [Deleted]

#### CG Overview Statement

3.1A In making the CG Overview Statement, a listed issuer must provide a summary of its corporate governance practices during the financial year with reference to the 3 Principles, which are -

- (a) board leadership and effectiveness;
- (b) effective audit and risk management; and
- (c) integrity in corporate reporting and meaningful relationship with stakeholders.

3.1B A listed issuer should highlight its key focus areas and future priorities in relation to its corporate governance practices through the CG Overview Statement.

#### CG Report

3.2 A listed issuer must provide specific disclosures on its application of each Practice in the CG Report. The listed issuer must ensure that the CG Report provides a fair and meaningful disclosure of the company's corporate governance practices.

3.2A In disclosing the application of each Practice in the CG Report, a listed issuer must provide meaningful explanation on how it has applied the Practice. If the listed issuer has departed from a Practice, it must –

- (a) provide an explanation for the departure; and
- (b) disclose the alternative practice it has adopted and how such alternative practice achieves the Intended Outcome as set out in the MCCG ("**Intended Outcome**").

**Practice Note 9**  
**Risk Management and Internal Control,**  
**Corporate Governance and Sustainability Statement**

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- 3.2B In explaining the departure from a Practice as required under paragraph 3.2A(a) above, a listed issuer must not merely state that it has complied with the requirements under the Listing Requirements as the reason for the departure. The listed issuer must still provide an explanation for the departure and disclose the alternative practice and how the alternative practice achieves the Intended Outcome as required under paragraph 3.2A(b) above.
- 3.2C In addition to the information in paragraph 3.2A above, a listed issuer defined as a Large Company under the MCCG (“**Large Company**”) must also disclose the following if it departs from a Practice:
- (a) the actions which it has taken or intends to take; and
  - (b) the timeframe required,
- to achieve application of the Practice.
- 3.3 In making the disclosures in the CG Report, a listed issuer must carefully consider and be closely guided by the Guidance set out in the MCCG (“**Guidance**”).
- 3.4 A listed issuer must also ensure that the CG Report covers the practices for the whole financial year. If a practice had been in place for only part of the financial year, the listed issuer must state so and the period during which it had been in place.
- 3.5 [Deleted]
- 3.6 [Deleted]

Additional considerations

- 3.7 In making the CG Overview Statement and the CG Report, a listed issuer must also consider the following:
- (a) Ensure that the CG Overview Statement and the CG Report –
    - (i) contain adequate information to enable an informed assessment by shareholders and potential investors of its corporate governance practices; and
    - (ii) align with the spirit and Intended Outcome of the MCCG.

For this purpose, a listed issuer should refer to the Corporate Governance Guide issued by the Exchange.
  - (b) Ensure that key messages on governance are clearly set out and avoid compliance box-ticking or boilerplate statements. The listed issuer must avoid taking a mechanical or legalistic approach in making the disclosures in the CG Overview Statement and the CG Report. For example, the listed issuer should not merely provide bare statements that -
    - (i) it has adopted the Practices without further elaboration on how the Practices have been applied during the financial year; or
    - (ii) the Intended Outcome has been achieved through adoption of the alternative practices by repeating the fact without explaining how such alternative practices meet the Intended Outcome.



**Practice Note 9**  
**Risk Management and Internal Control,**  
**Corporate Governance and Sustainability Statement**

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- (c) Report how the Practices have been applied, having regard to the listed issuer's particular circumstances and business. The listed issuer must avoid -
  - (i) reporting in form over substance; or
  - (ii) vague or general statements without any real connection to the listed issuer's situation.
- (d) Provide a balanced report by describing key issues and incidences of failure, and explaining how the issues were managed, actions that were taken to remedy the failures and lessons learnt.
- (e) Ensure that the information is easy to understand. This can be achieved by using simple, plain everyday language and avoiding legalistic or technical terms.
- (f) Use the listed issuer's website to add depth to the governance reporting and keep shareholders updated throughout the year. Avoid cluttering the CG Overview Statement and the CG Report with static information such as policies, charters and codes that have not changed, or long convoluted write-ups, so that the key information and messages are not lost in the volume of data presented. Where possible, publish such static information on the listed issuer's website.

## **PART II – RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT**

### **4.0 Contents of the Risk Management and Internal Control Statement**

- 4.1 In making the Risk Management and Internal Control Statement, a listed issuer is required to address Part II of Principle B, Intended Outcome 9.0, Practices 9.1 and 9.2 read together with Guidance 9.1 and 9.2 as set out in the MCCG which relate to risk management and internal control framework.
- 4.2 The listed issuer should also be guided by the **Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers** which is issued by the Taskforce on Internal Control with the support and endorsement of the Exchange.
- 4.3 A listed issuer must ensure that the Risk Management and Internal Control Statement contains adequate information to enable an informed assessment of its state of internal control.

### **5.0 [Deleted]**

## **PART III – SUSTAINABILITY STATEMENT**

### **6.0 Contents of the Sustainability Statement**

- 6.1 All listed issuers should ensure that the Sustainability Statement contains information that is balanced, comparable and meaningful by referring to the Sustainability Reporting Guide issued by the Exchange. In identifying the material economic, environmental and social risks and opportunities, the listed issuer should consider the themes set out in the Sustainability Reporting Guide.

**Practice Note 9  
Risk Management and Internal Control,  
Corporate Governance and Sustainability Statement**

- 6.2 In making the Sustainability Statement, a listed issuer must include disclosures on the following:
- (a) the governance structure in place to manage the economic, environmental and social risks and opportunities (“**sustainability matters**”);
  - (b) the scope of the Sustainability Statement and basis for the scope;
  - (c) material sustainability matters and –
    - (i) how they are identified;
    - (ii) why they are important to the listed issuer; and
    - (iii) how they are managed including details on –
      - (aa) policies to manage these sustainability matters;
      - (bb) measures or actions taken to deal with these sustainability matters; and
      - (cc) indicators relevant to these sustainability matters which demonstrate how the listed issuer has performed in managing these sustainability matters.
- 6.3 For purposes of paragraph 6.2(c) above, sustainability matters are considered material if they:
- (a) reflect the listed issuer’s significant economic, environmental and social impacts; or
  - (b) substantively influence the assessments and decisions of stakeholders.
- 6.4 A listed issuer is not required to comply with paragraphs 6.1 to 6.3 above if the listed issuer prepares its Sustainability Statement in accordance with the GRI Sustainability Reporting Guidelines.

Notes:

1. A listed issuer must ensure that its annual report contains a Sustainability Statement as follows:
  - (a) In relation to a listed issuer with market capitalisation (excluding treasury shares) of RM2 billion and above as at 31 December 2015, or as at the date of its admission to the Official List in 2016, for annual reports issued for financial years ending on or after 31 December 2016.
  - (b) In relation to all the other listed issuers, for annual reports issued for financial years ending on or after 31 December 2017.
2. A listed issuer must comply with paragraphs 6.2 and 6.3 of Practice Note 9 in the manner set out in the table below:

<b>Listed issuers</b>	<b>Effective dates for paragraphs 6.2 and 6.3 of Practice Note 9</b>
(a) A listed issuer with market capitalisation (excluding treasury shares) of RM2 billion and above as at – <ul style="list-style-type: none"> <li>(i) 31 December 2015 or 31 December of any subsequent calendar year; or</li> </ul>	Annual reports issued for financial years ending on or after 31 December 2016

**Practice Note 9**  
**Risk Management and Internal Control,**  
**Corporate Governance and Sustainability Statement**

<i>Listed issuers</i>	<i>Effective dates for paragraphs 6.2 and 6.3 of Practice Note 9</i>
<i>(ii) the date of its admission to the Official List after 31 December 2015.</i>	
<i>(b) A listed issuer with market capitalisation (excluding treasury shares) of RM1 billion and above, but below RM2 billion as at –</i>  <i>(i) 31 December 2015 or 31 December of any subsequent calendar year; or</i>  <i>(ii) the date of its admission to the Official List after 31 December 2015.</i>	<i>Annual reports issued for financial years ending on or after 31 December 2017</i>
<i>(c) A listed issuer other than those stated above in items (a) and (b) above.</i>	<i>Annual reports issued for financial years ending on or after 31 December 2018</i>

3. *A listed issuer which falls within items 2(a) or 2(b) above must comply with paragraphs 6.2 and 6.3 of Practice Note 9 even if its market capitalisation (excluding treasury shares) subsequently decreases below the prescribed threshold.*
4. *A listed issuer is strongly encouraged to make a Sustainability Statement in its annual reports, and give effect to paragraphs 6.1, 6.2 and 6.3 of Practice Note 9 early, to the extent possible, prior to the relevant effective dates.*
5. *For the avoidance of doubt, a listed issuer referred to in item 1(b) above must continue to provide a description of its and its subsidiaries' corporate social responsibility activities or practices or if there is none, a statement to that effect, in its annual report issued for the financial year ending on or after 31 December 2016, unless it has made a Sustainability Statement in its annual report.*

**BURSA MALAYSIA SECURITIES BERHAD**

**PRACTICE NOTE NO 10/2001**

**LEVEL OF OPERATIONS**

[Deleted]

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**BURSA MALAYSIA SECURITIES BERHAD**
**PRACTICE NOTE 11****PROVISION OF FINANCIAL ASSISTANCE**

Details		Cross References
Effective date:	1 July 2001	Paragraph 8.23
Revision date:	3 August 2009, 27 January 2015, 13 July 2015	

**1.0 Introduction**

1.1 Paragraph 8.23 of the Listing Requirements provides that a listed issuer or its subsidiaries not listed on any stock exchange may lend or advance any money or guarantee, indemnify or provide collateral for a debt ("**provision of financial assistance**") to categories of persons set out in paragraph 8.23(1)(i) to (iii). One of the categories of persons is the following:

- "(ii) persons to whom the provision of financial assistance -
- (aa) is necessary to facilitate the ordinary course of business of the listed issuer or its subsidiaries; or
  - (bb) pursuant to the ordinary course of business of the listed issuer or its subsidiaries;

such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its moneylending business;"

1.2 This Practice Note sets out the following:

- (a) clarification of certain requirements under paragraph 8.23 of the Listing Requirements ("**Requirements**"); and
- (b) the disclosure obligations of a listed issuer in providing financial assistance pursuant to paragraph 8.23 (1)(ii) of the Listing Requirements.

1.3 This Practice Note must be read in conjunction with paragraph 8.23 of the Listing Requirements.

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## 2.0 Clarification on Requirements

2.1 The following clarifications apply for the purpose of paragraph 8.23(1)(ii) of the Listing Requirements:

### 2.1.1 Ordinary course of business

A transaction in the "ordinary course of business" means a transaction which would reasonably be expected to be carried out by the listed issuer and its subsidiaries given the particular business the listed issuer and its subsidiaries are involved in. The fact that the transaction is envisaged in the memorandum of association of the listed issuer and its subsidiaries is not a conclusive factor of determination.

As an example, in respect of a listed issuer involved in manufacturing activities ("**Manufacturing Company**"), the following transactions, which are by no means exhaustive, are considered to be in the ordinary course of business of the Manufacturing Company:

- (a) the purchase of materials and supplies for its manufacturing activities;
- (b) the sale of products either directly or through appointed distributors;
- (c) the purchase and/or lease of machines, equipment, vehicles and spares for its operations and office supplies;
- (d) the treatment and disposal of waste from its plants; and
- (e) the construction of plant and/or other infrastructure facilities for its operations.

### 2.1.2 Necessary to facilitate

In determining what constitutes "necessary to facilitate the ordinary course of business", the listed issuer must take into account whether the provision of financial assistance is essential to the listed issuer or its subsidiaries entering into, proceeding with and/or completing a transaction to the extent that if such financial assistance were not rendered, it would result in the listed issuer or its subsidiaries being unable to enter into, proceed with and/or complete such transaction.

Examples of what is necessary to facilitate the ordinary course of business, which are by no means exhaustive, are as follows:

- (a) provision of corporate guarantee or performance bond to a third party in favour of a main contractor in order for a listed issuer to secure work as a sub-contractor; and
- (b) provision of advances or collateral to or in favour of sub-contractors of the listed issuers to enable them to commence and/or complete the work for the listed issuer.

2.2 Subscription to or acquisition of debt securities and/or redeemable preference shares which are regulated by any written law and are subject to supervision by the SC, Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate, by a listed issuer or its subsidiaries not listed on any stock exchange, are not considered as provision of financial assistance within paragraph 8.23 of the Listing Requirements. However, where such subscription or acquisition is a related party transaction, the listed issuer must comply with paragraph 10.08 of the Listing Requirements.

**3.0 Disclosure obligations**

- 3.1 A listed issuer must announce the financial assistance rendered or made by the said listed issuer or its subsidiaries not listed on any stock exchange pursuant to paragraph 8.23(1)(ii) of the Listing Requirements for each quarter of its financial year, if any, simultaneously with its quarterly report pursuant to paragraph 9.22 of the Listing Requirements and in any event not later than 2 months after the end of each quarter of a financial year. The listed issuer must include in its announcement the information set out in Annexure PN11-A.
- 3.2 Paragraph 3.1 above does not apply to provision of financial assistance in respect of the business of share financing, share margin financing or hire purchase carried out by a listed issuer or its subsidiaries not listed on any stock exchange in the ordinary course of business, or such other similar business that may be determined by the Exchange.
- 3.3 Where a listed issuer and/or its subsidiary lends or advances money in the ordinary course of its business as a moneylender pursuant to paragraph 8.23(1)(ii) of the Listing Requirements, the listed issuer must include in its announcement referred to in paragraph 3.1 above the information prescribed under Appendix 8D of the Listing Requirements.

**Annexure PN11-A**  
**Contents of announcement for provision of financial assistance**

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**ANNEXURE PN11-A**

**Contents of announcement in relation to provision of financial assistance**  
(paragraph 3.1)

- (1) The aggregate amount of financial assistance provided during the reporting quarter by type (i.e. advances, guarantees etc.).
- (2) The financial impact of the financial assistance provided, on the listed issuer as a group.

[End of Annexure]



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**BURSA MALAYSIA SECURITIES BERHAD**
**PRACTICE NOTE 12****RECURRENT RELATED PARTY TRANSACTIONS**

Details	Cross References
Effective date:	1 July 2001
Revision date:	Paragraphs 10.08 and 10.09
	3 August 2009, 22
	September 2011, 3
	January 2012, 27
	January 2015,
	2 January 2018

**1.0 Introduction**

- 1.1 Paragraph 10.08 of the Listing Requirements stipulates the obligations that a listed issuer must comply with in relation to a related party transaction.
- 1.2 Paragraph 10.08 must be read together with paragraph 10.09 of the Listing Requirements which is in relation to a Recurrent Related Party Transaction.
- 1.3 This Practice Note sets out the following:
- (a) clarification of the disclosure obligations in relation to Recurrent Related Party Transactions;
  - (b) clarification of the application of paragraphs 10.08 and 10.09 to Recurrent Related Party Transactions ( "**Requirements**"); and
  - (c) the information required for the circular and announcement referred to under paragraphs 10.09(2)(c) and (e).
- 1.4 This Practice Note must be read in conjunction with the Listing Requirements.
- 1.5 For the purpose of this Practice Note, a "**listed issuer**" includes the listed issuer's subsidiaries.

**2.0 Application of paragraphs 10.08 and 10.09 to Recurrent Related Party Transactions**

- 2.1 In addition to the obligation to immediately announce a related party transaction, paragraph 10.08(2) states that where any one of the percentage ratios of a related party transaction is 5% or more, a listed issuer must issue a circular to its shareholders, obtain specific shareholder approval of the transaction and appoint an independent adviser.
- 2.2 Further, paragraph 10.08(4) states that where any one of the percentage ratios is 25% or more, in addition to the foregoing, a listed issuer must also appoint a main adviser.

- 2.3 However, pursuant to paragraph 10.09, a listed issuer is allowed to obtain a mandate from its shareholders in respect of Recurrent Related Party Transactions (“**Mandate**”).
- 2.4 Where a listed issuer has obtained a Mandate in respect of any Recurrent Related Party Transactions, the requirements of paragraph 10.08 will not apply to the Recurrent Related Party Transaction which are comprised in the Mandate. This means, during the period of validity of the Mandate, the disclosure obligation as set out in paragraph 10.09(1) of the Listing Requirements, as well as the obligation to procure shareholder approval as set out under paragraph 10.08 will not apply to the Recurrent Related Party Transactions which are comprised in the Mandate.
- 2.5 However, pursuant to paragraph 10.09(2)(e) of the Listing Requirements, a listed issuer is required to immediately announce to the Exchange when the actual value of a Recurrent Related Party Transactions entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more.

### 3.0 Clarification on the Requirements

- 3.1 A listed issuer that wishes to obtain a Mandate must comply with all the requirements set out in paragraph 10.09 of the Listing Requirements. This paragraph sets out the clarification in relation to the following requirements stipulated under paragraph 10.09(2):

#### 3.1.1 Recurrent Related Party Transactions

In this respect, the frequency or regularity of the transaction has to be considered. A transaction which has been made or will be made by the listed issuer at least once in 3 years in the course of its business will be considered recurrent.

#### 3.1.2 Revenue nature necessary for day-to-day operations

In this respect, a related party transaction of a revenue nature which is necessary for day-to-day operations must either contribute directly or indirectly to the generation of revenue for the listed issuer. As an example, in the case of a plantations company, the following transactions, which are by no means exhaustive, are considered to be of a revenue nature:

- (a) the purchase and sale of seeds, fertilizers and machines in relation to its plantation business;
- (b) the appointment of sub-contractors to clear its land;
- (c) the appointment of third parties to sell its products;
- (d) the purchase of insurance policies for its properties, assets and employees;
- (e) the purchase of office supplies; and
- (f) the provision of transportation, storage and other infrastructure facilities.

### 3.1.3 In the ordinary course of business

A related party transaction is in the ordinary course of business, if it is a transaction which would reasonably be expected to be carried out by the listed issuer given the type of business the listed issuer is involved in. The fact that the transaction is envisaged in the memorandum of association of the listed issuer will not be a conclusive factor of determination. As an example, in respect of a listed issuer involved in manufacturing activities, the following transactions, which are by no means exhaustive, are considered to be in the ordinary course of business of the listed issuer:

- (a) the purchase of raw materials and supplies for its business;
- (b) the sale of finished products either directly or through appointed distributors;
- (c) the construction of plant and/or other infrastructure facilities for its business;
- (d) the purchase and/or lease of machines, equipment, vehicles and spares for the operations of its factories;
- (e) the purchase of general insurance for its factories and employees;
- (f) the waste treatment and disposal of waste; and
- (g) the requisition of management and support services for its manufacturing business.

### 3.1.4 Annual renewal

The Mandate is subject to annual renewal. In this respect, any authority conferred by a Mandate will only continue to be in force until -

- (a) the conclusion of the first annual general meeting of the listed issuer following the general meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to section 340(2) of the Companies Act (but must not extend to such extension as may be allowed pursuant to section 340(4) of the Companies Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

### 3.1.5 Annual report

In making the disclosure of the aggregate value of Recurrent Related Party Transactions conducted pursuant to the Mandate in a listed issuer's annual report, a listed issuer must provide a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:

- (a) the type of the Recurrent Related Party Transactions made; and

**Practice Note 12**  
**Recurrent Related Party Transactions**

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- (b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the listed issuer.

3.2 Notwithstanding the clarifications above, the following are not regarded as Recurrent Related Party Transactions and as such the Mandate does not apply:

- (a) the acquisition or disposal of land or land-based property except in the circumstances set out in paragraph 3.3(a) below;
- (b) the acquisition or disposal of vessels, air crafts and plants;
- (c) the entry into a lease of -
  - (i) a property for a period exceeding 3 years; or
  - (ii) such other assets,  
which involve payments of rental or such consideration on a lump sum basis (i.e. other than on an equal pro-rated monthly or annual installments);
- (d) the provision of financial assistance pursuant to paragraph 8.23 of the Listing Requirements;
- (e) the acquisition or disposal of securities except in the circumstances set out in paragraph 3.3(b) below;
- (f) the entry into joint ventures;
- (g) the grant or exercise of an option in relation to matters set out in subparagraph (a), (b), (c) and (e) above; and
- (h) such other transactions as may be determined by the Exchange from time to time.

3.3 Notwithstanding paragraph 3.2 above -

- (a) a listed issuer classified under the Exchange's property sector may procure a Mandate for acquisition or disposal of land or land-based property provided that the transaction is a Recurrent Related Party Transaction and any one of the percentage ratios is not more than 10%; and
- (b) a listed issuer under paragraph 9.20(2)(a), (b) and (c) of the Listing Requirements may procure a Mandate for acquisition or disposal of securities which is a Recurrent Related Party Transaction.

3.4 Notwithstanding paragraph 3.2(d) above and subject to paragraph 10.09 of the Listing Requirements and the other provisions of this Practice Note, a listed issuer may obtain a Mandate in respect of the following Recurrent Related Party Transactions:

- (a) the pooling of funds within the listed issuer's group of companies via a centralised treasury management function or such similar arrangements which entails the provision of financial assistance by the listed issuer, its subsidiaries not listed on any stock exchange, or both, on a short or medium term basis provided that -

**Practice Note 12**  
**Recurrent Related Party Transactions**

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- (i) the listed issuer in seeking such a mandate in accordance with paragraphs 8.23 and 10.09 of the Listing Requirements, must include in its circular, in addition to such other information as prescribed under the Listing Requirements, the estimated amounts or value of financial assistance (“**Estimate**”); and
- (ii) notwithstanding paragraph 10.09(2)(e) of the Listing Requirements, if the actual amount of financial assistance provided or rendered exceeds the Estimate, the listed issuer must immediately announce the same to the Exchange. If the percentage ratio of the amount of financial assistance provided or rendered in excess of the Estimate is 5% or more, the listed issuer must comply with paragraph 10.08 of the Listing Requirements.

For purposes of this paragraph -

- (aa) “**short or medium term basis**” means for a duration not exceeding 3 years; and
  - (bb) “**group of companies**” means the subsidiaries, associated companies of the listed issuer and the listed issuer’s immediate holding company which is listed.
- (b) provision of guarantee, indemnity or such other collateral to or in favour of another person which is necessary in order to procure a contract or secure work from the other person or to enable the other person to commence and/or complete a contract or work for the listed issuer or its subsidiaries.
- (c) provision of financial assistance in respect of the business of -
- (i) leasing, factoring or hire purchase carried out by a listed issuer or its subsidiaries not listed on any stock exchange; or
  - (ii) share financing or share margin financing carried out by a listed issuer or its subsidiaries not listed on any stock exchange which is a Participating Organisation; or
  - (iii) such other similar business that may be determined by the Exchange.

#### **4.0 Information in circular and announcement**

- 4.1 A listed issuer must include such information as set out in Annexure PN12-A and Annexure PN12-B respectively in the circular and announcement required under paragraph 10.09(2)(c) and (e) of the Listing Requirements.

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**ANNEXURE PN12-A****Contents of circular to shareholders for shareholder mandate**  
(paragraph 4.1)

- (1) A heading drawing attention to the importance of the circular and advising holders of shares who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the document.
- (3) The principal business activity of the listed issuer and its subsidiaries, the details of the nature of the Recurrent Related Party Transactions contemplated under the Mandate including the activities, products, and the estimated aggregate value of the respective Recurrent Related Party Transactions contemplated under the Mandate, and the details of the class of related parties with whom the Recurrent Related Party Transactions will be carried out including the relationship with the listed issuer and the names of these parties. Where it is not possible to determine the estimated value of the Recurrent Related Party Transaction, to state the reason.
- (4) The rationale for, and the benefit to, the listed issuer or its subsidiary transacting with the related party.
- (5) The listed issuer's methods or procedures to ensure that the Recurrent Related Party Transactions contemplated under the Mandate are undertaken on transaction prices and terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders.
- (6) The audit committee's view on whether the procedures above are sufficient to ensure that Recurrent Related Party Transactions are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders.
- (7) The interest, direct or indirect, of the directors and/or major shareholders and/or persons connected with a director or major shareholder in the proposal and the related party's direct and indirect shareholdings in the listed issuer.
- (8) A statement that the interested directors have abstained and/or will abstain from board deliberation and voting on the relevant resolution.
- (9) A statement that the director, major shareholder and/or person connected with a director or major shareholder, which has/have any interest, direct or indirect, in the proposal will abstain from voting in respect of his/their direct and/or indirect shareholdings. Where the person connected with a director or major shareholder has any interest, direct or indirect, in the proposal, a statement that the director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Further, a statement that such interested director and/or major shareholder has/have undertaken that he/they will ensure that the persons connected with him/them abstain from voting on the resolution deliberating or approving the proposal at the general meeting.
- (10) A statement by the board of directors whether the proposal is in the best interest of the listed issuer and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.

**Annexure PN12-A**  
**Contents of circular for shareholder mandate**

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- (11) The thresholds for the approval of Recurrent Related Party Transactions within the listed issuer's group of companies.
- (12) A statement that at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), to state how the transaction price will be determined and ensure that the Recurrent Related Party Transaction is not detrimental to the listed issuer or its group of companies.
- (13) A statement by the audit committee that the group of companies has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner, and the frequency of review of these procedures and processes.
- (14) The actual value transacted of each Recurrent Related Party Transaction, from the date on which the existing mandate was obtained up to the latest practicable date before the printing of the draft circular ("**Actual Value**").
- (15) The estimated value of each Recurrent Related Party Transaction as disclosed in the preceding year's circular to shareholders ("**Estimated Value**").
- (16) The reasons for the deviation, where the Actual Value exceeds the Estimated Value by 10% or more.
- (16A) Where a sum is due and owing to a listed issuer by its related party pursuant to a Recurrent Related Party Transaction, a breakdown of the principal sum and interest for the total outstanding amount due under the Recurrent Related Party Transaction which exceeded the credit term for the following periods as at the end of each financial year:
- (a) a period of 1 year or less;
  - (b) a period of more than 1 to 3 years;
  - (c) a period of more than 3 to 5 years; and
  - (d) a period of more than 5 years.
- (16B) The following particulars must be disclosed together with the information in paragraph 16A above:
- (a) any late payment charges imposed and where no late payment charges are imposed, to state the reasons;
  - (b) the course of action(s) taken or to be taken by the listed issuer to recover the outstanding amount due; and
  - (c) the listed issuer's board of directors' opinion on any outstanding amount long overdue including comments on its recoverability.
- (17) A recommendation from the board of directors (other than the interested directors) as to the voting action that shareholders should take.

**Annexure PN12-A**  
**Contents of circular for shareholder mandate**

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- (18) An appendix containing the following information:
- (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed 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 that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name and/or letter (where applicable) in the form and context in which it is included;
  - (c) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the listed issuer and/or its subsidiaries within 2 years immediately preceding the date of the circular. The following particulars must be disclosed in respect of each such contract:
    - (i) the date of the contract;
    - (ii) the parties of the contract;
    - (iii) the general nature; and
    - (iv) the consideration and mode of satisfaction;
  - (d) a statement of all material litigation, claims or arbitration involving the listed 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) the directors'/solicitors' opinion of the outcome; and
    - (vi) the status;
  - (e) a statement that for a period from the date of the circular to the date of the general meeting the following documents (or copies of the said documents) may be inspected at the registered office of the listed issuer:
    - (i) the constitution;
    - (ii) the audited financial statements of the listed issuer/group for the past 2 financial years and the latest unaudited results since the last audited financial statements;
    - (iii) all reports, letters or other documents, statement of financial position, valuations and statements by any expert, any part of which is extracted or referred to in the circular;



**Annexure PN12-A  
Contents of circular for shareholder mandate**

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- (iv) the letters of consent referred to in subparagraph (b) above;
  - (v) the material contracts referred to in subparagraph (c) above; and
  - (vi) the relevant cause papers in respect of material litigation referred to in subparagraph (d) above; and
- (19) any other information concerning the proposal as shareholders and their advisers would reasonably require and would reasonably expect to find in the circular for the purposes of making an informed assessment as to the merits of approving the proposal and the extent of the risks involved in doing so.

[ End of Annexure ]

**Annexure PN12-B**  
**Contents of announcement for**  
**Recurrent Related Party Transaction**

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**ANNEXURE PN12-B**

**Contents of announcement for a Recurrent Related Party Transaction**  
(paragraph 4.1)

- (1) The estimated value of the Recurrent Related Party Transaction as disclosed in the circular to the shareholders ("**Estimated Value**").
- (2) The actual value of the Recurrent Related Party Transaction transacted, from the date on which the existing Mandate was obtained up to the date of the announcement ("**Actual Value**").
- (3) The difference (in value and percentage) for the variation between the Actual Value and the Estimated Value by 10% or more, and the reason for the difference.

[ End of Annexure ]

## BURSA MALAYSIA SECURITIES BERHAD

### PRACTICE NOTE 13

#### REQUIREMENTS FOR DIRECTORS AND SIGNATORY OF STATUTORY DECLARATION FOR ACCOUNTS

Details	Cross References
Effective date:	1 January 2003
Revision date:	3 August 2009, 1 June 2013, 13 July 2015, 2 January 2018, 1 October 2020
	Paragraphs 1.01, 9.27, 15.07, 15.09

#### 1.0 Introduction

1.1 A director who is appointed to act as an “independent director” of an applicant or a listed issuer must satisfy the definition of “independent director” set out in paragraph 1.01 of the Listing Requirements (“**said definition**”). The said definition reads as follows:

*“**independent director**” means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of an applicant or a listed issuer. Without limiting the generality of the foregoing, an independent director is one who -*

- (a) *is not an executive director of the applicant, listed issuer or any related corporation of such applicant or listed issuer (each corporation is referred to as “**said Corporation**”);*
- (b) *is not, and has not been within the last 3 years, an officer (except as an independent director) of the said Corporation. For this purpose, “**officer**” has the meaning given in section 2 of the Companies Act;*
- (c) *is not a major shareholder the said Corporation;*
- (d) *is not a family member of any executive director, officer or major shareholder of the said Corporation;*
- (e) *is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation (this paragraph is referred to as “**paragraph (e)**”);*
- (f) *has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by the Exchange, or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange (this paragraph is referred to as “**paragraph (f)**”); or*

**Practice Note 13**  
**Requirements for Directors and Signatory of**  
**Statutory Declaration for Accounts**

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- (g) *has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange (this paragraph is referred to as “**paragraph (g)**”).*
- 1.2 Pursuant to paragraph 9.27 of the Listing Requirements, the director or person primarily responsible for the financial management of the listed issuer, as the case may be, who signs the statutory declaration pursuant to section 251(1)(b) of the Companies Act (“**signatory**”) must satisfy the requirements prescribed in that paragraph 9.27 (“**requisite qualifications**”).
- 1.3 Further, paragraph 15.09 of the Listing Requirements also states that at least one member of the audit committee must satisfy the requisite qualifications (“**said audit committee member**”).
- 1.4 [Deleted].
- 1.5 [Deleted].
- 1.6 This Practice Note clarifies the following:
- (a) certain aspects of the said definition; and
  - (b) the requisite qualifications in relation to the signatory and the said audit committee member.
  - (c) [deleted].

## **I. INDEPENDENCE OF DIRECTORS**

### **2.0 General**

- 2.1 Directors must give effect to the spirit, intention and purpose of the said definition. If a person does not fall within any of paragraphs (a) to (g) of the said definition, it does not mean that the person will automatically qualify to be an independent director. The director concerned as well as the board of directors of the applicant or listed issuer must still apply the test of whether the said director is able to exercise independent judgment and act in the best interests of the applicant or listed issuer as set out in the said definition.
- 2.2 Paragraphs 3.0 to 5.0 of this Practice Note must be read in conjunction with the said definition.

### **3.0 Paragraph (e)**

- 3.1 “**Nominee**” as used in paragraph (e) means a person who has been designated to act for another in his or her place. It denotes a person who is accustomed, or is under an obligation, whether formal or informal to act in accordance with the directions, instructions or wishes of another person.

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- 3.2 A nominee or representative of major shareholders who fulfils all requirements of the definition of "independent director" except for the said paragraph (e), may nevertheless be considered as an "independent director" if -
- (a) the major shareholder's aggregate shareholding in the said Corporation, directly or indirectly, is not more than 15% of the total number of issued shares (excluding treasury shares) of the said Corporation;
  - (b) the major shareholder is not deemed to be a promoter of the said Corporation; and
  - (c) the major shareholder is either -
    - (i) a statutory institution who is managing funds belonging to the general public; or
    - (ii) an entity established as a collective investment scheme, such as closed-end funds, unit trusts or investment funds (but excluding investment holding companies).

#### 4.0 Paragraph (f)

- 4.1 In relation to paragraph (f), a person who is proposed to be or is an independent director ("**said Director**") is disqualified from being an independent director if he –

- (a) had personally provided professional advisory services to the said Corporation within the last 3 years; or
- (b) is presently a partner, director (except as an independent director) or major shareholder, of a firm or corporation ("**Entity**") which has provided professional advisory services to the said Corporation within the last 3 years,

and the consideration in aggregate is more than 5% of the gross revenue on a consolidated basis (where applicable) of the said Director or the Entity or RM1 million, whichever is the higher.

- 4.2 For the purposes of paragraph 4.1 above, the following applies:

- (a) where the Entity is a corporation, the computation of the gross revenue of the Entity must be based on its annual audited financial statements for the last 3 financial years; and
- (b) where the service is rendered by the said Director personally or by an Entity other than a corporation, the computation of the gross revenue must be based on the income tax returns of the said Director or the Entity, as the case may be, submitted to the Inland Revenue Board for the last 3 years.

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**5.0 Paragraph (g)**

5.1 In relation to paragraph (g), the said Director is disqualified from being an independent director if he -

- (a) had engaged personally in transactions with the said Corporation (other than for board service as an independent director) within the last 3 years; or
- (b) is presently a partner, director, a major shareholder, of an Entity (other than subsidiaries of the applicant or listed issuer) which has engaged in transactions with the said Corporation within the last 3 years,

and the consideration in aggregate exceeds 5% of the gross revenue on a consolidated basis (where applicable) of the said Director or the Entity or RM1 million, whichever is the higher.

5.2 However, "**transactions**" in paragraph 5.1 above excludes transactions -

- (a) on normal commercial terms entered into between the said Corporation and the said Director or between the said Corporation and an Entity where the said Director is also a director, major shareholder or partner -
  - (i) for personal use of the said Director; or
  - (ii) for personal investment of the said Director but not for the purpose of carrying on a trade or business;
- (b) on normal commercial terms entered into between the said Corporation and an Entity where the said Director is also a director (and not a major shareholder) but is not involved in the said transactions;
- (c) for the following goods and services, provided that they are sold or rendered based on a non-negotiable fixed price or rate, which is published or publicly quoted and the material terms including the prices or charges are applied consistently to all customers or classes of customers:
  - (i) provision or usage of public utility services such as water, electricity and telecommunications and data, postal or courier services, services by licensed persons as defined under the Financial Services Act 2013 (other than professional advisory services which are subject to paragraph 4.1 above), insurance, unit trusts, stockbroking services, public transport, education, medical services, provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and
  - (ii) such other types of goods or services that may be prescribed by the Exchange from time to time.

5.3 For the purposes of paragraph 5.1 above, the following applies:

- (a) where the Entity is a corporation, the computation of the gross revenue of the Entity must be based on its annual audited financial statements for the last 3 financial years; and

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- (b) where the transaction is entered into by the said Director personally or by an Entity other than a corporation, the computation of the gross revenue must be based on the income tax returns of the said Director or the Entity, as the case may be, submitted to the Inland Revenue Board for the last 3 years.

**II. REQUISITE QUALIFICATIONS FOR THE SIGNATORY AND THE SAID AUDIT COMMITTEE MEMBER**

**6.0 General**

- 6.1 Paragraph 7.0 of this Practice Note must be read in conjunction with paragraphs 9.27 and 15.09 of the Listing Requirements.

**7.0 Requisite qualifications**

- 7.1 For the purposes of paragraphs 9.27(c) and 15.09(1)(c)(iii) of the Listing Requirements, the following qualifications are also acceptable:

- (a) either one of the following qualifications and at least 3 years' post-qualification experience in accounting or finance:
- (i) a degree/masters/doctorate in accounting or finance; or
  - (ii) a member of any professional accountancy organization which has been admitted as a full member of the International Federation of Accountants;
- or
- (b) at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

**III RESTRICTION IN NUMBER OF DIRECTORSHIPS**

[Deleted]

## BURSA SECURITIES MALAYSIA BERHAD

## PRACTICE NOTE 14

## PRINCIPLE OF AGGREGATION FOR TRANSACTIONS

Details		Cross References
Effective date:	1 January 2003	Paragraph 10.12
Revision date:	3 August 2009	

**1.0 Introduction**

- 1.1 Pursuant to paragraph 10.12 of the Listing Requirements, the Exchange may aggregate separate transactions and treat such transactions as if they were one transaction in certain circumstances ("**Rule of Aggregation**").
- 1.2 This Practice Note sets out the considerations which the Exchange takes into account when applying the Rule of Aggregation.

**2.0 Principles of aggregation**

- 2.1 The Exchange generally considers the following principles in applying the Rule of Aggregation:
- (a) a transaction will be aggregated with an earlier transaction for the purpose of determining the obligations applicable in respect of the latest transaction except in the following circumstances:
- (i) a transaction that has been announced earlier pursuant to Chapter 10 of the Listing Requirements, will not be aggregated with the latest transaction when determining whether an announcement is required; and
- (ii) a transaction which has been approved by shareholders or which was the subject of aggregation with a transaction which has been approved by shareholders pursuant to Chapter 10 of the Listing Requirements, will not be aggregated with the latest transaction when determining whether any obligations are applicable; and
- (b) if the aggregation of transactions results in a requirement for shareholder approval under Chapter 10 of the Listing Requirements, then that approval is required only for the latest transaction. The earlier transaction(s) would only require disclosure in the circular which must include the information prescribed under the Listing Requirements.



**Illustration 1:****Facts:**

Listed issuer, Z Bhd started to conduct business with a non-related party, Mr B in 2002. The transactions entered into between Z Bhd and Mr B during the year are as follows:

Transactions	Date of Transactions	Relevant Percentage Ratio
Transaction 1	January 2002	1%
Transaction 2	February 2002	4%
Transaction 3	Early March 2002	1%
Transaction 4	End March 2002	5%
Transaction 5	April 2002	6%
Transaction 6	November 2002	10%

Based on the above facts, the application of the principles set out in sub-paragraphs (a) and (b) above is as follows:

- (i) Transaction 2 will be aggregated with Transaction 1 to determine the obligations that are applicable. As the aggregate percentage ratio of Transactions 1 and 2 is 5%, Transaction 2 must be announced pursuant to paragraph 10.06 of the Listing Requirements. The announcement must include information on Transaction 1 which must include the information set out in Appendix 10A of the Listing Requirements;
- (ii) Transactions 1 and 2 will be aggregated with Transaction 3 to determine the obligations that are applicable. However for purposes of determining whether an announcement is required, Transactions 1 and 2 will be excluded from aggregation with Transaction 3 as they have already been announced. As the percentage ratio of Transaction 3 is only 1%, no announcement is required. As the aggregate percentage ratio for Transactions 1 to 3 is 6%, no other obligation is triggered;
- (iii) Transaction 4 will be aggregated with Transactions 1 to 3 to determine the obligations that are applicable. However for purposes of determining whether an announcement is required, Transactions 1 and 2 will be excluded from aggregation with Transaction 4 as they have already been announced. As the aggregate percentage ratio for Transactions 3 and 4 is 6%, an announcement is required. The announcement must include information on Transaction 3 which must include the information set out in Appendix 10A of the Listing Requirements. As the aggregate percentage ratio of Transactions 1 to 4 is 11%, no other obligation is triggered;
- (iv) Transaction 5 will be aggregated with Transactions 1 to 4 to determine the obligations that are applicable. However, for purposes of determining whether an announcement is required, Transactions 1 to 4 will be excluded from aggregation with Transaction 5 as they have all been announced. As the percentage ratio for Transaction 5 is 6%, Transaction 5 on its own requires an announcement; and

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**Principle of Aggregation for Transactions**

- (v) Transaction 6 will be aggregated with Transactions 1 to 5 to determine the obligations that are applicable. However for purposes of determining whether an announcement is required, Transactions 1 to 5 will be excluded from aggregation with Transaction 6 as they have all been announced. As the percentage ratio for Transaction 6 is 10%, Transaction 6 on its own requires an announcement. As the aggregate percentage ratio for Transactions 1 to 6 is 27%, shareholder approval is required in respect of the latest transaction, i.e. Transaction 6. In this respect, information on Transactions 1, 2, 3, 4 and 5 must be included in the circular issued which must include the information set out in Appendix 10B of the Listing Requirements.

**Illustration 2:****Facts:**

In addition to the facts set out in Illustration 1, Z Bhd entered into Transaction 7 with Mr B in December 2002. In this case, shareholder approval had been sought for Transaction 6 in November 2002.

Based on the above facts, and the application of the principles set out in sub-paragraph (a) above, Transactions 1 to 6 will be excluded from aggregation with Transaction 7 for purposes of determining whether any obligation is triggered as they have all been announced and shareholder approval has been sought for Transaction 6 based on aggregation with Transactions 1 to 5.

**Illustration 3:****Facts:**

Listed issuer A Bhd entered into the following transactions with a related party, Mdm Y in 2002:

Transactions	Date of Transactions	Relevant Percentage Ratio
Transaction 1	February 2002	3%
Transaction 2	April 2002	2%

Based on the above and applying the principles set out in sub-paragraph (a) and (b), Transaction 2 will be aggregated with Transaction 1 thus requiring Transaction 2 to comply with paragraph 10.08(2) of the Listing Requirements. In this respect, information on Transaction 1 must be included in the circular issued which must include the information prescribed under Appendix 10B and Part A of Appendix 10D of the Listing Requirements.

Transactions	Date of Transactions	Relevant Percentage Ratio
Transaction 3	October 2002	3%

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Principle of Aggregation for Transactions**

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In this case, the parties subsequently entered into Transaction 3 in October 2002. Transaction 3 will not be aggregated with Transactions 1 and 2 as shareholder approval for Transaction 2 has been obtained based on aggregation with Transaction 1. Transaction 3 on its own must be announced pursuant to paragraph 10.08(1) of the Listing Requirements.

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**PRACTICE NOTE NO 15/2003**

**CONTINUING EDUCATION PROGRAMME (CEP)**

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**BURSA MALAYSIA SECURITIES BERHAD**
**PRACTICE NOTE 16****CASH COMPANIES**

Details		Cross References
Effective date:	3 January 2005	Paragraphs 8.03, 16.02, 16.11
Revision date:	3 August 2009	

**1.0 Introduction**

1.1 Paragraph 8.03(2) of the Listing Requirements states that a Cash Company must comply with such requirements as may be prescribed by the Exchange.

1.2 This Practice Note sets out the disclosure obligations of a Cash Company.

**2.0 Disclosure obligations of a Cash Company**

2.1 A Cash Company must announce to the Exchange -

- (a) immediately upon receipt of the Exchange's notice that it is a Cash Company ("**Initial Announcement**") -
- (i) that the listed issuer is a Cash Company;
  - (ii) the Cash Company's obligations pursuant to this Practice Note;
  - (iii) the consequences of non-compliance with the aforesaid obligations; and
  - (iv) the status of the Cash Company's proposal to acquire a new core business, or the status of its endeavours/steps to formulate such a proposal, whichever is applicable, or where neither a proposal nor any endeavour to formulate such a proposal has been undertaken, an appropriate negative statement to such effect;
- (b) announce the status of its proposal referred to in subparagraph (a)(iv) above and the number of months to the end of the relevant timeframes referred to in paragraph 8.03(5)(a) of the Listing Requirements ("**Monthly Announcement**"), as may be applicable. The Cash Company must make the Monthly Announcement simultaneously with the announcement of its quarterly report pursuant to paragraph 9.22 of the Listing Requirements. In any event, the Cash Company must make the Monthly Announcement not later than 2 months after the end of each quarter of a financial year, until further notice from the Exchange;
- (c) announce its compliance or non-compliance with a particular obligation imposed pursuant to this Practice Note on an immediate basis;

- 
- (d) announce details of the proposal which announcement must fulfill the requirements set out in paragraph 2.2 below (“**Requisite Announcement**”); and
  - (e) where the Cash Company fails to regularise its condition, the dates of suspension and de-listing of its listed securities immediately upon notification of suspension and de-listing by the Exchange.

2.2 The Requisite Announcement must -

- (a) contain details of the proposal;
- (b) include a timeline for the complete implementation of the proposal; and
- (c) be announced by the Cash Company’s Principal Adviser.

2.3 Before a Cash Company makes the Requisite Announcement, it must ensure that all agreements to be entered into with third parties as part of the proposal, have been duly executed by all parties to such agreements.

**BURSA MALAYSIA SECURITIES BERHAD****PRACTICE NOTE 17****CRITERIA AND OBLIGATIONS OF PN17 ISSUERS**

Details		Cross References
Effective date:	3 January 2005	Paragraphs 8.03A, 8.04, 16.02 and 16.11
Revision date:	3 August 2009, 22 September 2011, 25 March 2013, 27 January 2015, 3 May 2016, 31 December 2016, 2 January 2018, 3 June 2019, 13 August 2020	

**1.0 Introduction**

1.1 This Practice Note sets out, amongst others, the following:

- (a) the criteria in relation to the financial condition of a listed issuer, which if triggered will give rise to an obligation for the listed issuer to comply with the provisions of this Practice Note; and
- (b) the requirements that must be complied with by a PN17 Issuer, including a PN17 Business Trust.

**2.0 Criteria**

2.1 Pursuant to paragraphs 8.04(2) of the Listing Requirements, where a listed issuer triggers any one or more of the following Prescribed Criteria it must comply with the provisions of paragraph 8.04 and this Practice Note:

- (a) the shareholders' equity of the listed issuer on a consolidated basis is 25% or less of the share capital (excluding treasury shares) of the listed issuer and such shareholders' equity is less than RM40 million;
- (b) receivers or managers, or judicial managers have been appointed over the asset of the listed issuer, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis;
- (c) a winding up of a listed issuer's subsidiary or associated company which accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis;
- (d) the auditors have expressed an adverse or disclaimer opinion in the listed issuer's latest audited financial statements;

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**Criteria and Obligations of PN17 Issuers**

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- (e) the auditors have highlighted a material uncertainty related to going concern or expressed a qualification on the listed issuer's ability to continue as a going concern in the listed issuer's latest audited financial statements and the shareholders' equity of the listed issuer on a consolidated basis is 50% or less of share capital (excluding treasury shares) of the listed issuer; or
- (f) a default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to paragraph 9.19A of the Listing Requirements and the listed issuer is unable to provide a solvency declaration to the Exchange.
- (g) [deleted]
- (h) [deleted]

2.1A In relation to a listed issuer which is a business trust, where the business trust triggers any one or more of the following Prescribed Criteria ("**PN17 Business Trust**") instead of the Prescribed Criteria in paragraph 2.1 above, it must comply with the provisions of paragraph 8.04 and this Practice Note:

- (a) the unit holders' fund (excluding non-controlling interest) on a consolidated basis is negative;
- (b) receivers or managers have been appointed over the asset of the business trust, which asset accounts for at least 50% of the total assets employed of the business trust on a consolidated basis;
- (c) a winding up of a business trust's subsidiary or associated company which accounts for at least 50% of the total assets employed of the business trust on a consolidated basis;
- (d) the auditors have expressed an adverse or disclaimer opinion in the business trust's latest audited financial statements; or
- (e) a default in payment of loans or credit facilities of a business trust or its major subsidiary or major associated company, as announced by the trustee-manager pursuant to paragraph 9.19A of the Listing Requirements and the trustee-manager is unable to provide a solvency declaration to the Exchange.
- (f) [deleted]
- (g) [deleted]

2.2 For the purposes of this Practice Note, unless the context otherwise requires -

- (a) "**shareholders' equity**" refers to the equity attributable to equity holders of the listed issuer;
- (b) "**total assets employed**" must be based on the listed issuer's latest audited or unaudited financial statements;
- (c) [deleted]
- (d) [deleted]



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- (e) “**net profit**” means the net profit after non-controlling interest and excludes one off items, such as the following:
- (i) interest waiver;
  - (ii) negative goodwill credited to statement of profit and loss and other comprehensive income;
  - (iii) gain/loss arising from sale of investment in associated companies/ subsidiaries or land and building; and
  - (iv) restructuring cost;
- (f) “**unit holders’ fund**” refers to the fund attributable to unit holders of the business trust.

2.3 [Deleted]

3.0 [Deleted]

#### 4.0 Disclosure obligations of the PN17 Issuer

4.1 Pursuant to paragraph 8.04(3)(b) of the Listing Requirements, a PN17 Issuer must announce to the Exchange -

- (a) on an immediate basis (“**First Announcement**”) upon the PN17 Issuer triggering one or more of the Prescribed Criteria -
  - (i) that the listed issuer is a PN17 Issuer pursuant to this Practice Note;
  - (ii) the listed issuer’s obligations pursuant to this Practice Note;
  - (iii) the consequences of non-compliance with such obligations; and
  - (iv) the status of the listed issuer’s regularisation plan or the status of its endeavours to formulate such a plan, whichever is applicable, or where neither a plan nor any endeavour to formulate such a plan has been undertaken, an appropriate negative statement to such effect;
- (b) within 3 months from the First Announcement, on whether the regularisation plan will result in a significant change in the business direction or policy of the PN17 Issuer;
- (c) the status of its regularisation plan and the number of months to the end of the relevant timeframes referred to in paragraph 5.1, 5.2 or 5.3 below, as may be applicable, on a monthly basis (“**Monthly Announcement**”) until further notice from the Exchange;
- (d) its compliance or non-compliance with a particular obligation imposed pursuant to this Practice Note, on an immediate basis;
- (e) details of the regularisation plan which announcement must fulfill the requirements set out in paragraph 4.2 below (“**Requisite Announcement**”); and

- (f) where the PN17 Issuer fails to regularise its condition, the dates of suspension and de-listing of its listed securities, immediately upon notification of suspension and de-listing by the Exchange.

4.2 The Requisite Announcement must -

- (a) contain details of the regularisation plan and sufficient information to demonstrate that the PN17 Issuer is able to comply with all the requirements set out under paragraph 5.4 below after implementation of the regularisation plan;
- (b) include a timeline for the complete implementation of the regularisation plan; and
- (c) be announced by the PN17 Issuer's Principal Adviser.

4.3 Before a PN17 Issuer makes the Requisite Announcement, it must ensure that -

- (a) all agreements to be entered into with third parties as part of the regularisation plan, have been duly executed by all parties to such agreements; and
- (b) where the regularisation plan involves a compromise or arrangement with the PN17 Issuer's creditors, the PN17 Issuer has taken reasonable steps to procure the agreement-in-principle of such creditors.

4.4 The Monthly Announcements must be made on the first market day of each month beginning with the month following the date of the First Announcement.

## 5.0 Obligation to Regularise

5.1 If a PN17 Issuer undertakes a regularisation plan which will result in a significant change in the business direction or policy of the PN17 Issuer, it must –

- (a) submit the plan to the SC for approval, within 12 months from the date of the First Announcement; and
- (b) complete the implementation of the plan within such timeframe as may be prescribed by the SC.

5.2 If a PN17 Issuer undertakes a regularisation plan which will not result in a significant change in the business direction or policy of the PN17 Issuer, it must –

- (a) submit to the Exchange the plan and obtain the Exchange's approval to implement the plan within 12 months from the date of the First Announcement;
- (b) complete the implementation of the plan within 6 months from the date the plan is approved by the Exchange. However, for cases which involve court proceedings, a PN17 Issuer has up to 12 months from the date the plan is approved by the Exchange, to complete the implementation of the plan; and
- (c) record a net profit in 2 consecutive quarterly results immediately after the completion of the implementation of the plan. In this regard, the PN17 Issuer must ensure that the relevant quarterly results are subjected to a limited review by an external auditor before they are announced to the Exchange.

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**Criteria and Obligations of PN17 Issuers**

- 5.3 In relation to a PN17 Business Trust, if the PN17 Business Trust undertakes a regularisation plan which will not result in a significant change in the business direction or policy of the PN17 Business Trust, it must –
- (a) comply with the requirements in paragraph 5.2(a) and (b) above; and
  - (b) record either a net profit or positive operating cash flow in 2 consecutive quarterly results immediately after the completion of the implementation of the plan. In this regard, the PN17 Business Trust must ensure that the relevant quarterly results are subjected to a limited review by an external auditor before they are announced to the Exchange.
- 5.4 Pursuant to paragraph 5.2 above, a PN17 Issuer and its Principal Adviser must ensure that a regularisation plan which will not result in a significant change in the business direction or policy of the PN17 Issuer -
- (a) is sufficiently comprehensive and capable of resolving all problems, financial or otherwise that had caused the PN17 Issuer to trigger the Prescribed Criteria;
  - (b) enables the PN17 Issuer to regularise its financial condition such that the PN17 Issuer no longer triggers any of the Prescribed Criteria; and
  - (c) is fair and reasonable to the PN17 Issuer and its securities holders and will increase value for its securities holders.
- 5.5 In complying with the requirements under paragraph 5.4 above, the PN17 Issuer and its Principal Adviser must demonstrate to the satisfaction of the Exchange, the following:
- (a) the regularisation plan is able to strengthen the financial position of the PN17 Issuer including its securities holders' equity, gearing, net asset position, cash flow position, and address its accumulated losses position;
  - (b) the steps taken or proposed to be taken are comprehensive and capable of addressing the issues that had caused the PN17 Issuer to trigger the Prescribed Criteria, such that the PN17 Issuer will –
    - (i) no longer trigger any of the Prescribed Criteria upon implementation of the regularisation plan; and
    - (ii) not trigger any of the Prescribed Criteria in the near future;
  - (c) the core business activities of the PN17 Issuer post-implementation of the regularisation plan is viable, sustainable and has growth prospects to warrant continued trading or listing on the Official List. In this respect, the PN17 Issuer must provide sufficient information in support of its regularisation plan, including -
    - (i) a detailed business plan of its core business activities;
    - (ii) profitability of the core business. Generally, low profit margin or loss making business will raise concerns on the viability of the core business. In the case of a PN17 Business Trust, the ability to generate profits or positive operating cash flow from the core business;
    - (iii) sufficiency of resources and strength and expertise of the key management, to achieve its business plan and expected level of operations;
    - (iv) industry prospects;

- 
- (v) competitive advantage; and
  - (vi) market position; and
  - (d) the ability of the PN17 Issuer to immediately generate net profits or positive operating cash flow (in the case of a PN17 Business Trust) in 2 consecutive quarterly results immediately after the completion of the implementation of the regularisation plan.
- 5.6 A PN17 Issuer and its Principal Adviser must review the PN17 Issuer's risk management and internal control system, and submit to the Exchange the results of such review together with its action plans to address the weaknesses identified.
- 5.7 A PN17 Issuer must ensure that the submission to the Exchange under paragraphs 5.2(a) and 5.3(a) above is accompanied by the following:
- (a) a cover letter signed by 2 authorised signatories of the Principal Adviser, containing details of the proposals, any approval, clearance or waiver sought, and such other information as may be prescribed by the Exchange from time to time;
  - (b) a draft circular to securities holders containing the relevant information prescribed in the Listing Requirements, such as Appendix 6B or Appendix 10B, where applicable, and the additional information set out in Annexure PN17-A;
  - (c) the listing application(s) together with the relevant submission documents as required under Chapter 6 of the Listing Requirements; and
  - (d) any other supporting documents, including experts' reports, where relevant.

**Annexure PN17-A**

**Additional contents of circular for regularisation plan undertaken by a PN17 Issuer**

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**ANNEXURE PN17-A**

**Additional contents of circular for regularisation plan undertaken by a PN17 Issuer**  
(paragraph 5.7(b))

- (1) The historical financial information of the PN17 Issuer for the last 5 years or since listing, whichever is later, based on the audited or unaudited financial statements. This includes:
  - (a) the turnover;
  - (b) the gross profit/loss;
  - (c) the net profit/loss;
  - (d) the shareholders' funds or unit holders funds, as the case may be;
  - (e) the borrowings; and
  - (f) the key ratios such as gross profit margin and gearing.
- (2) A commentary on the performance of the PN17 Issuer for the past 5 years or since listing, whichever is later. The commentary should include an analysis and discussion of significant and specific factors contributing to exceptional performance in any of the financial years under review and significant changes in the financial performance on a year-to-year basis, whether favourable or adverse.
- (3) A description of the business plan including information on the viability and profitability of the business and sufficiency of resources to achieve the plan and expected level of operations.
- (4) An analysis of the business post implementation of the regularisation plan including -
  - (a) the nature and operational environment of the PN17 Issuer's business such as the introduction of new asset or business, new products, new markets or new contracts, to address the operational issues faced by the PN17 Issuer;
  - (b) industry overview and description of the growth prospects of the PN17 Issuer's business in light of the industry outlook; and
  - (c) the risk factors affecting the PN17 Issuer and its business, together with the mitigating factors.
- (5) The reasons or issues which caused the PN17 Issuer to trigger any of the Prescribed Criteria, the steps taken or to be taken (whether short term or long term) to address such reasons or issues.
- (6) Where the proposal includes an injection of new asset or business, the following information where applicable:
  - (a) in relation to the new asset or business -
    - (i) name, qualification and experience of the directors, chief executive and key management; and
    - (ii) details of the substantial securities holders; and

**Additional contents of circular for regularisation plan undertaken by a PN17 Issuer**

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- (b) in relation to the PN17 Issuer -
  - (i) name, qualification and experience of the proposed new directors to the board; and
  - (ii) details of the proposed new substantial securities holders.
- (7) A commentary by the PN17 Issuer's board of directors on whether the PN17 Issuer is able to record a net profit or positive operating cash flow (in the case of a PN17 Business Trust) in 2 consecutive quarterly results immediately after the completion of the implementation of the plan.
- (8) A statement by the directors as to whether, in their opinion, the working capital available to the PN17 Issuer will be sufficient for a period of 12 months from date of the circular. If not, how the additional working capital which is deemed to be necessary will be obtained.
- (9) The financial estimate, forecast or projection, and the underlying accounting policies and assumptions together with a copy of the reporting accountants' letter, if such information is provided to the Exchange in the submission.
- (10) The results of the risk management and internal control review together with the action plans to address the weaknesses identified.

[End of Annexure]

## BURSA MALAYSIA SECURITIES BERHAD

## PRACTICE NOTE 18

## PERUSAL OF DRAFT CIRCULARS AND OTHER DOCUMENTS

Details		Cross References
Effective date:	3 January 2005	Paragraph 9.30
Revision date:	3 August 2009, 3 January 2012, 2 January 2014, 2 January 2018, 9 April 2018, 13 August 2020	

**1.0 Introduction**

1.1 Paragraph 9.30 of the Listing Requirements provides as follows:

- (1) *A listed issuer or offeror in an offer for sale of listed securities must submit to the Exchange for perusal, 1 draft copy of all circulars and other documents proposed to be sent to the holders of listed securities, within a reasonable time before printing together with a checklist showing compliance with the relevant parts of these Requirements.*
- (2) *Subparagraph (1) above does not apply to the following documents:*
- (a) *an annual report;*
  - (b) *any document to be sent to holders of listed securities in relation to a take-over by or in respect of a listed issuer excluding circulars to be issued by a listed issuer, proposing to undertake or undertaking a take-over, to its securities holders pursuant to Chapter 10 of these Requirements;*
  - (c) *any document that is not prepared by the listed issuer or its advisers on its behalf;*
  - (d) *any circular to be issued by a listed issuer to its securities holders pursuant to paragraphs 10.11 and 10.14 of these Requirements, in relation to a transaction which will result in a significant change in the business direction or policy of the listed corporation, business trust and in relation to a qualifying acquisition proposed to be made by a SPAC; and*
  - (e) *such other document as prescribed by the Exchange subject to such requirements as may be imposed by the Exchange.*
- (3) *A listed issuer or offeror must not issue any of such documents referred to in subparagraph (1) above until the Exchange has confirmed in writing that it has no further comments on the documents.*

**Practice Note 18**  
**Perusal of Draft Circulars and Other Documents**

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(4) *Where an adviser is appointed by the listed issuer or offeror for the preparation and/or submission of the documents referred to in subparagraph (1) above to the Exchange, such adviser must also comply with subparagraphs (1) and (3) above.*"

1.2 This Practice Note sets out the relevant requirements on –

- (a) documents which are not required to be submitted to the Exchange for perusal; and
- (b) documents which are subject to full review by the Exchange; and
- (c) documents which are subject to limited review by the Exchange.

1.3 For the avoidance of doubt, in perusing circulars and documents pursuant to paragraph 9.30 of the Listing Requirements, the Exchange does not verify the information in the circular or document so perused. Listed issuers, their directors and advisers are responsible for the disclosure in these documents including ensuring the accuracy and completeness of the same pursuant to paragraph 9.35A of the Listing Requirements.

## **2.0 Documents that are not required to be submitted to the Exchange**

2.1 For the purposes of paragraph 9.30(2)(e) of the Listing Requirements, the circulars or documents on any one or more of the following are not subject to paragraph 9.30(1) of the Listing Requirements, namely the perusal of the Exchange is not required before issuance:

- (a) notices of adjustments to warrants and convertible securities;
- (b) notices of meetings;
- (c) [deleted]
- (d) purchase of own shares (including the ordinary resolution);
- (e) amendments to or adoption of the constitution;
- (f) amendments to trust deeds or deed polls;
- (g) [deleted]
- (gA) renewal of shareholder mandate for Recurrent Related Party Transactions; and
- (h) all other circulars to shareholders, which are not issued pursuant to a requirement to obtain shareholder approval, prescribed under the Listing Requirements,

(collectively referred to as "**Exempt Circulars**").

## **3.0 Obligations in relation to Exempt Circulars**

3.1 Accordingly, the Exchange will no longer comment on any of the Exempt Circulars before issuance.

3.2 In this respect, an Exempt Circular must include a statement that Bursa Malaysia Securities Berhad has not perused the circular before its issuance.



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- 3.3 Immediately upon issuance of the Exempt Circular to securities holders, a listed issuer must submit to the Exchange, a checklist showing compliance with the relevant parts of the Listing Requirements.
- 3.4 If the Exchange detects any non-compliance with the Listing Requirements subsequent to the issue of the Exempt Circular, the listed issuer and/or the adviser responsible for preparing the Exempt Circular may be subject to enforcement action by the Exchange.

#### **4.0 Documents subject to a limited review**

- 4.1 The circulars or documents on the following subject-matters will be subjected to a limited review by the Exchange:
- (a) issuance of securities for cash including but not limited to rights issue, private placement, restricted issue, special issue, issue of securities on a "bought deal" basis, allotments to directors (including allotment of Share Issuance Scheme options), major shareholders or persons connected with them which fall within paragraph 6.06 of the Listing Requirements;
  - (b) Share Issuance Scheme including establishment of or amendments to by-laws, extensions of the duration of the scheme or termination of the scheme;
  - (c) obtaining shareholder mandate for new Recurrent Related Party Transactions;
  - (d) notice of maturity of securities;
  - (e) extensions of time for maturity/expiry of securities;
  - (f) bonus issue, subdivision or consolidation of shares;
  - (g) early redemption of securities, whether full or partial;
  - (h) [deleted]
  - (i) notice of share exchange, recall or reduction; and
  - (j) Dividend Reinvestment Scheme,
- ("Limited Review Circulars").

#### **5.0 Obligations in respect of a Limited Review Circular**

- 5.1 Pursuant to paragraph 9.30 of the Listing Requirements, a Limited Review Circular cannot be issued by a listed issuer until and unless the Exchange confirms in writing that it has no further comments on the document.
- 5.2 In this respect, a listed issuer must submit a draft of a Limited Review Circular pursuant to paragraph 9.30(1) of the Listing Requirements to the Exchange together with a checklist showing compliance with the relevant parts of the Listing Requirements.
- 5.3 In conducting a limited review, the Exchange will only focus on areas which in its opinion pose a high risk in terms of disclosure or compliance with the Listing Requirements.
- 5.4 Nothing in this Practice Note or the Listing Requirements will preclude the Exchange from conducting a full review in circumstance where it deems fit.

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**6.0 Documents subject to full review**

6.1 The Exchange will continue to conduct a review of all circulars or documents not falling within the exclusions set out in paragraph 9.30(2) of the Listing Requirements including those on the following subject matters:

- (a) related party transactions (excluding circulars in relation to shareholder mandate for Recurrent Related Party Transactions);
- (b) very substantial transactions;
- (c) diversification of operations;
- (d) provision of financial assistance to associated companies and joint arrangements;
- (e) schemes of compromise, arrangement, amalgamation or reconstruction or restructuring schemes in general;
- (f) withdrawal of listing;
- (g) non-related party transactions for which shareholder approval is required pursuant to paragraph 10.07 of the Listing Requirements;
- (h) listing of subsidiaries;
- (i) capital distribution, repayment or reduction;
- (j) material dilution of a subsidiary falling under paragraph 8.21 of the Listing Requirements;
- (jA) Major Disposal; and
- (jB) disposal of real estate developed by a REIT within 2 years from the date of completion of the development as set out in paragraph 10.16 of the Listing Requirements; and
- (k) any other documents as prescribed by the Exchange,

**(“Full Review Circulars”)**

**7.0 Obligations in respect of a Full Review Circular**

7.1 In this respect, a listed issuer must submit a draft of a Full Review Circular pursuant to paragraph 9.30(1) of the Listing Requirements to the Exchange together with a checklist showing compliance with the relevant parts of the Listing Requirements.

**BURSA MALAYSIA SECURITIES BERHAD****PRACTICE NOTE 19**  
**PUBLIC SECURITY HOLDING SPREAD**

Details		Cross References
Effective date:	28 December 2006	Paragraphs 3.06, 8.02 and 16.02
Revision date:	3 August 2009, 25 March 2013, 2 January 2018, 1 March 2021	

**1.0 Introduction**

1.1 This Practice Note sets out the following:

- (a) in relation to an application for a lower percentage of public security holding spread pursuant to paragraph 3.06(1) or 8.02(1) of the Listing Requirements -
  - (i) the considerations which the Exchange may take into account when considering such application; and
  - (ii) the information that an applicant or listed issuer must provide in its application;
- (b) in relation to compliance with the public security holding spread -
  - (i) the notification requirements applicable to a listed issuer approved with a lower public security holding spread;
  - (ii) the Exchange's right to review its decision on lower public security holding spread granted to a listed issuer;
  - (iii) the disclosure requirements in the event a listed issuer fails to comply with the required public security holding spread; and
  - (iv) the information that a listed issuer must include in an application to the Exchange for an extension of time to rectify non-compliance with the public security holding spread; and
- (c) the disclosure requirements that a listed issuer must comply with if it triggers a suspension pursuant to paragraph 16.02(1) and (2) of the Listing Requirements.

**2.0 Application for acceptance of a lower percentage of public security holding spread**

2.1 Paragraphs 3.06(1) and 8.02(1) of the Listing Requirements provide that an applicant or listed issuer must comply with the following public security holding spread ("**Required Public Spread**"):

- (a) an applicant must have at least 25% of the total number of shares or units for which listing is sought, or such lower percentage as may be allowed by the Exchange, in the hands of a minimum number of 1,000 public security holders holding not less than 100 shares or units each; and
- (b) a listed issuer must, on a continuing basis, ensure that at least 25% of its total listed shares (excluding treasury shares) or listed units, or such lower percentage as may be allowed by the Exchange, are in the hands of public security holders.

2.2 The Exchange may, on the application by an applicant or a listed issuer, accept a percentage lower than the 25% threshold ("**Lower Public Spread**") if all the conditions below are met:

- (a) The applicant or listed issuer meets the market capitalisation requirements for the Lower Public Spread as set out in the table below:

No.	Market Capitalisation *	Minimum acceptable Lower Public Spread
(i)	RM1 billion or more but less than RM3 billion	20%
(ii)	RM3 billion or more	15%

\* *Computation of market capitalisation:*

(aa) *an applicant's expected market capitalisation as at the date of the listing application; or*

(bb) *a listed issuer's average market capitalisation based on the daily closing price of its securities during the 12-month period preceding the application to the Exchange;*

and

- (b) The Exchange is satisfied that:
  - (i) there is, or will be, sufficient liquid market in the securities of the applicant or listed issuer;
  - (ii) there is, or will be, orderly and fair trading in the securities of the applicant or listed issuer;
  - (iii) the applicant or listed issuer and its directors have satisfactory corporate governance conduct and compliance record with the Listing Requirements and securities laws; and
  - (iv) there is reasonable justification necessitating the Lower Public Spread for the applicant or listed issuer.

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**Public Security Holding Spread**

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- 2.2A In respect of an applicant which proposes to apply for a Lower Public Spread, it must include the following information in its application:
- (a) the applicant's expected market capitalisation as at the date of the listing application; and
  - (b) the reason for not being able to comply with the 25% threshold, and justification necessitating the Lower Public Spread.
- 2.3 In respect of a listed issuer which proposes to apply for a Lower Public Spread, it must include the following information in its application:
- (a) its share capital or unit holders capital and number of issued shares or issued units, as the case may be;
  - (b) the number of public security holders;
  - (c) the percentage of public security holding spread;
  - (d) a statement as to whether the public security holding spread includes a substantial shareholder or substantial unit holder who is deemed as "public" pursuant to paragraph 1.01 of the Listing Requirements and if yes, the following details in relation to such security holder:
    - (i) name; and
    - (ii) security holdings in the listed issuer;
  - (e) the average market capitalisation based on the daily closing price of the listed issuer's shares or units during the last 12-month period;
  - (f) the percentage of listed shares (excluding treasury shares) or listed units held by the top 30 security holders, the names and security holdings of each of these security holders;
  - (g) the percentage of public security holding spread over the last 2 years;
  - (h) any enforcement action taken, or investigation or enforcement proceedings commenced, against the listed issuer and its directors by the relevant regulatory authority in the last 3 years pertaining to their corporate governance conduct and compliance with the Listing Requirements or securities laws. If none, a negative statement to that effect; and
  - (i) the reason for non-compliance with the Required Public Spread and justification necessitating the Lower Public Spread.

**2A.0 Notification of specified changes after the grant of Lower Public Spread**

- 2A.1 A listed issuer approved with a Lower Public Spread must immediately notify the Exchange when it becomes aware of any of the following:
- (a) any decrease in its issued share or unit holders capital;
  - (b) any decrease in its public security holding spread below the approved Lower Public Spread; and

- 
- (c) any decrease of its average market capitalisation for the preceding 12 months to below the prescribed threshold as set out in paragraph 2.2(a) above.

## 2B.0 The Exchange's right to further review

- 2B.1 The Exchange reserves the right to review its decision for a Lower Public Spread at any time, if the listed issuer no longer meets any of the conditions for Lower Public Spread under paragraph 2.2 above.

## 3.0 Disclosure requirements in the event of non-compliance with the Required Public Spread

- 3.1 Paragraph 8.02(3) of the Listing Requirements provides that a listed issuer must announce to the Exchange that it does not comply with the Required Public Spread immediately upon it becoming aware of this ("**Non-Compliance Announcement**").

- 3.2 The listed issuer must include the following information in its Non-Compliance Announcement:

- (a) a statement that the listed issuer does not comply with the public security holding spread requirement set out in paragraph 8.02(1) of the Listing Requirements;
- (b) the percentage of public security holding spread;
- (c) steps taken or proposed to be taken by the listed issuer to comply with the Required Public Spread ("**Rectification Plan**") including the following:
  - (i) the tentative timeline in respect of the Rectification Plan; and
  - (ii) the status of the Rectification Plan; and
- (d) where the listed issuer has not formulated a Rectification Plan, the status of the listed issuer's endeavours to formulate such a plan or where a Rectification Plan has not been formulated and/or if no endeavours have been taken to formulate such a plan, an appropriate negative statement to such effect.

- 3.3 After the Non-Compliance Announcement, a listed issuer which does not comply with the Required Public Spread must announce the status of its efforts to comply with the Required Public Spread ("**Status Announcement**"). The listed issuer must make the Status Announcements for each quarter of its financial year simultaneously with the quarterly reports and in any event, not later than 2 months after the end of each quarter of a financial year.

- 3.4 The listed issuer must include the following information in the Status Announcement:

- (a) the information prescribed in paragraph 3.2 above; and
- (b) a statement as to whether an extension of time for compliance has been granted by the Exchange and if so, the following:
  - (i) the duration of extension granted;
  - (ii) the expiry date of the extension.

- 3.5 For the avoidance of doubt, upon compliance with the Required Public Spread, the listed issuer is no longer required to make any Status Announcement.

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**4.0 Applications for extensions of time for compliance and related disclosure requirements**

- 4.1 Pursuant to paragraph 8.02(4) of the Listing Requirements, a listed issuer which does not comply with the Required Public Spread may apply to the Exchange for an extension of time to rectify its public security holding spread.
- 4.2 In this respect, a listed issuer must include the following information in the application for extension of time:
- (a) its share capital or unit holders capital and number of issued shares or issued units, as the case may be;
  - (b) the percentage of public security holding spread;
  - (c) the number of public security holders;
  - (d) whether the public security holding spread includes a substantial shareholder or substantial unit holder who is deemed as “public” pursuant to paragraph 1.01 of the Listing Requirements. If yes, the following details in relation to such security holder:
    - (i) name; and
    - (ii) security holdings in the listed issuer;
  - (e) the average market capitalisation based on the daily closing price of the listed issuer’s shares or units during the last 12-month period;
  - (f) the reason for non-compliance with the Required Public Spread;
  - (g) the percentage of listed shares (excluding treasury shares) or listed units held by the top 30 security holders, the names and security holdings of each of these security holders;
  - (h) if there is a Rectification Plan, an elaboration of the same and its status;
  - (i) where the listed issuer has not formulated a Rectification Plan, the status of the listed issuer’s endeavours to formulate such a plan;
  - (j) if there has been no progress in relation to items (h) and (i) above during the previous extension of time, the listed issuer must also explain the reason for the lack of progress;
  - (k) the reason for failure to rectify the public security holding spread within the previous extension of time, if any; and
  - (l) justification for the extension of time sought.
- 4.3 Where an extension of time to rectify the public security holding spread has been granted by the Exchange, the listed issuer must immediately announce to the Exchange the extension of time granted. The listed issuer must include the following information in the announcement:
- (a) a statement that an extension of time for compliance has been granted by the Exchange and the following details:
    - (i) the duration of extension granted;
    - (ii) the expiry date of the extension; and

- 
- (b) the information prescribed in paragraph 3.2(b) to (d) above.
- 4.4 Where an extension of time has not been granted by the Exchange, the listed issuer must immediately announce the decision of the Exchange. The listed issuer must include the following information in the announcement:
- (a) a statement that an extension of time for compliance has not been granted by the Exchange;
- (b) the information prescribed in paragraph 3.2(b) to (d) above; and
- (c) a statement that the Exchange may -
- (i) take or impose for a breach of paragraph 8.02(1) of the Listing Requirements any type of action or penalty pursuant to paragraph 16.19 of the Listing Requirements; and
- (ii) suspend trading in its securities pursuant to paragraph 16.02 of the Listing Requirements.
- 5.0 Suspension where the public security holding spread is 10% or less and related disclosure requirements**
- 5.1 Pursuant to paragraph 16.02(2) of the Listing Requirements, where the public security holding spread of a listed issuer is 10% or less of the total number of listed shares (excluding treasury shares) or listed units ("**Threshold**"), a suspension will be imposed by the Exchange.
- 5.2 The suspension in trading imposed by the Exchange under paragraph 5.1 above will only be uplifted upon full compliance with the Required Public Spread or as may be determined by the Exchange.
- 5.3 Where a listed issuer becomes aware, either in conjunction with the preparation of its semi-annual returns or otherwise, that its public security holding spread triggers the Threshold, the listed issuer must immediately announce this to the Exchange.
- 5.4 The listed issuer must include the following information in the above announcement:
- (a) the public security holding spread;
- (b) a statement that pursuant to paragraph 16.02(2) of the Listing Requirements, trading in its securities will be suspended immediately upon the expiry of 30 market days from the date of the immediate announcement in view that the public security holding spread of the listed issuer is 10% or below of the total number of listed shares (excluding treasury shares) or listed units;
- (c) the date suspension will be effected (i.e. the market day immediately following the expiry of 30 market days from the date of the immediate announcement);
- (d) a statement that once the suspension pursuant to paragraph 16.02(2) of the Listing Requirements is effected, it will only be uplifted by the Exchange upon full compliance with the Required Public Spread or as may be determined by the Exchange;
- (e) the steps taken or proposed to be taken by the listed issuer (if any) to increase its public security holding spread to above 10% before the date suspension is to be effected;
- (f) an explanation of the Rectification Plan (if any);



- (g) the tentative timeline for the steps referred to in subparagraph (e) above and the Rectification Plan; and
- (h) where neither the steps referred to in subparagraph (e) above nor a Rectification Plan has been formulated and/or if no endeavours have been taken to formulate such steps or a Rectification Plan, an appropriate negative statement to such effect.

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**BURSA MALAYSIA SECURITIES BERHAD**
**PRACTICE NOTE 20****TRADING HALT**

Details		Cross References
Effective date:	3 September 2007	Paragraph 16.04
Revision date:	3 August 2009, 25 March 2013, 3 May 2016, 2 January 2018	

**1.0 Introduction**

- 1.1 Pursuant to paragraph 16.04 of the Listing Requirements, a trading halt may be imposed on the listed issuer's securities by the Exchange upon release of a material announcement by the listed issuer before or during trading hours.
- 1.2 The purpose of trading halt is to enable dissemination of the material information disclosed and facilitate the evaluation of such information.
- 1.3 This Practice Note sets out the following:
- (a) the types of material announcements which may warrant trading halt; and
  - (b) the periods of trading halt.
- 1.4 Nothing in this Practice Note will be read to restrict the powers of the Exchange to suspend the trading of the listed issuer's securities pursuant to paragraph 16.02 of the Listing Requirements.

**2.0 Material announcement which may warrant trading halt**

- 2.1 For the purpose of paragraph 16.04 of the Listing Requirements, an announcement relating to any of the following matters will be regarded as a material announcement:
- (a) an interim financial reports;
  - (b) a bonus issue or other fund raising exercise;
  - (c) a subdivision of shares or consolidation by the listed issuer;
  - (d) a transaction requiring an announcement to be made under Chapter 10 of the Listing Requirements;
  - (e) a declaration of a dividend or distribution;

- (f) a change in the controlling shareholder or controlling unit holder of the listed issuer;
- (g) a notice of take-over being served on a listed issuer;
- (h) winding-up of the listed issuer or any of its subsidiaries or major associated companies as announced under paragraph 9.19(19) of the Listing Requirements;
- (i) rejection of the corporate proposals previously announced by the shareholders or regulatory authorities;
- (j) the financial estimate, forecast, projection or internal targets of the listed issuer and any circumstances or development which are likely to materially affect the results or outcome of the same;
- (k) any clarifying announcement pursuant to Chapter 9 of the Listing Requirements including the response to a rumour or report or unusual market activity; or
- (l) any other announcements which the Exchange considers material pursuant to paragraph 9.03(2) of the Listing Requirements.

### 3.0 Periods of trading halt

- 3.1 Where the material announcement is released during trading hours, the trading halt imposed by the Exchange will be for 1 hour or until the end of that trading session, whichever is the earlier. The periods of trading halt that may be imposed by the Exchange are as follows:

	<b>Time for Release of Material Announcement</b>	<b>Trading Halt Period</b>
(i)	Before the commencement of trading at 9.00 a.m.	9.00 a.m. to 10 a.m.
(ii)	9.00 a.m. to 11.00 a.m.	1 hour from the time the material announcement is released
(iii)	After 11.00 a.m. and before 12.30 noon	From the time the material announcement is released until 12.30 noon
(iv)	12.30 p.m. until 1.30 p.m.	No trading halt will be imposed
(v)	After 1.30 p.m. until 2.30 p.m.	2.30 p.m. to 3.30 p.m.
(vi)	After 2.30 p.m. until 3.30 p.m.	1 hour from the time the material announcement is released
(vii)	After 3.30 p.m. and before 5.00 p.m.	From the time the material announcement is released until 5.00 p.m.

- 3.2 Notwithstanding paragraph 3.1 above, the Exchange may, at its discretion, suspend the trading of the listed issuer's securities for the entire day or such period as the Exchange deems it appropriate.

- 3.3 For the avoidance of doubt, the periods of trading halt as stated in this Practice Note are not applicable to the securities of a listed issuer suspended pursuant to a request for suspension under paragraph 16.03 of the Listing Requirements and Practice Note 2. Hence, the securities of a listed issuer which are suspended will not be requoted on the same day of the release of the relevant announcement.

**BURSA MALAYSIA SECURITIES BERHAD****PRACTICE NOTE 21****LISTING PROCEDURES FOR INITIAL ADMISSION**

Details		Cross References
Effective date:	3 August 2009	Paragraphs 3.02, 4.04, 4.09, 4.14, 4.16, 4A.06, 4A.20, 4A.29, 8.16 and 15.03
Revision date:	22 September 2011, 3 January 2012, 25 March 2013, 1 April 2015, 13 July 2015, 2 January 2018	

**1.0 Introduction**

1.1 This Practice Note sets out the following requirements in relation to an application for admission under paragraph 3.02 of the Listing Requirements:

- (a) the procedures for admission;
- (b) the listing application form and supporting documents;
- (c) the undertakings and confirmation by an applicant and its directors; and
- (d) other relevant requirements.

1.2 The requirements set out in this Practice Note also apply to a listed issuer that undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed issuer. However, when such a listed issuer issues new securities, the listed issuer must also comply with the requirements under Practice Note 28, where applicable.

**2.0 Procedures relating to admission**

2.1 The following procedures apply to the admission of an applicant to the Official List, with the necessary modifications, as may be applicable:

- (a) applicant submits a listing application to the SC;
- (b) SC approves listing;
- (c) applicant files with the Exchange a listing application together with supporting documents;
- (d) applicant files the final copy of prospectus with the relevant authorities;

- 
- (e) Exchange grants approval for the admission of securities;
  - (f) applicant -
    - (i) issues the prospectus or introductory document and the offer period opens, if the listing entails an offer of securities to the public;
    - (ii) advertises the prospectus or introductory document;
    - (iii) provides the Exchange with such number of copies of the printed prospectus or introductory document as may be determined by the Exchange from time to time; and
    - (iv) announces to the Exchange, the indicative timetable of the initial public offering containing the information set out in paragraph 8.1 below;
  - (h) if the listing entails an offer of securities to the public, the applicant announces the level of subscription and the basis of allocation;
  - (i) applicant issues securities and notices of allotment;
  - (j) applicant announces to the Exchange the relevant information in accordance with paragraph 8.2 below; and
  - (k) securities are admitted to the Official List and quoted on the Exchange.

### **3.0 Listing application form and supporting documents**

3.1 An applicant must file with the Exchange a listing application which consists of the following:

- (a) the application, in the form of Part A of Annexure PN21-A; and
- (b) the supporting documents specified in Part B of Annexure PN21-A.

### **4.0 Undertakings and confirmation**

4.1 An applicant must give the Exchange an undertaking in the form of Annexure PN21-B.

4.2 An applicant must ensure that -

- (a) every one of its directors gives the Exchange an undertaking in the form of Annexure PN21-C; and
- (b) every director who is or has been appointed as an independent director gives the Exchange a letter in the form of Annexure PN21-D.

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

5.1 In relation to the prescription by the Exchange of the securities of the applicant to be deposited with the Depository pursuant to section 14 of the Securities Industry (Central Depositories) Act 1991 (“**Prescription**”), the applicant must submit to the Exchange either one of the following:

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**Listing Procedures for Initial Admission**

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- (a) a written confirmation to the Exchange that the information set out in its register including the addresses of its shareholders are updated and accurate as at a date not more than 14 days before –
- (i) the issuance date of the prospectus or introductory document; or
  - (ii) the proposed books closing date,
- as the case may be, for purposes of notification to its shareholders of the Prescription; or
- (b) where the applicant is unable to provide the confirmation set out in sub-paragraph (a) above, payment to the Exchange, as stipulated in the Schedule of Fees for the advertisement charges incurred or to be incurred by the Exchange pursuant to section 14(2) of Securities Industry (Central Depositories) Act 1991 in relation to the Prescription.

5.2 The applicant must submit the confirmation referred to in paragraph 5.1(a) above 3 clear market days before –

- (a) the issuance date of the prospectus or introductory document; or
  - (b) the proposed books closing date,
- as the case may be.

**6.0 Listing of issued and unissued securities**

6.1 An applicant must apply for approval to list only –

- (a) that part of the securities which have been issued; and
- (b) securities to be issued in connection with the listing application.

6.2 If an additional unissued amount is reserved for subsequent issuance for a specific purpose, an applicant must apply for an approval to add that amount to the Official List in the future for that specific purpose.

6.3 An applicant must not apply for an approval for the listing of any security which is not reserved for subsequent issuance for a specific purpose.

6.4 An applicant must submit an application for quotation for such reserved amount for which approval has been granted pursuant to subparagraph 6.1(b) above, upon actual issuance of such amount in accordance with the provisions of Chapter 6 of the Listing Requirements.

**7.0 Classification of an applicant**

7.1 An applicant must propose to the Exchange its classification into any one of the sectors prescribed by the Exchange, in accordance with the criteria prescribed by the Exchange.

7.2 The applicant must furnish to the Exchange a proposal of its classification made in accordance with paragraph 7.1 above in a form prescribed by the Exchange.

7.3 The classification is subject to the approval of the Exchange. The Exchange may in its absolute discretion classify the applicant into such other sector as it deems fit.

## **8.0 Announcements to the Exchange**

8.1 An applicant must announce the indicative timetable of the initial public offering as follows upon the issuance of the prospectus and before the listing date:

- (a) the opening and closing date of the offer period;
- (b) the balloting date;
- (c) the allotment date of the initial public offering securities; and
- (d) the tentative listing date.

8.2 An applicant must immediately announce the following to the Exchange upon receipt of confirmation from the Depository that the securities are ready to be credited into the respective securities accounts:

- (a) actual date of listing;
- (b) total number of shares which will be listed;
- (c) stock short name, stock code, ISIN code; and
- (d) sector and market under which the securities will be listed.



## ANNEXURE PN21-A

## PART A

## Listing application for admission of securities

(paragraph 3.1(a); paragraph 3.1(a) of Practice Note 24; paragraph 4A.06 of the Listing Requirements)

**Please tick wherever applicable. If not applicable, please indicate "N/A"**  
[You may tick more than one box, where applicable]

# Delete as appropriate

1.	Name of company	
2.	Types of corporate proposal	(a) Initial Public Offerings ("IPO") <input type="checkbox"/>
		(b) Proposals resulting in a significant change in business direction or policy of the listed issuer ("RTO") <input type="checkbox"/>
	Details of proposals which form part of the IPO/ RTO	
	Number & types of securities applied for listing & issue price (if any)	
3.	Currency denomination which the new securities will be listed and quoted	(a) Ringgit Malaysia ("RM") <input type="checkbox"/>
		(b) Others : (Please indicate) ----- In the event the new securities are listed and quoted in currencies other than RM, whether the approval of Bank Negara Malaysia has been obtained? Yes <input type="checkbox"/> No <input type="checkbox"/>
4.	INITIAL PUBLIC OFFERINGS ("IPO")	
4A	Proforma public shareholdings spread	(a) <u>ORDINARY SHARES</u> [ ]% and [ ] public shareholders

		<b>(b) <u>CONVERTIBLE SECURITIES/PREFERENCE SHARES</u></b>  [ ] holders
<b>4B</b>	<b>Tentative listing date (to specify)</b>	
<b>4C</b>	<b>Top 3 preferences for stock short name (limited to 7 characters)</b>	(a) Option 1: (b) Option 2: (c) Option 3:
<b>4D</b>	<b>Undertakings for IPO proposals</b>	<p>We undertake the following:</p> <p>(a) the return of allotment will be filed with the Registrar pursuant to the Companies Act or in relation to a foreign corporation, the relevant document showing its latest issued and paid-up capital will be filed with the relevant authority pursuant to the laws of the place of incorporation;</p> <p>(b) all notices of allotment will be issued and despatched to all successful applicants before the date of listing and quotation of the securities;</p> <p>(c) the securities will rank pari passu in all respects with each other;</p> <p>(d) the public shareholding spread based on the total number of shares for which listing is sought of the applicant will be in compliance with paragraph 3.06 of Bursa Malaysia Securities Berhad ("<b>Exchange</b>") Main Market Listing Requirements of ("<b>LR</b>");</p> <p>(e) a schedule of actual distribution of the public shareholding spread mentioned in item (d) above, as per Part B(1)(d) of Annexure PN21-A, will be furnished to the Exchange on the first day of listing;</p> <p>(f) where the SC imposes a moratorium on the sale of securities, the following information on the moratorium will be submitted to the Depository before the listing:</p> <p style="padding-left: 40px;">(i) the names of securities holders;</p> <p style="padding-left: 40px;">(ii) the number of securities;</p> <p style="padding-left: 40px;">(iii) the date(s) of expiry of the moratorium;</p> <p>(g) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities will be met;</p> <p>(h) all allotment information of new securities will be submitted to the Depository for the crediting of securities into the respective securities holders' accounts;</p>



5E	Proforma public shareholdings spread	<p>(a) <b>ORDINARY SHARES</b></p> <p>[ ]% and [ ] public shareholders</p> <p>(b) <b>CONVERTIBLE SECURITIES/ PREFERENCE SHARES</b></p> <p>[ ] holders</p>
5F	Confirmation	We confirm that the public shareholding spread based on the total number of shares for which listing is sought of the applicant will be in compliance with paragraph 3.06 of the LR.
5G	Undertakings for RTO	<p>We undertake the following:</p> <p>(a) the return of allotment will be filed with the Registrar pursuant to the Companies Act or in relation to a foreign corporation, the relevant document showing its latest issued and paid-up capital will be filed with the relevant authority pursuant to the laws of the place of incorporation;</p> <p>(b) all notices of allotment will be issued and despatched to the entitled holders as expeditiously as possible and in any event, not later than 4 market days after the date of listing and quotation;</p> <p>(c) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities, will be met;</p> <p>(d) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law;</p> <p>(e) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the listed issuer has failed to meet any of the above undertakings referred to in paragraphs (a) to (c) or of any circumstances or facts referred to in paragraph (d) above; and</p> <p>(f) to announce to the Exchange the relevant information in accordance with paragraph 13.2 of Practice Note 28, where applicable.</p>
<b>6. SHARE ISSUANCE SCHEME (AS PART OF AN IPO PROPOSAL)</b>		
6A	Confirmation	We confirm that the Share Issuance Scheme is in full compliance with Part G, Chapter 6 of the LR
<p>_____ [Authorised signatory of the Principal Adviser] Name: Designation: Date:</p>		<p>_____ [Authorised signatory of the applicant] Name: Designation: Date:</p>

**PART B****Documents to be filed with a listing application**

(paragraphs 3.1(b); paragraphs 3.1(b) and 7.1(b) of Practice Note 23; paragraph 3.1(b) of Practice Note 24; paragraphs 4.04 and 4A.06 of the Listing Requirements)

- (1) An applicant must file the following documents in support of a listing application:
- (a) a copy each of the constitution and all amendments to-date and a copy each of the notice of registration/certificate of incorporation, certificate of change of status and certificate of change of name, if any, together with a letter of compliance pursuant to paragraph 2.12 and a checklist showing compliance with the relevant provisions of Chapter 7 of the Listing Requirements;
  - (b) a copy of the draft prospectus submitted to the relevant authorities or the draft introductory document;
  - (c) a specimen copy of each denomination of certificates of the class to be listed. If transfer offices and registrars are maintained in more than one place, one specimen of each denomination of certificates used in each office (see Chapter 8 of the Listing Requirements for form and content of certificates);
  - (d) a statement on the percentage of the total number of shares for which listing is sought which are held by the public, the number of public shareholders and a pro forma distribution of the shares in the following format:

<i>Particulars</i>	<i>No of Shares</i>	<i>No of shareholders</i>	<i>Percentage %</i>
<i>Share capital</i>			
<i>Less:</i>			
<i>Directors of the applicant and its subsidiaries</i>			
<i>Substantial shareholders of the applicant (except where such shareholder may be included as "public")</i>			
<i>Associates of directors or substantial shareholders of the applicant</i>			
<i>Shareholders holding less than 100 shares</i>	-----		
<i>Public shareholdings</i>			

**Annexure PN21-A**  
**Listing application for admission**

- 
- (e) a letter of undertaking in the form of Annexure PN21-B duly executed by the applicant together with a certified true extract of the applicant's board of directors' resolution authorising the signatory;
  - (f) a letter of undertaking in the form of Annexure PN21-C duly executed by each director of the applicant;
  - (g) a letter in the form of Annexure PN21-D duly executed by each independent director of the applicant;
  - (h) a letter from the applicant's Principal Adviser confirming all approvals of relevant authorities have been obtained;
  - (i) a copy each of all letters of approval from the relevant authorities;
  - (j) a proposal as to classification of the applicant in a specific sector in the prescribed form;
  - (k) a letter of notification issued by the applicant for the appointment of stabilizing manager that includes -
    - (i) where the stabilizing manager is a Participating Organisation, the name, business address and contact person of the Participating Organisation, name of the Capital Markets Services Representative's License holder who will be conducting the stabilizing action;
    - (ii) where the stabilizing manager is not a Participating Organisation, the name and business address of the person appointed as the stabilizing manager and a contact person, the name of the Participating Organization and the Capital Markets Services Representative's License holder who has been appointed to conduct the stabilizing action;
    - (iii) where a stabilizing manager is appointed outside Malaysia, the name, address and contact person of the stabilizing manager appointed at that jurisdiction, the name, address and contact person of the Participating Organisation appointed in Malaysia to conduct the stabilizing action in Malaysia, along with the name of the Capital Markets Services Representative's License holder who will be conducting the stabilizing action in Malaysia; or
    - (iv) an undertaking to inform the Exchange of any subsequent change of the stabilizing manager, Capital Markets Services Representative's License holder or Participating Organisation, where applicable, immediately upon such change; and
  - (l) a cheque drawn to the order of Bursa Malaysia Securities Berhad or such other proof of payment acceptable to the Exchange for the listing fees as may be prescribed by the Exchange from time to time, together with a copy of the details of the computation of the amount of listing fees payable.
- (2) If any of the above documents are not filed because they are not applicable or available in any case, an applicant must submit a separate exhibit explaining why such documents are not applicable or available.

[ End of Annexure ]

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ANNEXURE PN21-B

**Undertaking by an applicant**

(paragraph 4.1; paragraph 12.1 of Practice Note 23; paragraphs 4.1 and 7.1 of Practice Note 24; paragraph 4.14 of the Listing Requirements)

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Compliance with Main Market Listing Requirements and Rules of Bursa Malaysia Securities Berhad (“**Bursa Securities**”)

In consideration of Bursa Securities approving the application for admission of ..... (“**Corporation**”) to the Official List of Bursa Securities (“**Official List**”) and for official quotation of the securities described in the Corporation’s listing application WE ACKNOWLEDGE that the Corporation shall remain on the Official List, and official quotation of any of the Corporation’s securities shall continue only during the pleasure of Bursa Securities.

WE FURTHER UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements and the Rules of Bursa Securities, including any amendment as may be made from time to time, insofar as the same shall apply to the Corporation.

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

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

Date:

Signature:

Name:

\*\* Applicable to a foreign applicant only.

[ End of Annexure ]

**ANNEXURE PN21-C**

**Undertaking by a director of an applicant/listed corporation**

(paragraphs 4.2(a); paragraphs 12.2(a) and 7.2 of Practice Note 23; paragraph 4.2(a) of Practice Note 24; paragraphs 4.14, 4A.29, 8.16 and 15.03(1) of the Listing Requirements)

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

**Compliance with Main Market Listing Requirements**

I, .....[name of director], am a director of .....[name(s) of applicant/listed corporation(s) ("**Corporation(s)**") which #has/have submitted an application to Bursa Malaysia Securities berhad ("**Bursa Securities**") to be admitted to the Official List of Bursa Securities ("**Official List**") / #is/are listed on the Official List of Bursa Securities.

In consideration of Bursa Securities #approving the Corporation's application for admission to the Official List / allowing the continued listing of the Corporation(s) on the Official List, I UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements including any amendment as may be made from time to time, insofar as the same shall apply to me as a director of the Corporation(s).

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

Yours faithfully,

.....

Name:

NRIC No. (Old & New):

\*\*Passport No. & Country of Issuance:

Designation:

Date:

# Delete as appropriate

\*\* Applicable to a foreign director only.

[ End of Annexure ]



**ANNEXURE PN21-D**

**Letter of confirmation by an independent director of an applicant/listed corporation**  
(paragraph 4.2(b); paragraph 12.2(b) of Practice Note 23; paragraph 4.2(b) of Practice Note 24;  
paragraphs 4.14, 4A.29, 8.16 and 15.03(2) of the Listing Requirements)

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Confirmation of "independence" pursuant to Main Market Listing Requirements

I, ..... [name of director], am a director of ..... [name(s) of applicant/listed corporation(s) which #has/have submitted an application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") to be admitted to the Official List of Bursa Securities /#is/are listed on the Official List of Bursa Securities.

I CONFIRM AND DECLARE that I am an independent director as defined under paragraph 1.01 of Bursa Securities Main Market Listing Requirements.

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

Yours faithfully,

.....

Name:

NRIC No. (Old & New):

\*\*Passport No. & Country of Issuance:

Designation:

Date:

# Delete as appropriate.

\*\* Applicable to a foreign independent director only.

[ End of Annexure ]

**BURSA MALAYSIA SECURITIES BERHAD****PRACTICE NOTE 22****TRANSFER OF LISTED CORPORATIONS TO THE MAIN MARKET**

Details		Cross References
Effective date:	3 August 2009	Paragraph 3.09
Revision date:	18 December 2013, 1 April 2015, 2 January 2018, 3 June 2019	

**1.0 Introduction**

- 1.1 This Practice Note sets out the procedures and other requirements relating to an application to transfer a listed corporation from the ACE Market to the Main Market under paragraph 3.09.

**2.0 Procedures relating to transfer of listing**

- 2.1 The following procedures apply to the transfer of a listed corporation to the Main Market, with the necessary modifications, as may be applicable:
- (a) listed corporation immediately announces the proposed transfer of listing to the Exchange upon approval of its board of directors;
  - (b) listed corporation submits an application to the SC;
  - (c) SC approves the transfer of listing;
  - (d) listed corporation files with the Exchange a transfer application together with supporting documents;
  - (e) Exchange grants approval for the transfer of listing;
  - (f) listed corporation obtains shareholder approval, if required;
  - (g) listed corporation files the final copy of prospectus with the relevant authorities, where applicable;
  - (h) listed corporation issues the prospectus or introductory document, where applicable;
  - (i) listed corporation announces to the Exchange the transfer date; and
  - (j) securities transferred to the Main Market 2 market days after the issuance of the prospectus or introductory document, where applicable, and announcement of the transfer date to the Exchange.

**Practice Note 22**  
**Transfer of Listed Corporations to the Main Market**

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**2A.0 Information relating to transfer of listing**

- 2A.1 A listed corporation must announce the rationale for the transfer of listing, approvals required and the estimated time frame for submission of the application to the relevant authorities when announcing the transfer of listing upon approval of its board of directors.
- 2A.2 A listed corporation must include the information set out in Part A of Annexure PN 22-E, when announcing the approval of transfer of listing by the SC, in respect of a transfer of listing which does not involve any new issuance of securities or transaction which will result in a significant change of the business direction or policy of the listed corporation.
- 2A.3 A listed corporation must include the information set out in Part B of Annexure PN 22-E when announcing the transfer date 2 market days before its securities are transferred to the Main Market.

**3.0 Transfer application form and supporting documents**

- 3.1 A listed corporation seeking a transfer to the Main Market must submit to the Exchange, a transfer application which consists of the following:
- (a) the application, in the form of Part A of Annexure PN22-A;
  - (b) the information and supporting documents specified in Part B of Annexure PN22-A; and
  - (c) a resolution of the listed corporation's board of directors approving and authorising the application for transfer.

**4.0 Undertakings and confirmation**

- 4.1 An applicant must give the Exchange an undertaking in the form of Annexure PN22-B.
- 4.2 An applicant must ensure that -
- (a) every one of its directors gives the Exchange an undertaking in the form of Annexure PN22-C; and
  - (b) every director who is or has been appointed as an independent director gives the Exchange a letter in the form of Annexure PN22-D.

**ANNEXURE PN22-A**

**PART A**

**Transfer application**  
(paragraph 3.1(a))

Please tick wherever applicable. If not applicable, please indicate "N/A"  
[You may tick more than one box, where applicable]

# *Delete as appropriate*

<b>1.</b>	<b>Name of company</b>	
<b>2.</b>	<b>Type of securities</b>	Transfer from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad  (a) Ordinary shares <input style="float: right;" type="checkbox"/> (b) Warrants <input style="float: right;" type="checkbox"/> (c) Loan Stocks <input style="float: right;" type="checkbox"/>
<b>3.</b>	<b>SC's approval</b>	Approval from the SC has been obtained <input style="float: right;" type="checkbox"/>
<b>4.</b>	<b>Public shareholdings spread</b>	[ ] % and [ ] public shareholders
<b>5.</b>	<b>Tentative transfer date (to specify)</b>	
<b>6.</b>	<b>Conditionality of transfer</b>	The Transfer #is/is not conditional upon any other corporate proposals.  If in the affirmative, to provide details of the other corporate exercises, including the estimated time frame for completion:  _____
<b>7.</b>	<b>Confirmation</b>	We confirm the following:  (a) the composition of the board of directors of the listed corporation complies with the requirements of paragraph 15.02 of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("LR");  (b) the composition of the audit committee of the listed corporation complies with the requirements of paragraphs 15.09 and 15.10 of the LR; and  (c) the public shareholding spread based on the total number of shares for which listing is sought of the applicant is in compliance with paragraph 3.06 of the LR.

<b>8.</b>	<b>Undertaking</b>	<p>We undertake the following:</p> <p>(a) the prospectus or introductory document (where applicable) will be issued and dispatched to the shareholders and the information as set out in Part B of Annexure PN22-E will be announced 2 market days before the transfer date;</p> <p>(b) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the transfer to the Main Market, will be met; and</p> <p>(c) there are no circumstances or facts which have the effect of preventing or prohibiting the transfer to the Main Market including any order, injunction or any other directive issued by any court of law.</p>
<p>_____ [Authorised signatory of the Principal Adviser] Name: Designation: Date:</p>		<p>_____ [Authorised signatory of the listed corporation] Name: Designation: Date:</p>

**PART B**

**Information and documents to be disclosed and filed with a transfer application**  
(paragraph 3.1(b)(i))

- (1) A listed corporation must disclose or file the following information or documents in support of a transfer application:
- (a) a copy of the prospectus registered with the relevant authorities or the introductory document or where this is not available, a copy of the draft prospectus submitted to the relevant authorities or the draft introductory document, where applicable;
  - (b) a letter of undertaking in the form of Annexure PN22-B duly executed by the listed corporation together with a certified true extract of the resolution of the listed corporation's board of directors authorising the signatory;
  - (c) a letter of undertaking in the form of Annexure PN22-C duly executed by each director of the listed corporation;
  - (d) a letter in the form of Annexure PN22-D duly executed by each independent director of the listed corporation;
  - (e) a letter from the listed corporation's Principal Adviser confirming all approvals of relevant authorities have been obtained;
  - (f) a copy each of all letters of approval from the relevant authorities;

**Annexure PN22-A  
Transfer application**

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- (g) a cheque drawn to the order of Bursa Malaysia Securities Berhad or such other proof of payment acceptable to the Exchange for the listing fees as may be prescribed by the Exchange from time to time, together with a copy of the details of the computation of the amount of listing fees payable.
  
- (2) If any of the above documents are not filed because they are not applicable or available in any case, the listed corporation must submit a separate exhibit explaining why such documents are not applicable or available.

[ End of Annexure ]

**Annexure PN22-B**  
**Undertaking by a listed corporation for a transfer to the Main Market**

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**ANNEXURE PN22-B**

**Undertaking by a listed corporation transferring from the ACE Market to the Main Market**  
(paragraph 4.1)

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Compliance with Main Market Listing Requirements and Rules of Bursa Malaysia Securities Berhad  
(**"Bursa Securities"**)

In consideration of Bursa Securities approving the application for transfer of .....  
(**"Corporation"**) to the Main Market of Bursa Securities WE ACKNOWLEDGE that the Corporation shall remain on the Official List of Bursa Securities, and official quotation of any of the Corporation's securities shall continue only during the pleasure of Bursa Securities and WE UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements and the Rules of Bursa Securities , including any amendment as may be made from time to time, insofar as the same shall apply to the Corporation.

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

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

Date:

Signature:

Name:

\*\* Applicable to a foreign listed corporation only.

[ End of Annexure ]

**Annexure PN22-C**  
**Undertaking by a director for a transfer to the Main Market**

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**ANNEXURE PN22-C**

**Undertaking by a director of a listed corporation transferring from the ACE Market to the Main Market**

(paragraph 4.2(a))

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Compliance with Main Market Listing Requirements

I, .....[name of director], am a director of..... [name of the listed corporation ("**Corporation**") which has submitted an application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") to be transferred to the Main Market of Bursa Securities ("**Main Market**").

In consideration of Bursa Securities approving the Corporation's application for transfer to the Main Market, I UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements including any amendment as may be made from time to time, insofar as the same shall apply to me as a director of the Corporation.

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

Yours faithfully,

.....

Name:

NRIC No. (Old & New):

\*\*Passport No. & Country of Issuance:

Designation:

Date:

\*\* Applicable to a foreign director only.

[End of Annexure ]



Annexure PN22-D  
Confirmation by an independent director for transfer to the Main Market

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ANNEXURE PN22-D

**Letter of confirmation by an independent director of a listed corporation transferring from the ACE Market to the Main Market**  
(paragraph 4.2(b))

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Confirmation of "independence" pursuant to Main Market Listing Requirements

I, ..... [name of director], am a director of ..... [name of the listed corporation which has submitted an application to Bursa Securities to be transferred to the Main Market of Bursa Securities.

I CONFIRM AND DECLARE that I am an independent director as defined under paragraph 1.01 of Bursa Securities Main Market Listing Requirements.

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

Yours faithfully,

.....

Name:

NRIC No. (Old & New):

\*\*Passport No. & Country of Issuance:

Designation:

Date:

\*\* Applicable to a foreign independent director only.

[ End of Annexure ]

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**ANNEXURE PN22-E****PART A****Content of announcement***(subparagraph 2A.2)*

1. Information on the listed corporation including –
  - (a) a brief history of the corporation or business for the past 3 years or since inception, whichever is the later, and if reorganized as a result of merger, consolidation or reorganization, similarly the history of the predecessor corporations;
  - (b) the type and number of shares making up the share capital;
  - (c) the shareholding spread;
  - (d) the number of years the company has been listed on the ACE Market;
  - (e) profit and dividend record of the corporation/ group based on the audited or proforma (whichever applicable) financial statements for the past three to five financial years (or such shorter period that the corporation/group has been in operation) and the latest interim financial statements should be disclosed. Where there is any material fluctuation in turnover or profits in any of the years, an explanation of this. There should be a tabulation showing the following:
    - (i) revenue;
    - (ii) gross profit and gross profit margin;
    - (iii) EBITDA – earnings before interest, taxation, depreciation and amortisation;
    - (iv) other income;
    - (v) finance costs;
    - (vi) share of profits and losses of associates and joint ventures;
    - (vii) profit/loss before tax and profit/loss before tax margin;
    - (viii) tax expense;
    - (ix) profit/loss for the year and profit/loss margin;
    - (x) profit/loss attributable to non-controlling interest and equity holders of the parent; and
    - (x) basic and diluted earnings per share.
2. The market capitalization of the listed corporation.

**Part B**

**Information to be disclosed in the announcement for the transfer of securities to the Main Market**

*(subparagraph 2A.3)*

1. The transfer date;
2. Total number of shares which will be transferred to and listed on the Main Market;
3. Stock short name;
4. Stock code;
5. ISIN Code; and
6. Sector and market under which the securities will be listed.

[ End of Annexure ]

**BURSA MALAYSIA SECURITIES BERHAD****PRACTICE NOTE 23****LISTING PROCEDURES FOR SPECIFIC APPLICANTS**

Details		Cross References
Effective date:	3 August 2009	Paragraphs 4.04, 4.09, 4.14, 4.16, 4A.06, 4A.20, 4A.29 and 15.03
Revision date:	22 September 2011, 25 March 2013, 27 January 2015, 1 April 2015, 13 July 2015, 3 May 2016, 2 January 2018, 9 April 2018, 2 January 2018	

**1.0 Introduction**

1.1 This Practice Note sets out the following requirements in relation to an application for admission by a REIT under paragraph 4.04, an ETF under paragraph 4.09, a special purpose acquisition company under paragraph 4.14, and a business trust under paragraph 4.16 of the Listing Requirements respectively:

- (a) the procedures for admission;
- (b) the initial listing application forms and supporting documents;
- (c) the undertakings and confirmation by a director of a SPAC, trustee, management company, trustee-manager, director of a management company of a REIT and ETF, and director of a trustee-manager; and
- (d) other relevant requirements.

**PART I LISTING APPLICATION BY REIT****2.0 Procedures relating to listing of REIT**

2.1 The procedures relating to admission set out in paragraph 2.0 of Practice Note 21 apply to the listing of a REIT.

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**3.0 Listing application form and supporting documents**

- 3.1 A management company must file with the Exchange a listing application which consists of the following:
- (a) the application, in the form of Part A of Annexure PN23-A; and
  - (b) the supporting documents specified in Part B of Annexure PN21-A (where applicable) and Part B of Annexure PN23-A.

**4.0 Undertakings and confirmation**

- 4.1 A trustee and management company must give the Exchange an undertaking in the form of Annexure PN23-B.
- 4.2 A management company must ensure that -
- (a) every director of the management company gives the Exchange an undertaking in the form of Annexure PN23-C; and
  - (b) every director who is or has been appointed as an independent director gives the Exchange a letter in the form of Annexure PN23-D.

**5.0 Listing of issued and unissued units**

- 5.1 A management company must comply with paragraph 6.0 of Practice Note 21 as if it were the applicant mentioned in that paragraph 6.0, with the necessary modifications.

**PART II LISTING APPLICATION BY ETF****6.0 Procedures relating to listing of ETF**

- 6.1 The procedures relating to admission set out in paragraph 2.0 of Practice Note 21 apply to the listing of an ETF.

**7.0 Listing application**

- 7.1 A management company must file with the Exchange a listing application which consists of the following:
- (a) the application, in the form of Part A of Annexure PN23-E; and
  - (b) the supporting documents specified in Part B of Annexure PN21-A (where applicable) and Part B of Annexure PN23-E.
- 7.2 A management company must ensure that the application for listing referred to in paragraph 7.1 above covers all units approved for listing by the SC, including the unissued amount reserved for subsequent issuance.

---

**8.0 Undertakings and confirmation**

- 8.1 A trustee and management company must give the Exchange an undertaking in the form of Annexure PN23-F.
- 8.2 A management company must ensure that -
- (a) every director of the management company gives the Exchange an undertaking in the form of Annexure PN23-G; and
  - (b) every director who is or has been appointed as an independent director gives the Exchange a letter in the form of Annexure PN23-H.

**9.0 Listing of issued and unissued securities**

- 9.1 A management company must comply with paragraph 6.0 of Practice Note 21 as if it were the applicant mentioned in that paragraph 6.0, with the necessary modifications.

**PART III LISTING APPLICATION BY SPECIAL PURPOSE ACQUISITION COMPANY****10.0 Procedure relating to admission of a special purpose acquisition company**

- 10.1 The procedures relating to admission set out in paragraph 2.0 of Practice Note 21 apply to the listing by a SPAC.

**11.0 Listing application form and supporting documents**

- 11.1 A SPAC must file with the Exchange a listing application which consists of the following:
- (a) the application, in the form of Part A of Annexure PN23-I; and
  - (b) the supporting documents specified in Part B of Annexure PN23-I (where applicable).

**12.0 Undertakings and confirmation**

- 12.1 A SPAC must give the Exchange an undertaking in the form of Annexure PN21-B.
- 12.2 A SPAC must ensure that –
- (a) every director of the SPAC gives the Exchange an undertaking in the form of Annexure PN21-C; and
  - (b) every director who is or has been appointed as an independent director gives the Exchange a letter in the form of Annexure PN21-D.

**PART IV LISTING APPLICATION BY BUSINESS TRUST****13.0 Procedures and requirements relating to listing of business trust**

- 13.1 The requirements in Part I above apply to the listing of business trust as if the trustee-manager were the trustee or management company mentioned in that Part I, with the necessary modifications.
- 13.2 In addition to paragraph 13.1, where the SC imposes a moratorium on the sale of securities, the trustee-manager must also include an undertaking in the initial listing application that the following information on the moratorium will be submitted to the Depository before listing:
- (a) the names of securities holders;
  - (b) the number of securities; and
  - (c) the date(s) of expiry of the moratorium.

## ANNEXURE PN23-A

## Part A

Initial listing application in respect of a REIT  
(paragraph 3.1(a))

1.	Name of trust fund	
2.	Name of management company	
3.	Number of units applied for listing	
4.	Currency denomination which the new units will be listed and quoted	<p>(a) Ringgit Malaysia ("RM") <input type="checkbox"/></p> <p>(b) Others: (Please indicate) <input type="checkbox"/></p> <p>-----</p> <p>In the event the new units are listed and quoted in currencies other than RM, whether the approval of Bank Negara Malaysia has been obtained?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>
5.	Proforma unit spread	[ ]% and [ ] public unit holders
6.	Tentative listing date (to specify)	
7.	3 top preferences stock short name (limited to 7 characters)	<p>(a) Option 1:</p> <p>(b) Option 2:</p> <p>(c) Option 3:</p>
8.	Undertakings	<p>We undertake the following:</p> <p>(a) all notices of allotment will be issued and despatched to all successful applicants prior to the date of listing and quotation of the units;</p> <p>(b) all units will rank pari passu in all respects with each other;</p> <p>(c) all allotment information will be submitted to the Depository for the crediting of units into the respective securities holders' accounts;</p>



**Annexure PN23-A  
Initial listing application (REIT)**

		<p>(d) the unit spread will be in compliance with paragraph 4.07 of Bursa Malaysia Securities Berhad (“<b>Exchange</b>”) Main Market Listing Requirements (“<b>LR</b>”);</p> <p>(e) a schedule of distribution showing compliance to the unit spread mentioned in item (d) above, as per Part B(1)(d) of Annexure PN21-A will be furnished to the Exchange on the first day of listing;</p> <p>(f) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the units, will be met;</p> <p>(g) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the units including any order, injunction or any other directive issued by any court of law;</p> <p>(h) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the applicant has failed to meet any of the above undertakings referred to in paragraphs (a) to (f) or of any circumstances or facts referred to in paragraph (g) above; and</p> <p>(i) to announce to the Exchange in accordance with paragraphs 8.1 and 8.2 of Practice Note 21.</p>
<p>_____ [Authorised signatory of the Principal Adviser] Name: Designation: Date:</p>		<p>_____ [Authorised signatory of the management company] Name: Designation: Date:</p>

**Part B**

**Additional documents to be filed with an initial listing application in respect of a REIT**  
(paragraph 3.1(b))

- (1) A management company must file the following documents in support of a listing application for a REIT:
- (a) a copy of the trust deed registered with the relevant authorities together with the letter of compliance pursuant to paragraph 2.12 and a checklist showing compliance with Appendix 4A of the Listing Requirements;
  - (b) a copy of the constitution of the management company and all amendments to-date;
  - (c) a letter of undertaking in the form of Annexure PN23-B duly executed by the trustee and management company together with a certified true extract of the board of directors’ resolutions of the boards of the trustee and management company authorising the signatories;
  - (d) a letter of undertaking in the form of Annexure 23-C duly executed by each director of the management company;

**Annexure PN23-A  
Initial listing application (REIT)**

- 
- (e) a letter in the form of Annexure 23-D duly executed by the independent director of the management company; and
- (f) a letter of notification issued by the management company for the appointment of stabilizing manager that includes -
- (i) where the stabilizing manager is a Participating Organisation, the name, business address and contact person of the Participating Organisation, name of the Capital Markets Services Representative's License holder who will be conducting the stabilizing action;
  - (ii) where the stabilizing manager is not a Participating Organisation, the name and business address of the person appointed as the stabilizing manager and a contact person, the name of the Participating Organization and the Capital Markets Services Representative's License holder who has been appointed to conduct the stabilizing action;
  - (iii) where a stabilizing manager is appointed outside Malaysia, the name, address and contact person of the stabilizing manager appointed at that jurisdiction, the name, address and contact person of the Participating Organisation appointed in Malaysia to conduct the stabilizing action in Malaysia, along with the name of the Capital Markets Services Representative's License holder who will be conducting the stabilizing action in Malaysia; or
  - (iv) an undertaking to inform the Exchange of any subsequent change of the stabilizing manager, Capital Markets Services Representative's License holder or Participating Organisation, where applicable, immediately upon such change.
- (2) If any of the above documents are not filed because they are not applicable in any case, the management company must submit a separate exhibit explaining why such documents are not applicable.

[End of Annexure]

Annexure PN23-B  
Undertaking by trustee/management company (REIT)

ANNEXURE PN23-B

Undertaking by a trustee and management company of a REIT  
(paragraph 4.1)

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur.

Compliance with Main Market Listing Requirements and Rules of Bursa Malaysia Securities Berhad  
("Bursa Securities")

In consideration of Bursa Securities granting the application for admission of ..... [name of the real estate investment trust] ("Trust") to the Official List of Bursa Securities ("Official List") and for official quotation of the units described in our listing application, WE, ..... [names of trustee and management company] ACKNOWLEDGE that the Trust shall remain on the Official List, and official quotation of any of the Trust's units shall continue only during the pleasure of Bursa Securities and WE UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements and the Rules of Bursa Securities, including any amendment as may be made from time to time, insofar as the same shall apply to the Trust.

The above Undertaking has been signed by us as -

- (i) .....[title] of .....[trustee] pursuant to the authority granted to me by resolution of the board of directors of the said trustee on .....
- (ii) .....[title] of .....[management company] pursuant to authority granted to me by resolution of the board of directors of the said management company on .....

Date:  
Trustee:  
Signature:  
Name:

Date:  
Management company:  
Signature:  
Name:

[End of Annexure]

Annexure PN23-C  
Undertaking by a director of management company (REIT)

ANNEXURE PN23-C

Undertaking by a director of a management company of a REIT  
(paragraph 4.2(a); paragraph 15.03(1) of the Listing Requirements)

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Compliance with Main Market Listing Requirements

I, ..... [name of director], am a director of .....[name of management company] ("**Company**") #which has submitted an application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the real estate investment trust.....[name of the trust] ("**Trust**") to be admitted to the Official List of Bursa Securities ("**Official List**") / for the real estate investment trust.....[name of the trust] ("**Trust**") which is/are listed on the Official List of Bursa Securities.

In consideration of Bursa Securities #approving the Company's application for admission of the Trust to the Official List / allowing the continued listing of the Trust on the Official List, I UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements including any amendment as may be made from time to time, insofar as the same shall apply to me as a director of the Company.

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

Yours faithfully,

.....

Name:

NRIC No. (Old & New):

\*\*Passport No. & Country of Issuance:

Designation:

Date:

# Delete as appropriate

\*\* Applicable to a foreign director only.

[End of Annexure]

**Annexure PN23-D  
Confirmation by an independent director (REIT)**

**ANNEXURE PN23-D**

**Letter of confirmation by an independent director of a management company of a REIT**  
(paragraph 4.2(b); paragraph 15.03(2) of the Listing Requirements)

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Confirmation of "independence" pursuant to Main Market Listing Requirements

I, ..... [name of director], am a director of ..... [name of management company of real estate investment trust] for the real estate investment trust.....[name of the trust] ("**Trust**") which #has submitted an application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") to be admitted to the Official List of Bursa Securities / is listed on the Official List of Bursa Securities.

I CONFIRM AND DECLARE that I am an independent member as defined in the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts.

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

Yours faithfully,

.....

Name:

NRIC No. (Old & New):

\*\*Passport No. & Country of Issuance:

Designation:

Date:

# Delete as appropriate

\*\* Applicable to a foreign independent director only.

[End of Annexure]

## ANNEXURE PN23-E

## Part A

Initial listing application in respect of an ETF  
(paragraph 7.1(a))

1.	Name of fund	
2.	Name of management company	
3.	Number of units applied for listing	
4.	Tentative listing date (to specify)	
5.	3 top preferences stock short name (limited to 7 characters)	(a) Option 1: (b) Option 2: (c) Option 3:
6.	Undertakings	We undertake the following:  (a) all notices of allotment will be issued and despatched to all successful applicants prior to the date of listing and quotation of the units, or where it relates to new units issued after listing, upon creation of the new units, as the case may be;  (b) all units issued will rank pari passu in all respects with each other, or where it relates to new units issued after listing, such units will rank pari passu in all respects with the existing units;  (c) all allotment information will be submitted to the Depository for the crediting of units issued;  (d) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met prior to the listing and quotation of the units have been met, or where it relates to new units issued after listing, such conditions will be met, as the case may be;  (e) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the units, including any order, injunction or any other directive issued by any court of law;  (f) in relation to the new units issued after listing, there will be no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the units, including any order, injunction or any other directive issued by any court of law;

**Annexure PN23-E**  
**Initial listing application (exchange-traded fund)**

		<p>(g) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the applicant has failed to meet any of the above undertakings referred to in paragraphs (a) to (d) or of any circumstances or facts referred to in paragraphs (e) and (f) above; and</p> <p>(h) to announce to the Exchange in accordance with paragraphs 8.1 and 8.2 of Practice Note 21.</p>
<p>[Authorised signatory of the management company] Name: Designation: Date:</p>		

**Part B**

**Additional documents to be filed with a listing application in respect of an ETF**  
(paragraph 7.1(b))

- (1) A management company must file the following documents in support of a listing application for an ETF:
  - (a) a copy of the trust deed registered with the relevant authorities;
  - (b) a copy of the constitution of the management company and all amendments to-date;
  - (c) a letter of undertaking in the form of Annexure PN23-F duly executed by the trustee and management company together with a certified true extract of the board of directors' resolutions of the boards of the trustee and management company authorising the signatories;
  - (d) a letter of undertaking in the form of Annexure PN23-G duly executed by each director of the management company; and
  - (e) a letter in the form of Annexure PN23-H duly executed by each independent director of the management company.
- (2) If any of the above documents is not filed because it is not applicable in any case, the management company must submit a separate exhibit explaining why such documents are not applicable.

[End of Annexure]

**Annexure PN23-F  
Undertaking by trustee/management company  
(exchange-traded fund)**

**ANNEXURE PN23-F**

**Undertaking by a trustee and management company of an ETF  
(paragraph 8.1)**

To:  
Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur.

Compliance with Main Market Listing Requirements and Rules of Bursa Malaysia Securities Berhad  
(“**Bursa Securities**”)

In consideration of Bursa Securities granting the application for admission of ..... [name of the exchange-traded fund] (“**ETF**”) to the Official List of Bursa Securities (“**Official List**”) and for official quotation of the units described in our listing application, WE, ..... [names of trustee and management company] **ACKNOWLEDGE** that the ETF shall remain on the Official List, and official quotation of any of the ETF’s units shall continue only during the pleasure of Bursa Securities and WE **UNDERTAKE AND AGREE** to comply with Bursa Securities Main Market Listing Requirements and the Rules of Bursa Securities, including any amendment as may be made from time to time, insofar as the same shall apply to the ETF.

\*\*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 as -

(i) .....[title] of .....[trustee] pursuant to the authority granted to me by resolution of the board of directors of the said trustee on .....

(ii) .....[title] of .....[management company] pursuant to authority granted to me by resolution of the board of directors of the said management company on .....

Date:  
Trustee:  
Signature:  
Name:

Date:  
Management company:  
Signature:  
Name:

\*\* Applicable to a foreign trustee and management company only.

[End of Annexure]



**Annexure PN23-G**  
**Undertaking by a director of management company**  
**(exchange-traded fund)**

**ANNEXURE PN23-G**

**Undertaking by a director of a management company of an ETF**  
 (paragraph 8.2(a); paragraph 15.03(1) of the Listing Requirements)

To:

Bursa Malaysia Securities Berhad  
 Exchange Square  
 Bukit Kewangan  
 50200 Kuala Lumpur

Compliance with Main Market Listing Requirements

I, ..... [name of director], am a director of .....[name of management company] ("**Company**") #which has submitted an application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the exchange-traded fund .....[name of the fund] ("**ETF**") to be admitted to the Official List of Bursa Securities ("**Official List**") / for the exchange-traded fund.....[name of the fund] ("**ETF**") which is/are listed on the Official List of Bursa Securities.

In consideration of Bursa Securities #approving the Company's application for admission of the ETF to the Official List / allowing the continued listing of the ETF on the Official List, I UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements including any amendment as may be made from time to time, insofar as the same shall apply to me as a director of the Company.

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

Yours faithfully,

.....

Name:

NRIC No. (Old & New):

\*\*Passport No. & Country of Issuance:

Designation:

Date:

# Delete as appropriate

\*\* Applicable to a foreign director only.

[End of Annexure]

Annexure PN23-H  
Confirmation by an independent director  
(exchange-traded fund)

ANNEXURE PN23-H

Letter of confirmation by an independent director of a management company of an ETF  
(paragraph 8.2(b); paragraph 15.03(2) of the Listing Requirements)

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Confirmation of "independence" pursuant to Main Market Listing Requirements

I, ..... [name of director], am a director of ..... [name of management company of exchange-traded fund] for the exchange-traded fund .....[name of the fund] ("ETF") which #has submitted an application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") to be admitted to the Official List of Bursa Securities / is listed on the Official List of Bursa Securities.

I CONFIRM AND DECLARE that I am an independent member in the Securities Commission Malaysia's Guidelines on Exchange-Traded Funds.

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

Yours faithfully,

.....

Name:

NRIC No. (Old & New):

\*\*Passport No. & Country of Issuance:

Designation:

Date:

# Delete as appropriate

\*\* Applicable to a foreign independent director only.

[End of Annexure]

## ANNEXURE PN23-I

## Part A

Initial listing application in respect of SPAC  
(paragraph 11.1 (a))

**Please tick wherever applicable. If not applicable, please indicate "N/A"**  
[You may tick more than one box, where applicable]

# Delete as appropriate

1.	Name of company	
2.	Details of proposals which form part of the IPO	
	Number & types of securities applied for listing & issue price (if any)	
3.	Proforma public shareholdings spread	<b><u>ORDINARY SHARE/ PREFERENCE SHARES</u></b> [ ]% and [ ] public shareholders
4.	Tentative listing date (to specify)	
5.	Top 3 preferences stock short name (limited to 7 characters)	(a) Option 1: (b) Option 2: (c) Option 3:
6.	Currency denomination which the new securities will be listed and quoted	(a) Ringgit Malaysia ("RM") <input type="checkbox"/> (b) Others: (Please indicate) <input type="checkbox"/> ----- In the event the new securities are listed and quoted in currencies other than RM, whether the approval of Bank Negara Malaysia has been obtained?  Yes <input type="checkbox"/> No <input type="checkbox"/>

7.	Undertakings	<p>We undertake the following:</p> <ul style="list-style-type: none"> <li>(a) the return of allotment will be filed with the Registrar pursuant to the Companies Act or in relation to a foreign corporation, the relevant document showing its latest issued and paid-up capital will be filed with the relevant authority pursuant to the laws of the place of incorporation;</li> <li>(b) all notices of allotment will be issued and despatched to all successful applicants before the date of listing and quotation of the securities;</li> <li>(c) the securities will rank pari passu in all respects with each other;</li> <li>(d) the public shareholding spread based on the total number of shares for which listing is sought of the applicant will be in compliance with paragraph 3.06 of Bursa Malaysia Securities Berhad (“<b>Exchange</b>”) Main Market Listing Requirements (“<b>LR</b>”);</li> <li>(e) a schedule of actual distribution of the public shareholding spread mentioned in item (d) above, as per Part B(1)(d) of Annexure PN23-I, will be furnished to the Exchange on the first day of listing;</li> <li>(f) where the SC imposes a moratorium on the sale of securities, the following information on the moratorium will be submitted to the Depository before the listing: <ul style="list-style-type: none"> <li>(i) the names of securities holders;</li> <li>(ii) the number of securities; and</li> <li>(iii) the date(s) of expiry of the moratorium;</li> </ul> </li> <li>(g) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities will be met;</li> <li>(h) all allotment information of new securities will be submitted to the Depository for the crediting of securities into the respective securities holders’ accounts;</li> <li>(i) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law;</li> <li>(j) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the applicant has failed to meet any of the undertakings referred to in paragraphs (a) to (h) or of any circumstances or facts referred to in paragraph (i) above;</li> <li>(k) to announce to the Exchange the relevant information in accordance with paragraphs 8.1 and 8.2 of Practice Note 21; and</li> </ul>
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		(l) to announce the latest quarterly results, where applicable, at least 2 market days before the date of listing.
_____ [Authorised signatory of the Principal Adviser] Name: Designation: Date:		_____ [Authorised signatory of the applicant] Name: Designation: Date:

**PART B**

**Documents to be filed with a listing application**  
(paragraphs 11.1(b))

- (1) An applicant must file the following documents in support of a listing application:
- (a) a copy each of the constitution and all amendments to-date and one copy each of the notice of registration/certificate of incorporation, certificate of change of status and certificate of change of name, if any, together with a letter of compliance pursuant to paragraph 2.12 and a checklist showing compliance with the relevant provisions of Chapter 7;
  - (b) a copy of the draft prospectus submitted to the relevant authorities or the draft introductory document;
  - (c) a specimen copy of each denomination of certificates of the class to be listed. If transfer offices and registrars are maintained in more than one place, one specimen of each denomination of certificates used in each office (see Chapter 8 for form and content of certificates);
  - (d) a statement on the percentage of the total number of shares for which listing is sought which are held by the public, the number of public shareholders and a pro forma distribution of the shares in the following format:

<i>Particulars</i>	<i>No of Shares</i>	<i>No of shareholders</i>	<i>Percentage %</i>
--------------------	-------------------------	-------------------------------	---------------------

*Share capital*

*Less:*

*Directors of the applicant and its subsidiaries  
Substantial shareholders of the applicant (except where such shareholder may be included as "public")*

*Associates of  
directors or substantial  
shareholders of the  
applicant*

*Shareholders  
holding less than  
100 shares* -----

*Public shareholdings*

- (e) a letter of undertaking in the form of Annexure PN21-B duly executed by the applicant together with a certified true extract of the applicant's board of directors' resolution authorising the signatory;
- (f) a letter of undertaking in the form of Annexure PN21-C duly executed by each director of the applicant;
- (g) a letter in the form of Annexure PN21-D duly executed by each independent director of the applicant;
- (h) a letter from the applicant's Principal Adviser confirming all approvals of relevant authorities have been obtained;
- (i) a copy each of all letters of approval from the relevant authorities;
- (j) a proposal as to classification of the applicant in a specific sector in the prescribed form;
- (k) a letter of notification issued by the applicant for the appointment of stabilizing manager that includes -
  - (i) where the stabilizing manager is a Participating Organisation, the name, business address and contact person of the Participating Organisation, name of the Capital Markets Services Representative's License holder who will be conducting the stabilizing action;
  - (ii) where the stabilizing manager is not a Participating Organisation, the name and business address of the person appointed as the stabilizing manager and a contact person, the name of the Participating Organization and the Capital Markets Services Representative's License holder who has been appointed to conduct the stabilizing action;
  - (iii) where a stabilizing manager is appointed outside Malaysia, the name, address and contact person of the stabilizing manager appointed at that jurisdiction, the name, address and contact person of the Participating Organisation appointed in Malaysia to conduct the stabilizing action in Malaysia, along with the name of the Capital Markets Services Representative's License holder who will be conducting the stabilizing action in Malaysia; or
  - (iv) an undertaking to inform the Exchange of any subsequent change of the stabilizing manager, Capital Markets Services Representative's License holder or Participating Organisation, where applicable, immediately upon such change; and

**Annexure PN23-I  
Initial listing application (SPAC)**

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- (1) a cheque drawn to the order of Bursa Malaysia Securities Berhad or such other proof of payment acceptable to the Exchange for the listing fees as may be prescribed by the Exchange from time to time, together with a copy of the details of the computation of the amount of listing fees payable.
- (2) If any of the above documents are not filed because they are not applicable or available in any case, an applicant must submit a separate exhibit explaining why such documents are not applicable or available.

[End of Annexure]

**BURSA MALAYSIA SECURITIES BERHAD****PRACTICE NOTE 24****LISTING PROCEDURES FOR FOREIGN LISTING**

Details		Cross References
Effective date:	3 August 2009	Paragraphs 4A.06 and 4A.20
Revision date:	25 March 2013, 1 April 2015, 13 July 2015, 2 January 2018, 9 April 2018	

**1.0 Introduction**

- 1.1 This Practice Note sets out the following requirements in relation to a foreign corporation, foreign collective investment scheme or a foreign business trust seeking a primary listing, and a corporation, collective investment scheme or business trust seeking a secondary listing, on the Main Market under paragraphs 4A.06 and 4A.20 respectively:
- (a) the procedures for admission;
  - (b) the listing and quotation application (where applicable) forms and supporting documents;
  - (c) the undertakings and confirmation by an applicant and its directors; and
  - (d) other relevant requirements.

**PART I LISTING APPLICATION FOR A PRIMARY LISTING****2.0 Procedure relating to admission**

- 2.1 The procedures relating to admission set out in paragraph 2.0 of Practice Note 21 apply to an application for a primary listing on the Main Market.

**3.0 Listing application form and supporting documents**

- 3.1 An applicant seeking a primary listing on the Main Market must file with the Exchange a listing application which consists of the following:
- (a) the application, in the form of Part A of Annexure PN21-A, Part A of Annexure PN23-A or Part A of Annexure PN23-E, as the case may be; and
  - (b) the supporting documents specified in Part B of Annexure PN21-A, Part B of Annexure PN23-A or Part B of Annexure PN23-E, as the case may be, and Part B of Annexure PN24-A.



#### 4.0 Undertakings and confirmation

- 4.1 An applicant seeking a primary listing on the Main Market must give the Exchange an undertaking in the form of Annexure PN21-B, Annexure PN23-B or Annexure PN23-F, as the case may be.
- 4.2 An applicant seeking a primary listing on the Main Market must ensure that -
- (a) every one of its directors gives the Exchange an undertaking in the form of Annexure PN21-C, Annexure PN23-C or Annexure PN23-G, as the case may be; and
  - (b) every director who is or has been appointed as an independent director gives the Exchange a letter in the form of Annexure PN21-D, Annexure PN23-D or Annexure PN23-H, as the case may be.

### PART II LISTING APPLICATION FOR A SECONDARY LISTING

#### 5.0 Procedures relating to admission

- 5.1 The following procedures apply to the admission of an applicant seeking a secondary listing on the Main Market, with the necessary modifications, as may be applicable:
- (a) an applicant submits an application to the relevant authorities at the place of incorporation and other stock exchange(s) ("**Relevant Authorities**") and the SC, if required under the applicable laws and rules;
  - (b) the Relevant Authorities and the SC approve the listing;
  - (c) the applicant files with the Exchange its constitution together with a letter of compliance accompanied by a checklist showing compliance;
  - (d) the applicant files the final copy of the prospectus with the Relevant Authorities;
  - (e) the applicant -
    - (i) issues the prospectus and the offer period opens, if the listing entails an offer of securities to the public;
    - (ii) advertises the prospectus; and
    - (iii) provides the Exchange with such number of copies of the printed prospectus as may be determined by the Exchange from time to time.
  - (f) the applicant files with the Exchange a listing application together with supporting documents;
  - (g) Exchange grants approval-in-principle for the admission of securities;
  - (h) if the listing entails an offer of securities, the applicant announces the level of subscription and the basis of allocation;
  - (i) the applicant issues securities and notices of allotment;
  - (j) the applicant files with the Exchange a quotation application together with supporting documents; and

- (k) securities are admitted to the Official List and quoted on the Exchange 2 clear market days after receipt of the quotation application together with the requisite documents and confirmations and the same have been found to be complete in all respects.

## 6.0 Listing and quotation application

- 6.1 An applicant must file with the Exchange a listing application which consists of the following:
- (a) the application, in the form of Part A of Annexure PN24-A, duly signed by the applicant; and
  - (b) the supporting documents specified in Part B of Annexure PN24-A.
- 6.2 An applicant must also file with the Exchange a quotation application which is accompanied by -
- (a) the documents specified in Part C of Annexure PN24-A; and
  - (b) a confirmation that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law.

## 7.0 Undertakings and confirmation

- 7.1 An applicant must give the Exchange an undertaking in the form of Annexure PN21-B, Annexure PN23-B or Annexure PN23-F, as the case may be.
- 7.2 An applicant must ensure that every one of its directors gives the Exchange an undertaking in the form of Annexure PN21-C, Annexure PN23-C or Annexure PN23-G, as the case may be.

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

- 8.1 An applicant must comply with paragraph 5.0 of Practice Note 21 in relation to the prescription and depositing of the securities of an applicant, as if the applicant were the applicant mentioned in that paragraph 5.0.

## 9.0 Listing of issued and unissued securities

- 9.1 An applicant must apply for approval-in-principle to list only –
- (a) that part of the securities which have been issued; and
  - (b) securities to be issued in connection with the listing application.
- 9.2 If an additional unissued amount is reserved for subsequent issuance for a specific purpose, an applicant must apply for an approval-in-principle to add that amount to the Official List in the future for that specific purpose.
- 9.3 An applicant must not apply for an approval-in-principle for the listing of any security which is not reserved for subsequent issuance for a specific purpose.

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**Listing Procedures for Foreign Listing**

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- 9.4 An applicant must submit an application for quotation for such reserved amount for which approval-in-principle has been granted pursuant to subparagraph 9.1 above, upon actual issuance of such amount in accordance with the provisions of Practice Note 25.

**10.0 Classification of an applicant of secondary listing**

Paragraph 7.0 of Practice Note 21 applies to an applicant seeking for secondary listing on the Main Market, with the necessary modifications.

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**ANNEXURE PN24-A****PART A****Contents of a listing application for secondary listing**

(paragraph 6.1(a))

Title page showing -

- (a) the name of the applicant and when and where it was incorporated;
- (b) the address of the principal registered office and the address of each office at which a share register or register of unit holders is kept;
- (c) the class of securities proposed for listing and their par value (if any);
- (d) the date of application, and formal request for listing, specifying amount, class and par value (if any) of the securities proposed for listing and whether the securities are fully paid; and
- (e) the currency which the new securities will be listed and quoted. In the event the new securities are to be listed and quoted in currencies other than RM, a statement on whether the approval from Bank Negara Malaysia has been obtained

**Part B****Documents to be filed with a listing application for primary and secondary listing**

(paragraphs 3.1(b) and 6.1(b))

- (1) An applicant must file the following documents in support of a listing application:
  - (a) a confirmation that it is able to comply with the Listing Requirements, where applicable, insofar as such compliance does not contravene the laws of the place of incorporation;
  - (b) where the applicant is unable to comply with the Listing Requirements, a report from an independent legal adviser explaining why compliance with the relevant provisions of the Listing Requirements will contravene the laws of the place of incorporation;
  - (c) in addition, for a foreign corporation, a copy of the certificate of registration issued by the Registrar under Division 1 of Part V of the Companies Act;
  - (d) a copy each of the constitution, trust deed or other constituent documents, as the case may be, and all amendments to-date including the amendments to incorporate the standards of corporate governance, shareholders and minority interest protection and regulation on take-over and mergers equivalent to those provided in Malaysia in cases where the laws of the place of incorporation do not have the requisite standards together with a comparison of such standards provided in the laws of the place of incorporation and those provided in Malaysia, where applicable;
  - (e) a copy each of the notice of registration/certificate of incorporation, certificate of change of status and certificate of change of name, if any;
  - (f) a copy of the prospectus registered with the relevant authorities or where this is not available, one copy of the draft prospectus submitted to the relevant authorities;

**Annexure PN24-A**  
**Listing application for primary/secondary listing**

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- (g) a specimen copy of each denomination of certificates of the class to be listed. If transfer offices and registrars are maintained in more than one place, one specimen of each denomination of certificates used in each office;
  - (h) a letter of undertaking in the form of Annexure PN21-B, Annexure PN23-B or Annexure PN23-F, as the case may be, duly executed by the applicant together with a certified true extract of the applicant's board of directors' resolution authorizing the signatory;
  - (i) a letter of undertaking in the form of Annexure PN21-C, Annexure PN23-C or Annexure PN23-G, as the case may be, duly executed by each director of the applicant;
  - (j) a letter in the form of Annexure PN21-D, Annexure PN23-D or Annexure PN23-H, as the case may be, duly executed by each independent director of the applicant, where applicable;
  - (k) a letter from the applicant's Principal Adviser confirming all approvals of relevant authorities have been obtained;
  - (l) a copy each of all letters of approval from the relevant authorities; and
  - (m) a proposal as to classification of the applicant in a specific sector in the prescribed form.
- (2) If any of the above documents are not filed because they are not applicable or available in any case, the applicant must submit a separate exhibit explaining why such documents are not applicable or available.

**Part C****Documents to be filed with a quotation application**

(paragraph 6.2(a))

- (1) A copy of the latest return of allotment filed with the Registrar or in relation to a foreign corporation, a copy of a document showing its latest issued and paid-up capital filed with the relevant authority pursuant to the laws of the place of incorporation or in the event no such document is required to be filed pursuant to the relevant laws, a confirmation from the foreign corporation as to its latest issued and paid-up capital.
- (2) An undertaking that all notices of allotment will be issued and dispatched to all successful applicants before the date of listing and quotation of the securities.
- (3) A confirmation from the Depository of the receipt of the allotment information for crediting of the securities.
- (4) A cheque drawn to the order of Bursa Malaysia Securities Berhad or such other proof of payment acceptable to the Exchange for the listing fees as may be prescribed by the Exchange from time to time, together with a copy of the details of the computation of the amount of listing fees payable.

**Annexure PN24-A**  
**Listing application for primary/secondary listing**

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- (5) Where a moratorium is imposed on the sale of securities, the following information on the moratorium:
- (a) the names of securities holders;
  - (b) the number of securities;
  - (c) the date (s) of expiry of the moratorium; and
  - (d) a confirmation that the above information has been submitted to the Depository.
- (6) A confirmation from the Principal Adviser that all conditions including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities have been met.
- (7) Such applicable documents set out in Part B of Annexure PN24-A which were not submitted.
- (8) A confirmation from the Principal Adviser that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the applicant's securities, including any order, injunction or any other directive issued by any court of law.
- (9) A confirmation from the Principal Adviser that the new securities rank pari passu in all respects with each other.

[End of Annexure]

## BURSA MALAYSIA SECURITIES BERHAD

### PRACTICE NOTE 25

#### LISTING PROCEDURES FOR NEW ISSUE OF SECURITIES BY ISSUERS WITH SECONDARY LISTING

Details	Cross References
Effective date:	3 August 2009
Revision date:	Paragraph 4A.24
	25 March 2013, 1 April 2015, 13 July 2015

#### 1.0 Introduction

- 1.1 This Practice Note sets out the following requirements in relation to a listing application by an issuer with a secondary listing on the Main Market under paragraph 4A.24 (i.e. for listing of a new issue of securities):
- (a) the procedures for new issue of securities; and
  - (b) the listing and quotation application forms and supporting documents.

#### 2.0 Procedures relating to listing of a new issue of securities

- 2.1 The following procedures apply to the listing of a new issue of securities by an issuer with secondary listing on the Main Market, with the necessary modifications, as may be applicable:
- (a) listed issuer immediately announces the new issue of securities to the Exchange upon the approval of its board of directors;
  - (b) listed issuer submits an application to the following parties if required under the applicable laws and rules –
    - (i) relevant authorities at the place of incorporation; and
    - (ii) the other stock exchange where the new issue of securities are admitted and quoted (“**Stock Exchange**”),

(i) and (ii) above referred to collectively in this Practice Note as “**Relevant Authorities**”;
  - (c) the Relevant Authorities approve the issuance and listing of the securities;
  - (d) listed issuer files with the Exchange a listing application for the new issue of securities together with supporting documents;

**Practice Note 25**  
**Listing Procedures for New Issue of Securities**  
**By Issuers with Secondary Listing**

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- (e) Exchange grants approval-in-principle for the listing of the new issue of securities;
- (f) listed issuer obtains shareholder approval, if required, under the applicable laws and rules;
- (g) listed issuer fixes relevant books closing and entitlement dates, where applicable, and immediately announces such dates to the Exchange;
- (h) listed issuer issues and allots the securities;
- (i) listed issuer files with the Exchange a quotation application together with supporting documents at least 2 market days before the securities are admitted and quoted on the Stock Exchange; and
- (j) securities are admitted to the Official List and quoted on the Exchange at the same time as they are admitted and quoted on the Stock Exchange if the quotation application together with the supporting documents are found to be complete in all respects.

2.2 If the listed issuer fails to make an application to the Relevant Authorities and the Exchange by the date specified in the announcement under paragraph 2.1 above, it must immediately announce to the Exchange the fact of such failure, its reasons and when it expects to make the application.

### **3.0 Listing and quotation application**

3.1 An issuer with a secondary listing on the Main Market must file with the Exchange a listing application for a new issue of securities which consists of the following:

- (a) the application, in the form of Part A of Annexure PN25-A, duly signed by the listed issuer;
- (b) the supporting documents specified in Part B of Annexure PN25-A; and
- (c) the proposed admission and quotation date of the new securities on the Stock Exchange.

3.2 A listed issuer must also file with the Exchange a quotation application for a new issue of securities which is accompanied by -

- (a) a confirmation of the admission and quotation date of the new securities on the Stock Exchange;
- (b) the documents specified in Part C of Annexure PN25-A;
- (c) such applicable documents set out in paragraph 3.1 above which were not submitted; and
- (d) other documents as may be specified in the approval-in-principle granted by the Exchange.



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**ANNEXURE PN25-A****Part A****Contents of a listing application for a new issue of securities**

(paragraph 3.1(a))

- (1) Title Page showing -
  - (a) the name of the issuer with a secondary listing on the Main Market;
  - (b) the full title or designation of the securities proposed for listing;
  - (c) the date of application and formal request for listing, specifying the amount, par value (if any) and title of the securities proposed for listing, and whether the securities are fully paid;
  - (d) the purpose of issuance; and
  - (e) the currency which the new issue of securities will be listed and quoted. In the event the new issue of securities are to be listed and quoted in currencies other than RM, a statement on whether the approval from Bank Negara Malaysia has been obtained.
- (2) A table showing the class, ranking and number securities proposed for listing.

**Part B****Documents to be filed with a listing application for a new issue of securities**

(paragraph 3.1(b))

- (1) An issuer with a secondary listing on the Main Market must file the following documents in support of a listing application for a new issue of securities:
  - (a) a copy of the circular, prospectus or abridged prospectus which is registered with the relevant authorities;
  - (b) a certified true copy of the relevant resolution passed by securities holders in general meeting;
  - (c) a letter from the issuer's Principal Adviser confirming all approvals of relevant authorities have been obtained;
  - (d) a copy each of all letters of approval from the relevant authorities; and
  - (e) a cheque drawn to the order of Bursa Malaysia Securities Berhad or such other proof of payment acceptable to the Exchange for the processing fee as may be prescribed by the Exchange from time to time, where applicable, together with a copy of the details of the computation of the amount of listing fees payable.
- (2) If any of the above documents are not filed because they are not applicable or available in any case, the issuer must submit a separate exhibit explaining why such documents are not applicable or available.

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**Part C****Documents to be filed with a quotation application of a new issue of securities**  
(paragraph 3.2(b))

An issuer with a secondary listing on the Main Market must file the following documents in support of a quotation application of a new issue of securities:

- (a) a confirmation from the issuer as to its latest issued and paid-up capital;
- (b) a confirmation that all notices of allotment have been issued and despatched to the entitled holders;
- (c) a confirmation from the issuer that the Depository is ready to credit the new securities to the accounts of the entitled holders, after receiving the allotment information for crediting of the new securities;
- (d) a cheque drawn to the order of Bursa Malaysia Securities Berhad or such other proof of payment acceptable to the Exchange for the listing fees as may be prescribed by the Exchange from time to time, together with a copy of the details of the computation of the amount of listing fees payable;
- (e) a confirmation from the Principal Adviser of whether the new issue of securities will be listed and quoted as the existing securities of the same class or will be separately quoted on the listing date. If the new issue of securities will be separately quoted on the listing date, to specify the entitlement that the holders of the new issue of securities will not be entitled to;
- (f) a confirmation from the Principal Adviser that all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities have been met;
- (g) a confirmation from the Principal Adviser that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities, including any order, injunction or any other directive issued by any court of law; and
- (h) such other documents which are not/have not been submitted pursuant to Part B of Annexure PN25-A.

[ End of Annexure ]

**BURSA MALAYSIA SECURITIES BERHAD****PRACTICE NOTE 26****LISTING PROCEDURES OF SUKUK AND DEBT SECURITIES**

Details		Cross References
Effective date:	3 August 2009	Paragraph 4B.04
Revision date:	26 September 2012, 1 April 2015, 13 July 2015, 2 January 2018	

**1.0 Introduction**

- 1.1 This Practice Note sets out the following requirements in relation to an application for listing of sukuk and debt securities on the Official List as Exchange Traded Bonds or under an Exempt Regime under Chapter 4B of the Listing Requirements:
- (a) the procedures for admission;
  - (b) the initial listing application form and supporting documents;
  - (c) the undertakings and confirmation by an issuer, guarantor, obligor and director as the case may be; and
  - (d) other relevant requirements.

**PART A – ADMISSION OF EXCHANGE TRADED BONDS****2.0 Procedures relating to admission**

- 2.1 The following procedures apply to the listing and quotation of sukuk or debt securities on the Exchange as Exchange Traded Bonds, with the necessary modification, as may be applicable.
- (a) issuer submits an application to SC, where applicable;
  - (b) SC approves the application and listing of sukuk or debt securities, where applicable;
  - (c) issuer files with the Exchange a listing application together with supporting documents;
  - (d) issuer files the final copy of prospectus or information memorandum with the relevant authorities, where applicable;

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**Listing Procedures of Sukuk and Debt Securities**

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- (e) Exchange grants approval for the admission of sukuk or debt securities;
- (f) issuer, where applicable:
  - (i) issues the prospectus or information memorandum;
  - (ii) advertises the prospectus or information memorandum;
  - (iii) provides the Exchange with such number of copies of the printed prospectus or information memorandum, as may be determined by the Exchange from time to time; and
  - (iv) announces to the Exchange, the indicative timetable of the initial public offering containing the information set out in paragraph 6.1 below.
- (g) the issuer announces the level of subscription and the basis of allocation to the public, if any;
- (h) issuer issues sukuk or debt securities and notices of allotment, where applicable;
- (i) issuer announces to the Exchange the relevant information in accordance with paragraph 6.2 below; and
- (j) sukuk or debt securities are admitted to the Official List and quoted on the Exchange.

### **3.0 Listing application form and supporting documents**

- 3.1 An issuer seeking listing and quotation of its sukuk or debt securities on the Exchange as Exchange Traded Bonds must file with the Exchange a listing application which consists of the following:
- (a) the application, in the form of Part A of Annexure PN26-A; and
  - (b) the supporting documents specified in Part C of Annexure PN26-A.

### **4.0 Undertakings and confirmation**

- 4.1 Subject to paragraph 4.3 below, an issuer must give the Exchange an undertaking in the form of Annexure PN26-B.
- 4.2 Subject to paragraph 4.3 below, an issuer issuing sukuk or debt securities to be listed and quoted on the Exchange as Exchange Traded Bonds must ensure that:
- (a) every one of its directors gives the Exchange an undertaking in the form of Annexure PN26-C; and
  - (b) the guarantor, obligor and trustee, if any, give the Exchange an undertaking in the form of Annexure PN26-B;
- 4.3 An issuer need not comply with paragraphs 4.1 and 4.2 above if the issuer is an Exempted Person, as defined in paragraph 4B.02 of the Listing Requirements or such other persons as may be approved by the Exchange from time to time.

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**Listing Procedures of Sukuk and Debt Securities**

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- 4.4 An issuer need not comply with paragraph 4.2(b) above if its Exchange Traded Bonds is guaranteed by a guarantor referred to in paragraph 4B.11(4) of the Listing Requirements, or if the obligor is an Exempted Person.

**5.0 Listing of issued and unissued debt securities**

- 5.1 An issuer must apply for approval to list only –
- (a) that part of the securities which have been issued; and
  - (b) securities to be issued in connection with the listing application.

**6.0 Announcements to the Exchange**

- 6.1 In relation to an Exchange Traded Bond, where the listing entails an offer of sukuk or debt securities to the public, an issuer must announce the indicative timetable of the initial public offering as follows upon the issuance of the prospectus and before the listing date:
- (a) the opening and closing date of the offer period;
  - (b) the balloting date, where applicable;
  - (c) the allotment date of the initial public offering securities; and
  - (d) the tentative listing date.
- 6.2 An issuer must announce the following information before issuance of sukuk or debt securities for listing:
- (a) the issuer's, guarantor's and obligor's name, if applicable;
  - (b) the programme/instrument name and type;
  - (c) a brief description of the programme/instrument (e.g. coupon/profit rate/interest rate/payment rates);
  - (d) the actual date of listing, issue and maturity date;
  - (e) the programme/issue size;
  - (f) the stock short name, stock code, ISIN code, where applicable;
  - (g) the initial rating of the programme/instruments and prevailing rating of the programme, if applicable;
  - (h) the method of redemption;
  - (i) whether guaranteed or secured, and if so, details of such guarantee or security; and
  - (j) a summary of other material terms of issue.
- 6.3 An issuer must comply with paragraph 6.2 above in respect of each subsequent issuance of sukuk or debt securities for listing under a programme, where applicable.

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**PART B – ADMISSION UNDER AN EXEMPT REGIME****7.0 Procedures relating to admission**

7.1 The following procedures apply to the listing of sukuk or debt securities on the Exchange under an Exempt Regime, with the necessary modifications, as may be applicable:

- (a) issuer submits an application to the SC for the issue or offer of the sukuk or debt securities in Malaysia, where applicable;
- (b) SC approves the issue or offer, where applicable;
- (c) issuer files with the Exchange a listing application together with supporting documents;
- (d) Exchange grants approval for the listing of sukuk or debt securities;
- (e) where applicable, the issuer -
  - (i) issues the information memorandum, offering circular or such other relevant document (collectively referred to in this paragraph as “**Said Documents**”);
  - (ii) provides the Exchange with 2 copies of the Said Documents as may be determined by the Exchange from time to time; and
  - (iii) announces the information set out in paragraph 10.0 below to the Exchange; and
- (f) sukuk or debt securities are listed on the Official List of the Exchange.

**8.0 Listing application form and supporting documents**

8.1 An issuer issuing sukuk or debt securities under the Exempt Regime must file with the Exchange a listing application which consists of the following:

- (a) the application, in the form of Part B of Annexure PN26-A; and
- (b) the supporting documents specified in Part C of Annexure PN26-A.

**9.0 Undertakings and Confirmation**

9.1 An issuer must give the Exchange an undertaking in the form of Annexure PN26-B.

**10.0 Announcement to the Exchange**

10.1 An issuer must announce the information in paragraph 6.2 above before issuance of sukuk or debt securities for listing.

10.2 An issuer must comply with paragraph 6.2 above in respect of each subsequent issuance of sukuk or debt securities for listing under a programme, where applicable.

Annexure PN26-A  
Initial Listing Application for listing of Sukuk and Debt Securities

ANNEXURE PN26-A

PART A

Initial Listing application for Exchange Traded Bonds  
(paragraph 3.1(a))

**Please tick wherever applicable. If not applicable, please indicate "N/A"**  
[You may tick more than one box, where applicable]

1.	Name of issuer	
2.	**Types of listing	2.1 Primary Listing <input type="checkbox"/>
		2.2 Secondary Listing <input type="checkbox"/>
	Description of the instrument/ programme	
	Number and type of securities applied for listing	
	Nominal value and issue price	
	Method of distribution of the issue	
3.	Currency denomination under which the new securities will be listed	(a) Ringgit Malaysia ("RM") <input type="checkbox"/>
		(b) Others : (Please indicate) -----  In the event the new sukuk or debt securities are listed in currencies other than RM, whether the approval of Bank Negara Malaysia has been obtained?  Yes <input type="checkbox"/>  No <input type="checkbox"/>

Annexure PN26-A

**Initial Listing Application for listing of Sukuk and Debt Securities**

4.	<b>Name of Guarantor (if any) and details of the guarantee</b>	
5.	<b>Tentative listing date (to specify)</b>	
6.	<b>** Name of Trustee</b>	
7.	<b>Details of Issue</b>	<p>(a) Full title of issue and ranking of the debt securities</p> <p>(b) **Title of instrument under which the debt securities were created or are proposed to be created</p> <p>(c) Issue and maturity dates</p> <p>(d) Amount authorized, amount issued to date, amount retired, amount outstanding and amount proposed to be issued</p> <p>(e) Interest rate and interest payment dates</p> <p>(f) Method of redemption</p> <p>(g) **Whether the issue qualifies for tax exemption</p> <p>(h) **Denominations issuable</p>
8.	<b>Manager and lead underwriter of the issue (if any)</b>	
9.	<b>**Summary of other material terms of issue</b>	
10.	<b>*Undertakings</b>	<p>We undertake the following:</p> <p>(a) all relevant approvals which are required for the issuance and listing of the sukuk or debt securities, if any, will be met;</p> <p>(b) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing of the sukuk or debt securities will be met;</p> <p>(c) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance and/or listing of the sukuk or debt securities including any order, injunction or any other directive issued by any court of law;</p>



**Initial Listing Application for listing of Sukuk and Debt Securities**

		<p>(d) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the issuer has failed to meet any of the above undertakings referred to in paragraphs (a) to (b) or of any circumstances under (c) above; and</p> <p>(e) to make the relevant announcements in accordance with paragraph 6.0 of Practice Note 26.</p>
<p>_____ [Authorised signatory of the adviser] Name: Designation: Date:</p>		<p>_____ *[Authorised signatory of the issuer] Name: Designation: Date:</p>

\* Not applicable to an issuer which is an Exempted Person, as defined in paragraph 4B.02 of the Listing Requirements.

\*\* Not applicable to an issuer or obligor which is an Exempted Person or an issue of Exchange Traded Bonds which is guaranteed by an Exempted Person.

Annexure PN26-A  
Initial Listing Application for listing of Sukuk and Debt Securities

**PART B**

**Initial Listing application under the Exempt Regime**  
(paragraph 8.1(a))

**Please tick wherever applicable. If not applicable, please indicate "N/A"**  
[You may tick more than one box, where applicable]

1.	<b>Name of issuer</b>	
2.	<b>Types of listing</b>	2.1 Primary Listing <input type="checkbox"/> 2.2 Secondary Listing <input type="checkbox"/>
	<b>Description of the instrument</b>	
3.	<b>Currency denomination under which the new securities will be listed</b>	(a) Ringgit Malaysia ("RM") <input type="checkbox"/>  (b) Others : (Please indicate) -----  In the event the new securities are listed in currencies other than RM, whether the approval of Bank Negara Malaysia has been obtained? Yes <input type="checkbox"/> No <input type="checkbox"/>
4.	<b>Tentative listing date (to specify)</b>	
5.	<b>Undertakings</b>	We undertake the following:  (a) all relevant approvals which are required for the issuance and listing of the securities, if any, will be met;  (b) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing of the securities will be met;  (c) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance and/or listing of the securities including any order, injunction or any other directive issued by any court of law;  (d) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the issuer has failed to meet any of the above undertakings referred to in paragraphs (a) to (b) or of any circumstances under (c) above; and

**Initial Listing Application for listing of Sukuk and Debt Securities**

		(e) to make the relevant announcements in accordance with paragraph 10.0 of Practice Note 26.
<p>_____ [Authorised signatory of the adviser] Name: Designation: Date:</p>		<p>_____ [Authorised signatory of the issuer] Name: Designation: Date:</p>

**PART C**

**Documents to be filed with a listing application**

(paragraph 3.1(b) and 8.1(b))

- (1) Subject to subparagraph (2) below, an issuer must file the following documents in support of a listing application:
- (a) a copy each of the constitution of the issuer, the notice of registration/certificate of incorporation, certificate of change of status and certificate of change of name, if any;
  - (b) a copy of the prospectus/base prospectus/term sheet/information memorandum/offering circular or such other relevant documents for the issuance of sukuk and debt securities;
  - (c) a copy of the Trust Deed, facility agreement or other document securing or constituting the sukuk or debt securities;
  - (d) in case of secondary listing, the most recent prospectus/base prospectus/term sheet/information memorandum/offering circular or such other relevant documents filed with the issuer's primary exchange;
  - (e) a letter of undertaking in the form of Annexure PN26-B duly executed by the issuer, guarantor, obligor, and trustee, where applicable, together with a certified true extract of their board of directors' resolution authorising the signatory;
  - (f) a letter of undertaking in the form of Annexure PN26-C duly executed by each of the issuer's directors;
  - (g) a copy each of all letters of approval relating to the issue, offer and listing of the sukuk or debt securities from the relevant authorities, where applicable, and a letter from the issuer's adviser confirming all necessary approvals have been obtained;
  - (h) for sukuk issues or programmes, a certification or endorsement from the issuer's Shariah advisor that the issue or programme is Shariah-compliant;
  - (i) a copy of any temporary document of title and any definitive document of title in respect of the sukuk or debt securities;
  - (j) in the case of a foreign issuer or an issuer not currently listed on the Exchange, the names and addresses of at least 2 of its representatives of the issuer and trustee, with whom the Exchange may liaise in respect of future correspondence regarding the sukuk or debt securities;

**Initial Listing Application for listing of Sukuk and Debt Securities**

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- (k) a cheque drawn to the order of Bursa Malaysia Securities Berhad or such other proof of payment acceptable to the Exchange for the listing fees as may be prescribed by the Exchange from time to time; and
  - (l) any other documents which may be required by the Exchange for the processing of the issuer's listing application.
- (2) An issuer which is an Exempted Person, as defined in paragraph 4B.02 of the Listing Requirements, must file the documents referred to in subparagraphs (1)(b) and (i) only in support of a listing application.
- (3) If any of the above documents are not filed because they are not applicable or available in any case, an issuer must submit a separate exhibit explaining why such documents are not applicable or available.

[ End of Annexure ]

**Undertaking by an issuer /guarantor/obligor/trustee for the listing of sukuk or debt securities****ANNEXURE PN26-B****Undertaking by an issuer/guarantor/obligor/trustee for the listing of sukuk or debt securities**  
(paragraphs 4.1 and 9.1)

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**") approving #our/the issuer's application for admission of the sukuk or debt securities to the Official List of Bursa Securities ("**Official List**") described in #our/the issuer's listing application WE ACKNOWLEDGE that the sukuk or debt securities shall remain on the Official List only during the pleasure of Bursa Securities and WE UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements, including any amendments as may be made from time to time, insofar as the same apply to us.

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

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

The above Undertaking has been signed by me as ..... [title] of ..... [#Issuer/Guarantor/Obligor/Trustee] pursuant to the authority granted to me by resolution of the board of directors of the #issuer/Guarantor/Obligor/Trustee on .....

Date:

Signature:

Name:

# Delete as appropriate

\*\* Applicable to a foreign issuer/guarantor/obligor only.

[ End of Annexure ]

Annexure PN26-C  
Undertaking by a director of an issuer of Exchange Traded Bonds

ANNEXURE PN26-C

Undertaking by a director of an issuer of Exchange Traded Bonds  
(paragraphs 4.2(a))

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Compliance with Main Market Listing Requirements

#I, .....[name of director], am a director of .....[#name(s) of issuer (“**Issuer(s)**”) which #has/have submitted an application to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the .....(name of the sukuk or debt securities) (“**Exchange Trade Bonds**”) to be admitted to the Official List of Bursa Securities (“**Official List**”) /# Exchange Trade Bonds .....(name of the sukuk or debt securities) (“**Exchange Trade Bonds**”) which #is/are listed on the Official List of Bursa Securities.

In consideration of Bursa Securities #approving the Issuer’s application for the listing and quotation of its Exchange Traded Bonds to the Official List / allowing the continued listing of the Exchange Traded Bonds on the Official List, I UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements including any amendment as may be made from time to time, insofar as the same shall apply to me as a director of the Issuer(s).

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

Yours faithfully,

.....

Name:

NRIC No. (Old & New):

\*\*Passport No. & Country of Issuance:

Designation:

Date:

# Delete as appropriate

\*\* Applicable to a foreign director only.

[ End of Annexure ]

**BURSA MALAYSIA SECURITIES BERHAD****PRACTICE NOTE 27****LISTING PROCEDURES FOR STRUCTURED WARRANTS**

Details		Cross References
Effective date:	8 May 2009	Paragraphs 5.09 and 5.30
Revision date:	3 August 2009, 31 May 2010, 27 January 2015, 1 April 2015, 13 July 2015	

**1.0 Introduction**

1.1 This Practice Note sets out the following requirements in relation to an application for listing of structured warrants under paragraph 5.09 (PART I) and Further Issue under paragraph 5.30 of the Listing Requirements (PART II):

- (a) the procedures for listing of structured warrants and Further Issue;
- (b) the listing application form and supporting documents; and
- (c) other relevant requirements.

**PART I LISTING OF STRUCTURED WARRANTS****2.0 Procedures relating to listing of a single issue of structured warrants**

2.1 The following procedures apply to the listing of a single issue of structured warrants, with the necessary modifications, as may be applicable:

- (a) issuer submits concurrently –
  - (i) a registrable prospectus to the SC; and
  - (ii) an application for the listing and quotation of structured warrant to the Exchange together with the supporting documents;
- (b) SC registers the prospectus;
- (c) Exchange grants approval for the listing and quotation of the structured warrants;
- (d) issuer files the final copy of prospectus with the relevant authorities;

**Practice Note 27**  
**Listing Procedures For Structured Warrants**

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- (e) issuer -
  - (i) issues the prospectus and the offer period opens;
  - (ii) advertises the prospectus;
  - (iii) provides the Exchange with such number of copies of the printed prospectus as may be determined by the Exchange from time to time; and
  - (iv) announces the information prescribed in accordance with paragraph 6.1 below to the Exchange;
- (f) issuer issues the structured warrants and notices of allotment;
- (g) issuer announces the information prescribed in accordance with paragraph 6.2 below to the Exchange; and
- (h) structured warrants are admitted to the Official List and quoted on the Exchange.

**3.0 Procedures relating to listing of a multiple issuance of structured warrants**

3.1 The following procedures apply to the listing of a multiple issuance of structured warrants, with the necessary modifications, as may be applicable:

- (a) issuer submits a registrable base prospectus to the SC;
- (b) SC registers the base prospectus.
- (c) issuer files the final copy of the base prospectus, with the relevant authorities;
- (d) issuer -
  - (i) issues the base prospectus;
  - (ii) advertises the base prospectus, if applicable; and
  - (iii) provides the Exchange with such number of copies of the printed base prospectus as may be determined by the Exchange from time to time;
- (e) issuer submits an application for the listing and quotation of structured warrants to the Exchange together with supporting documents;
- (f) Exchange grants approval for the listing and quotation of the structured warrants;
- (g) issuer submits a registrable term sheet to the SC;
- (h) SC registers the term sheet;
- (i) issuer files the final copy of the term sheet with the relevant authorities;
- (j) issuer -
  - (i) issues the term sheet and the offer period opens (where applicable);
  - (ii) advertises the term sheet;



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**Listing Procedures For Structured Warrants**

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- (iii) provides the Exchange with such number of copies of the printed term sheet as may be determined by the Exchange from time to time; and
- (iv) announces the information prescribed in accordance with paragraph 6.1 below to the Exchange.
- (k) issuer issues the structured warrants and notices of allotment, where applicable; and
- (l) issuer announces the information prescribed in accordance with paragraph 6.2 below to the Exchange.

#### **4.0 Listing application form and supporting documents**

4.1 An issuer must file with the exchange a listing application which consists of the following:

- (a) the application, in the form of Part A of Annexure PN27-A;
- (b) the supporting documents specified in Part B of Annexure PN27-A; and
- (a) such other documents as may be specified by the Exchange.

#### **5.0 Undertakings and confirmation**

5.1 An issuer must give the Exchange an undertaking in the form of Annexure PN27-C.

5.2 An issuer must ensure that every director of the issuer gives the Exchange an undertaking in the form of Annexure PN27-D.

#### **6.0 Announcements to the Exchange**

6.1 Upon the issuance of the prospectus/term sheets, an issuer must announce the following information to the Exchange. The issuer must attach a copy of the final terms of the structured warrants with the announcement:

- (a) the opening and closing date of the offer period, if applicable;
- (b) the balloting date, if applicable;
- (c) the allotment date of the structured warrants (if applicable); and
- (d) the tentative listing date.

6.2 Upon receipt of confirmation from the Depository that the structured warrants are ready to be credited into the respective securities accounts, an issuer must immediately announce the following information to the Exchange:

- (a) actual date of listing;
- (b) issue size;
- (c) stock short name, stock code, ISIN code;
- (d) sector and board under which the securities will be listed;

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**Listing Procedures For Structured Warrants**

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- (e) terms of the structured warrants; and
  - (f) such other information as may be prescribed by the Exchange from time to time by way of an electronic template provided by the Exchange.
- 6.3 The issuer must immediately announce any subsequent amendments (including any amendments to the profile of the structured warrants arising from adjustments) after the initial announcement in paragraphs 6.1 and 6.2 above.

## **PART II FURTHER ISSUE**

### **7.0 Procedures relating to Further issue**

- 7.1 The following procedures apply to the listing of a Further Issue, with the necessary modifications, as may be applicable:
- (a) issuer announces the following information to the Exchange as regards its proposal to make a Further Issue:
    - (i) the number of units to be issued;
    - (ii) a statement that the Further Issue forms a single series with the Existing Issue;
    - (iii) the tentative listing date; and
    - (iv) the approvals required for the Further Issue;
  - (b) issuer submits an application for the listing and quotation of the Further Issue to the Exchange together with the relevant supporting documents;
  - (c) Exchange grants approval for the listing and quotation of additional structured warrants;
  - (d) issuer submits a registrable term sheet (for Further Issue) to the SC;
  - (e) SC registers the term sheet.
  - (f) issuer files the final copy of the term sheet with the relevant authorities, if applicable;
  - (g) issuer -
    - (i) issues the term sheet, if applicable; and
    - (ii) provides the Exchange with such number of copies of the printed term sheet as may be determined by the Exchange from time to time, if applicable;
  - (h) issuer issues the structured warrants;
  - (i) upon receipt of confirmation from the Depository that the additional structured warrants are ready to be credited into the respective securities accounts, the issuer immediately announces the same to the Exchange. The issuer must include the following information in the announcement:
    - (i) the actual date of listing;
    - (ii) the number of units to be issued pursuant to the Further Issue;

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**Listing Procedures For Structured Warrants**

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- (iii) the enlarged number of the structured warrants; and
  - (iv) such other information as may be prescribed by the Exchange from time to time by way of an electronic template provided by the Exchange; and
- (j) additional structured warrants are admitted to the Official List and quoted on the Exchange.

**8.0 Listing application form and supporting documents for Further Issue**

8.1 An issuer must file with the exchange a listing application which consists of the following:

- (a) the application for a Further Issue, in the form of Part A of Annexure PN27-B;
- (b) the supporting documents specified in Part B of Annexure PN27-B; and
- (c) such other documents as may be specified by the Exchange.

ANNEXURE PN27-A

Part A

Listing application for structured warrants  
(paragraph 4.1(a))

Please tick wherever applicable. If not applicable, to indicate "N/A"  
You may tick more than one box, where applicable]

1.	Name of issuer ("Issuer")	
2.	Amount and description of each structured warrants ("SW") applied for listing	
3.	Top 3 preferences stock short name for first-time foreign underlying (limited to 7 characters)	(a) Option 1: (b) Option 2: (c) Option 3:
4.	Currency denomination which the SW will be listed and quoted	(a) Ringgit Malaysia ("RM") <input type="checkbox"/> (b) Others : (Please indicate) -----  In the event the SWs are listed and quoted in currencies other than RM, whether the approval of Bank Negara Malaysia has been obtained?  Yes <input type="checkbox"/> No <input type="checkbox"/>
5.	Tentative listing date (to specify)	
5A.	Expiry date	
6.	Proforma number of SW holders	Issuer intends to provide liquidity via market making Yes <input type="checkbox"/> No <input type="checkbox"/>  Number of holders: _____

**Annexure PN27-A**  
**Listing application for structured warrants**

		<p>The number of warrant holders will be in compliance with paragraph 5.11(1) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("LR")</p> <p align="right">Yes <input type="checkbox"/></p> <p align="right">No <input type="checkbox"/></p>
7.	<b>Undertakings</b>	<p>We undertake the following:</p> <ul style="list-style-type: none"> <li>(a) the relevant paragraphs in Parts C, D, E, G, H, J and M of Chapter 5 of the LR will be complied with prior to the listing and quotation of the structured warrants;</li> <li>(b) all notices of allotment will be issued and despatched to all holders prior to the date of listing and quotation of the structured warrants, where applicable;</li> <li>(c) all allotment information of the structured warrants will be submitted to the Depository for the crediting of the structured warrants into the respective securities holders accounts;</li> <li>(d) a cheque drawn to the order of "Bursa Malaysia Securities Berhad" or such other proof of payment acceptable to the Exchange as may be prescribed by the Exchange from time to time, being the listing fees together with a copy of the details of the computation of the amount of listing fees payable will be submitted to the Exchange on the first day of listing of the structured warrants;</li> <li>(e) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met prior to the listing and quotation of the structured warrants will be met;</li> <li>(f) to comply with all relevant paragraphs in Chapter 5 of the LR and all other applicable laws relating to the issue, sale or offer of structured warrants;</li> <li>(g) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the structured warrants, including any order, injunction or any other directive issued by any court of law;</li> <li>(h) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the applicant has failed to meet any of the above undertakings referred to in paragraphs (a) to (f) or of any circumstances or facts referred to in paragraph (g) above;</li> <li>(i) to make the relevant announcements in accordance with paragraph 6.0 of Practice Note 27;</li> <li>(j) to furnish the Exchange on the first day of listing, a confirmation that the relevant paragraphs in Parts C, D, E, G, H, J and M of Chapter 5 of the LR has been complied with;</li> </ul>

**Annexure PN27-A**  
**Listing application for structured warrants**

		<p>(k) to furnish the Exchange on the first day of listing, a letter from the eligible broker who submits the listing application on behalf of an issuer; or if the issuer is an eligible broker or eligible licensed person approved by Bank Negara Malaysia submitting the application on its own behalf, a letter from the issuer, confirming all approvals of relevant authorities have been obtained (if applicable);</p> <p>(l) to furnish the Exchange on the first day of listing, a copy each of all letters of approval from the relevant authorities which have not been filed with the Exchange (if applicable); and</p> <p>(m) to furnish the Exchange on the first day of listing or immediately after the execution of the trust deed/deed poll, whichever is the earlier, a copy of the duly executed trust deed/deed poll together with the letter of compliance accompanied by a checklist showing compliance (if applicable).</p>
<p>_____ [Authorised signatory of the *eligible broker] Name: Designation: Date:</p>		<p>_____ [Authorised signatory of the Issuer] Name: Designation: Date:</p>

*\* Authorised signatory of the issuer if the issuer is an eligible broker or eligible licensed person approved by Bank Negara Malaysia, submitting the listing application on its own behalf.*

**Part B**

**Documents to be filed with a listing application for structured warrants**

(paragraph 4.1(b))

- (1) An issuer must file the following documents in support of a listing application for structured warrants:
- (a) a copy of the draft or duly executed trust deed/deed poll whichever applicable;
  - (b) a letter of undertaking in the form of Annexure PN27-C duly executed by the issuer together with a certified true extract of the issuer's board of directors' resolution authorising the signatory;
  - (c) a letter of undertaking in the form of Annexure PN27-D duly executed by each director of the issuer;
  - (d) a letter from the issuer's adviser confirming all approvals of relevant authorities have been obtained, if applicable;
  - (e) a copy each of all letters of approval from the relevant authorities, if applicable;
  - (f) a timetable for the implementation of the proposal;

**Annexure PN27-A**  
**Listing application for structured warrants**

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- (g) a copy of the prospectus, term sheet and their supplements (where applicable) registered with the relevant authorities or where this is not applicable or available, a copy of the registrable prospectus and/or draft/registrable term sheet and their supplements (where applicable) submitted to the relevant authorities;
  - (h) a copy of the latest credit rating on the issuer by the relevant rating agency;
  - (i) a copy of the certificate of lodgment of the prospectus with the relevant authorities;
  - (j) a checklist showing compliance with Chapter 5 of the Listing Requirements; and
  - (k) all relevant supporting documents evidencing compliance with the eligibility of the issuer and the underlying financial instrument respectively.
- (2) If any of the above documents are not filed because they are not applicable or available in any case, an issuer must submit a separate exhibit explaining why such documents are not applicable or available.

[ End of Annexure ]

## ANNEXURE PN27-B

## Part A

Listing application for Further Issue  
(paragraph 8.1(a))

1.	Name of issuer ("Issuer")	
2.	Amount and description of each structured warrants ("SW") applied for listing	
3.	Amount of each SW in Existing Issue	
4.	Percentage of each SW in Existing Issue held by Issuer and any member of the Issuer's group	
5.	Currency denomination which the SW will be listed and quoted	<p>(a) Ringgit Malaysia ("RM") <input type="checkbox"/></p> <p>(b) Others : _____ <input type="checkbox"/></p> <p>In the event the SWs are listed and quoted in currencies other than RM, whether the approval of Bank Negara Malaysia has been obtained?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>
6.	Tentative listing date (to specify)	
7.	Confirmation	<p>We confirm the following:</p> <p>(a) we are in full compliance with the relevant requirements for issuer as stipulated under the SC's Issuer Eligibility Guidelines – Structured Warrants.</p> <p>(b) we are in full compliance with the relevant requirements for Further Issue pursuant to paragraph 5.29(1) of Bursa Malaysia Securities Berhad ("<b>Exchange</b>") Main Market Listing Requirements ("<b>LR</b>").</p>



**Annexure PN27-B  
Listing application for Further Issue**

8.	<b>Undertakings</b>	<p>We undertake the following:</p> <p>(a) all allotment information of the structured warrants will be submitted to the Depository for the crediting of the structured warrants into the respective securities holders accounts;</p> <p>(b) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met prior to the listing and quotation of the structured warrants will be met;</p> <p>(c) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the structured warrants, including any order, injunction or any other directive issued by any court of law;</p> <p>(d) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the applicant has failed to meet any of the above undertakings referred to in paragraphs (a) to (b) or of any circumstances or facts referred to in paragraph (c) above;</p> <p>(e) to make the relevant announcements in accordance with paragraph 7.1(i) of Practice Note 27;</p> <p>(f) to furnish the Exchange on the first day of listing, a letter from the eligible broker or if the issuer is an eligible broker or eligible licensed person approved by Bank Negara Malaysia submitting the application on its own behalf, a letter from the issuer, confirming all approvals of relevant authorities for the issuance of structured warrants have been obtained (if applicable);</p> <p>(g) to furnish the Exchange on the first day of listing, a copy each of all letters of approval from the relevant authorities for the issuance of structured warrants which have not been filed with the Exchange (if applicable); and</p> <p>(h) to furnish the Exchange on the first day of listing or immediately after the execution of the trust deed/deed poll or their supplement, whichever is the earlier, a copy of the duly executed trust deed/deed poll or their supplement in respect of the additional structured warrants together with the letter of compliance accompanied by a checklist showing compliance (if applicable).</p>
<p>_____ [Authorised signatory of the *eligible broker] Name: Designation: Date:</p>		<p>_____ [Authorised signatory of the Issuer] Name: Designation: Date:</p>

*\* Authorised signatory of the issuer if the issuer is an eligible broker or eligible licensed person approved by Bank Negara Malaysia, submitting the listing application on its own behalf \**

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**Part B****Documents to be filed with a listing application for Further Issue**  
(paragraph 8.1(b))

- (1) A copy of the prospectus, term sheet and their supplements (where applicable) registered with the relevant authorities.
- (2) A copy of the registrable supplement prospectus (if applicable) and/or draft/registrable term sheet (for Further Issue) submitted to the relevant authorities.
- (3) A copy of the latest credit rating on the issuer by the relevant rating agency.
- (4) A copy of the certificate of lodgment of the prospectus with the relevant authorities (if applicable).
- (5) A checklist showing compliance with paragraph 5.29(1) of the Listing Requirements.
- (6) All relevant supporting documents evidencing compliance with paragraph 5.29(1) of the Listing Requirements.

[ End of Annexure ]

Annexure PN27-C  
Undertaking by a director of an issuer of structured warrants

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ANNEXURE PN27-C

**Undertaking by an issuer for the listing of structured warrants**  
(paragraph 5.1)

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Compliance with Main Market Listing Requirements and Rules of Bursa Malaysia Securities Berhad  
("Bursa Securities")

In consideration of Bursa Securities approving our application for admission and official quotation to the Official List of Bursa Securities ("**Official List**"), of all the structured warrants ("**Structured Warrants**") issued under the prospectus dated [insert date] ("**Prospectus**") -

- (a) WE ACKNOWLEDGE that the Structured Warrants shall remain on the Official List, and official quotation of any of the Structured Warrants shall continue only during the pleasure of Bursa Securities; and
- (b) WE UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements and the Rules of Bursa Securities, including any amendment which may be made from time to time, insofar as the same apply to us, from the date of the Prospectus until the expiry date of the Prospectus or maturity date of the Structured Warrants, whichever is the later.

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

The above Undertaking has been signed by me as ..... [title] of ..... [Issuer] pursuant to the authority granted to me by resolution of the board of directors of the issuer on .....

Date:

Signature:

Name:

\*\* Applicable to a foreign issuer only.

[ End of Annexure ]

Annexure PN27-D  
Undertaking by a director of an issuer of structured warrants

## ANNEXURE PN27-D

**Undertaking by a director of an issuer of structured warrants**  
(paragraph 5.2; paragraph 5.37 of the Listing Requirements)

To:

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Compliance with Main Market Listing Requirements

I, ..... [name of director], am a director of .....[name of issuer]  
("Corporation") which

- (a) #has submitted an application to admit to the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities"), all the structured warrants ("Structured Warrants") issued under the prospectus dated [insert date] ("Prospectus"); or
- (b) #whose structured warrants issued under the prospectus dated [insert date] ("Prospectus") are listed on the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Structured Warrants").

In consideration of Bursa Securities #approving the Corporation's application for the listing of Structured Warrants on the Official List / allowing the continued listing of the Structured Warrants of the Corporation on the Official List, I UNDERTAKE AND AGREE to comply with Bursa Securities Main Market Listing Requirements, including any amendment which may be made from time to time, insofar as the same shall apply to me as a director of the Corporation, from the date of the Prospectus until the expiry date of the Prospectus or maturity date of the Structured Warrants, whichever is the later.

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

Yours faithfully,

.....

Name:

NRIC No. (Old &amp; New):

\*\*Passport No. &amp; Country of Issuance:

Designation:

Date:

# Delete as appropriate

\*\* Applicable to a foreign director only.

[ End of Annexure ]

## BURSA MALAYSIA SECURITIES BERHAD

### PRACTICE NOTE 28

#### LISTING PROCEDURES FOR NEW ISSUES OF SECURITIES AND SUBDIVISION OF SHARES

Details	Cross References	
Effective date:	3 August 2009	Paragraphs 6.02, 6.02A, 6.49, 6.59, 6.60 and 13.04
Revision date:	3 January 2012, 26 September 2012, 25 March 2013, 27 January 2015, 1 April 2015, 13 July 2015, 2 January 2018, 9 April 2018, 13 August 2020	

#### 1.0 Introduction

- 1.1 This Practice Note sets out the following requirements in relation to an application for listing of new issues of securities under Chapter 6 and subdivision of shares under Chapter 13, of the Listing Requirements:
- (a) the procedures for listing of new issues of securities and subdivision of shares;
  - (b) the listing and quotation (where applicable) application form and supporting documents; and
  - (c) other relevant requirements.
- 1.2 In relation to a new issue of securities pursuant to or which will result in a significant change in business direction or policy of a listed issuer, the listed issuer must comply with the requirements under Practice Note 21, where applicable, as if it were an applicant seeking admission to the Official List. However, when such a listed issuer issues new securities, the listed issuer must also comply with the requirements under this Practice Note, where applicable.

#### PART I APPLICATION PROCEDURES AND ADMISSION PROCESS

##### 2.0 Procedures relating to listing of a new issue of securities

- 2.1 The following procedures apply to the listing of new issues of securities by a listed issuer which do not fall within paragraphs 3.0 or 4.0, with the necessary modifications, as may be applicable:

**Practice Note 28**

**Listing Procedures for New Issues of Securities and Subdivision of Shares**

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- (a) listed issuer immediately announces the new issue of securities to the Exchange upon the approval of the board of directors of the listed issuer;
- (b) listed issuer files with the Exchange a listing application for the new issue of securities together with supporting documents and draft circular for the Exchange's review, where applicable;
- (c) Exchange grants approval-in-principle for the listing of the new issue of securities and confirms that it has no further comments on the draft circular;
- (d) listed issuer obtains shareholder approval, if required;
- (e) listed issuer fixes relevant books closing and entitlement dates, where applicable and immediately announces such dates to the Exchange;
- (f) listed issuer issues and allots the securities;
- (g) listed issuer files with the Exchange a quotation application together with supporting documents; and
- (h) securities are admitted to the Official List and quoted on the Exchange 2 market days after receipt of the quotation application together with the requisite documents and/or confirmations and the same have been found to be complete in all respects.

**3.0 Procedures relating to listing of a bonus issue of securities and listing of convertibles securities arising from the bonus issue**

3.1 The following procedures apply to the listing of -

- (a) a bonus issue of securities by a listed issuer; and
- (b) any issue of convertible securities arising from adjustments due to the bonus issue ("**consequential securities**"),

with the necessary modifications, as may be applicable:

- (i) listed issuer immediately announces the bonus issue to the Exchange upon the approval of the board of directors of the listed issuer;
- (ii) listed issuer files with the Exchange a listing application for the bonus issue and the consequential securities, if any, together with supporting documents;
- (iii) Exchange grants approval for the listing and quotation of the bonus issue securities and consequential securities, if any and confirms that it has no further comments on the draft circular;
- (iv) listed issuer obtains shareholder approval;
- (v) listed issuer fixes the books closing date for the bonus issue and consequential securities, if any, and immediately announces such dates to the Exchange in accordance with paragraph 6.35 of the Listing Requirements;
- (vi) listed issuer issues and allots the securities. Where the bonus issue is a Specified Bonus Issue, the listed issuer must issue and allot the securities on the books closing date;

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- (vii) listed issuer announces to the Exchange the number of securities which will be listed and quoted; and
- (viii) securities are admitted to the Official List and quoted on the Exchange. Where the bonus issue is a Specified Bonus Issue, the bonus issue securities and consequential securities, if any, are admitted to the Official List and quoted on the Exchange on the next market day after the books closing date.

**4.0 Procedures relating to the listing of additional securities of the same type and class**

4.1 The procedures in paragraph 4.2 below apply to the listing of additional securities, with the necessary modifications, as may be applicable, where the additional securities will be listed and quoted as the existing listed securities of the same type and class.

4.2 The procedures referred to in paragraph 4.1 are as follows:

- (a) listed issuer immediately announces the new issue of securities to the Exchange upon the approval of the board of directors of the listed issuer being given;
- (b) listed issuer files with the Exchange a listing application for the additional securities together with supporting documents and draft circular for the Exchange's review, where applicable;
- (c) Exchange grants approval for the listing of the additional securities and confirms that it has no further comments on the draft circular;
- (d) listed issuer obtains its shareholder approval, if required;
- (e) listed issuer fixes relevant books closing and entitlement dates, where applicable and immediately announces such dates to the Exchange;
- (f) listed issuer issues and allots the additional securities;
- (g) listed issuer announces listing of the additional securities in accordance with paragraph 13.2 below; and
- (h) additional securities are listed and quoted on the Exchange.

4.3 The procedures in paragraph 4.2 above do not apply to the issuance of additional securities -

- (a) which is conditional upon any other corporate proposal which involves -
  - (i) issuance of additional securities which will not be listed and quoted as the existing listed securities of the same class; or
  - (ii) issuance of a new type of securities, or
- (b) which securities are attached with a new type of securities.

4.4 For the purpose of this paragraph, "**additional securities**" refers to a further issue of the same type and class of listed securities.

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**4A.0 Procedures relating to a subdivision**

- 4A.1 A listed issuer undertaking a subdivision of its shares must comply with the procedures set out in paragraph 3.0 above with the necessary modifications, as may be applicable.

**5.0 Summary of listing procedures**

- 5.1 Annexure PN28-A summarises the application of listing procedures set out in paragraphs 2.0, 3.0 and 4.0 above.

**6.0 Listing and quotation application form and supporting documents**

- 6.1 A listed issuer must file with the Exchange a listing application for a new issue of securities or subdivision of shares which consists of the following:

- (a) the application, in the form of Part A of Annexure PN28-B; and
- (b) the supporting documents specified in Part B of Annexure PN28-B.

- 6.2 Subject to paragraph 6.3 below, a listed issuer must also file with the Exchange a quotation application of a new issue of securities which is accompanied by the documents specified in Part C of Annexure PN28-B and such other documents as may be specified in the approval-in-principle granted by the Exchange.

- 6.3 A quotation application is not required for a listing application which is subject to the procedures of listing as set out in paragraphs 3.0 and 4.0 above.

**7.0 Listing and quotation application form for redeemable preference shares**

- 7.1 For a listing application for redeemable preference shares, in addition to the documents set out in paragraph 6.1 above, a listed issuer must also include the following:

- (a) the information set out in Part D of Annexure PN28-B, subject to the necessary adaptations; and
- (b) the supporting documents specified in Part E of Annexure PN28-B.

**8.0 Listing and quotation application for convertible securities**

- 8.1 For a listing application for convertible securities, in addition to the documents set out in paragraph 6.1 above, a listed issuer must also file with the Exchange together with the listing application, the supporting documents specified in Part F of Annexure PN28-B.

**9.0 [Deleted]**



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**Listing Procedures for New Issues of Securities and Subdivision of Shares**

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**PART II OTHER RELEVANT REQUIREMENTS****10.0 Listing of issued and unissued securities**

10.1 A listed issuer must comply with paragraph 6.0 of Practice Note 21 as if it were the applicant, with the necessary modifications. For this purpose, the “**approval**” referred to in paragraph 6.0 of Practice Note 21 includes an “**approval-in-principle**”.

**11.0 Crediting of securities**

11.1 Subject to paragraph 11.3 below, a listed issuer 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.

11.2 For the above purpose, the listed issuer must notify the Depository of all such particulars required by the Depository, to enable the Depository to make the appropriate entries in the securities accounts of such allottees.

11.3 Paragraph 11.1 above does not apply where a listed issuer is specifically exempted from compliance with section 38 of the Securities Industry (Central Depositories) Act 1991.

**12.0 Issue or allotment of securities**

12.1 A listed issuer must not issue or allot securities until after it has filed with the Exchange a listing application for such new issue of securities and has been notified by the Exchange that such new issue of securities has been approved or approved in principle for listing, as the case may be.

**13.0 Announcement in relation to a new issue of securities or subdivision of shares**

13.1 If a listed issuer fails to make an application to the SC or the Exchange by the date specified in the announcement made under paragraphs 2.0, 3.0 or 4.0 above, it must immediately announce to the Exchange the fact of such failure, its reasons and when it expects to make the application.

13.2 Where the additional securities are listed in accordance with the procedures set out in paragraph 4.0 above, a listed issuer must announce the following information immediately upon receipt of confirmation from the Depository that the securities are ready to be credited into the securities accounts of the respective holders:

- (a) details of the corporate proposal;
- (b) total number of securities issued under each proposal and the issue price per share, if any;
- (c) date of listing and quotation; and
- (d) latest share capital and number of issued shares of the listed issuer after the proposal indicating the number of shares (in unit and RM).

**Annexure PN28-A**  
**Summary of listing procedures**

**ANNEXURE PN28-A**
**Summary of listing procedures**  
 (paragraph 5.0)

No.	Proposals	Procedures Applicable (paragraph of Practice Note 28)	Quotation Application Required?	Listing Date
Bonus Issue				
A	A bonus issue of securities ("BI") which is a Specified Bonus Issue	3.0	No	B + 1
B	BI which is conditional upon D			
	BI	3.0	No	Relevant Date
	D	4.0	No	Relevant Date
C	BI which is conditional upon–			
	(i) E; or (ii) F; or (iii) E or F, and D or (iv) E, F, and D			
	BI	3.0	No	Relevant Date (which must be Q + 2 of D, E, F)
	D, E, F	2.0	Yes	Q + 2
Others				
D	Proposal which involves issuance of <b>additional</b> securities which will be listed and quoted as the existing listed securities of the same class and is not conditional upon E or F	4.0	No	Relevant Date
E	Proposal which involves issuance of <b>additional</b> securities which will not be listed and quoted as the existing listed securities of the same class	2.0	Yes	Q + 2

**Annexure PN28-A**  
**Summary of listing procedures**

No.	Proposals	Procedures Applicable (paragraph of Practice Note 28)	Quotation Application Required?	Listing Date
F	Proposal which involves issuance of <b>new</b> type of securities e.g. warrants, irredeemable convertible unsecured loan stocks (ICULS), preference shares, etc.	2.0	Yes	Q + 2
G	Proposal which involves issuance of additional securities which will be listed and quoted as the existing listed securities of the same class and such additional securities are <b>attached</b> with a new type of securities.	2.0	Yes	Q + 2

**Definition and Interpretation**

- (a) "B" means books closing date.
- (b) "BI" means a bonus issue of securities.
- (c) "Q" means the date on which the quotation application is submitted to the Exchange.
- (d) "Relevant Date" has the meaning given to it in paragraph 6.35(3) of the Listing Requirements.
- (e) "Specified Bonus Issue" has the meaning given to it in paragraph 6.01(4) of the Listing Requirements.

[End of Annexure]

**Annexure PN28-B**  
**Listing application for a new issue of securities or subdivision of shares**

**ANNEXURE PN28-B**

**Part A**

**Listing application in relation to a new issue of securities or subdivision of shares**  
 (paragraphs 6.1(a), 7.1 and 7.2)

Please tick wherever applicable. If not applicable, please indicate "N/A"  
 [You may tick more than one box, where applicable]

# *Delete as appropriate*

<b>1.</b>	<b>Name of corporation</b>	
<b>2.</b>	<b>Types of corporate proposal</b>	(a) Acquisitions (which do not result in a significant change in business direction or policy of the listed corporation) <input type="checkbox"/> (b) Rights issue <input type="checkbox"/> (c) Special issue <input type="checkbox"/> (d) Private placement <input type="checkbox"/> (e) Bonus issue <input type="checkbox"/> (f) Share Issuance Scheme <input type="checkbox"/> (g) Subdivision of shares <input type="checkbox"/> (h) Others: _____ <input type="checkbox"/>
	<b>Percentage ratios (where applicable)</b>	(a) Acquisition of _____% _____ _____ (b) Acquisition of _____% _____ _____ (c) Acquisition of _____% _____ _____

**Annexure PN28-B  
Listing application for a new issue of securities or subdivision of shares**

<b>3.</b>	<b>Confirmation by listed issuer</b>	<p>We, the listed issuer, confirm that we -</p> <p>(a) #have/have not been convicted or charged with any offence under the securities laws, corporations laws or other laws involving fraud or dishonesty in a court of law, for the last 10 years before the submission; and</p> <p>(b) #have/have not been subjected to any action by the Exchange for any breach of Bursa Malaysia Securities Berhad (“<b>Exchange</b>”) Main Market Listing Requirements (“<b>LR</b>”) or the Rules of the Exchange, for the past 5 years before the submission.</p> <p>If in the affirmative, please provide the details in attachment.</p>
<b>4.</b>	<b>Confirmation by directors of listed issuer</b>	<p>We, attach the declarations by each of our directors that he/she -</p> <p>(a) is not an undischarged bankrupt nor presently subjected to any proceeding under bankruptcy laws;</p> <p>(b) has never been charged with, convicted for or compounded for any offence under securities laws, corporations laws or any other law involving bribery, fraud or dishonesty in a court of law;</p> <p>(c) has had no action taken against him/her for any breach of the listing requirements or rules issued by the Exchange for the past 5 years; and</p> <p>(d) has not been subjected to any inquiry or investigation by any government or regulatory authority or body for the past five years.</p>
<b>5.</b>	<b>Confirmation relating to conflict of interest</b>	<p>The proposals in item (2) above #do/ do not give rise to any conflict of interest situation.</p> <p>If in the affirmative, please provide the details in attachment.</p>
<b>6.</b>	<b>Confirmation on Practice Note 16</b>	<p>(a) The applicant is a Cash Company <span style="float: right;">Yes <input type="checkbox"/></span> <span style="float: right;">No <input type="checkbox"/></span></p> <p>(b) The proposal in item (2) #is/are a plan to regularise the Cash Company’s condition as referred to in paragraph 8.03(5) of the LR <span style="float: right;">Yes <input type="checkbox"/></span> <span style="float: right;">No <input type="checkbox"/></span></p>
<b>7.</b>	<b>Confirmation on Practice Note 17 (“PN17”)</b>	<p>(a) The applicant is a PN17 Issuer <span style="float: right;">Yes <input type="checkbox"/></span> <span style="float: right;">No <input type="checkbox"/></span></p> <p>(b) The proposal in item (2) #is/are a plan to regularise the PN17 Issuer’s condition as referred to in paragraph 8.04(3) of the LR <span style="float: right;">Yes <input type="checkbox"/></span> <span style="float: right;">No <input type="checkbox"/></span></p>

**Annexure PN28-B**  
**Listing application for a new issue of securities or subdivision of shares**

8.	Details of proposals including number & types of securities applied for listing, & issue price (if any)	
9.	Currency denomination which the new securities will be listed and quoted	<p>(a) Ringgit Malaysia ("RM") <input type="checkbox"/></p> <p>(b) Others : (Please indicate)</p> <p>-----</p> <p>In the event the new securities are listed and quoted in currencies other than RM, whether the approval of Bank Negara Malaysia has been obtained?</p> <p align="right">Yes <input type="checkbox"/></p> <p align="right">No <input type="checkbox"/></p>
10.	Ranking of the new securities	<p>The new securities #will/will not be listed and quoted as the existing listed securities of the same class.</p> <p>If the new securities will be separately quoted on listing date, details of the non-entitlement(s):</p> <p>_____</p> <p>_____</p>
11.	Redeemable Preference Shares	<p>Additional information for redeemable preference shares as set out in Part D of Annexure PN28-B is attached <input type="checkbox"/></p>
12.	*Directorships and/or substantial shareholdings of the controlling shareholder	<p>A list setting out directorships and/or substantial shareholdings of the controlling shareholder(s) in all other listed issuers in Malaysia for the past 3 years, is attached. <input type="checkbox"/></p> <p><i>* Not applicable to controlling shareholders which are statutory institutions managing funds belonging to the public.</i></p>
13.	Issuance of securities on non-pro rata basis	<p>Where the new issuance of securities is on a non-pro rata basis –</p> <p>A list setting out the class of placees (i.e. whether they are public investors or directors/substantial shareholders of the applicant) and the amount of securities to be allocated to each placee or each class of placees, is attached. <input type="checkbox"/></p> <p>Note: Where the identified placees are nominee corporations or funds, the names of the ultimate beneficiaries must be disclosed.</p>

Annexure PN28-B  
Listing application for a new issue of securities or subdivision of shares

14.	<b>Conditionality of proposals/ pricing</b>	<p>(a) The issue price # is/is not conditional upon any other proposal</p> <p>(b) This proposal #is/is not conditional upon any other proposal</p> <p>If in the affirmative, to provide details of the other corporate exercises, including the estimated time frame for completion:</p> <p>_____</p>
15.	<b>Public shareholding spread</b>	<p><b><u>ORDINARY SHARES</u></b></p> <p>Where the proposal results in non-compliance with paragraph 8.02(1) of the LR, details of the public shareholdings as per Part B(1)(d) Annexure PN21-A of the LR and the reasons are attached. <input type="checkbox"/></p>
<b>16. SHARE ISSUANCE SCHEME</b>		
16A	<b>Confirmation</b>	We confirm that the Share Issuance Scheme is in full compliance with Part G of Chapter 6 of the LR
<b>17. BONUS ISSUE &amp; SUBDIVISION OF SHARES</b>		
17A	<b>Confirmation of compliance and adequacy of reserves</b>	<p><b><u>Bonus Issue</u></b></p> <p>(a) The bonus issue is in full compliance with paragraph 6.30 of the LR <input type="checkbox"/></p> <p>(b) The reporting accountant or external auditor has confirmed that the reserves are sufficient to cover the capitalisation issue in accordance with paragraph 6.30(2)(b), if applicable <input type="checkbox"/></p> <p><b><u>Subdivision of shares</u></b></p> <p>(c) The subdivision of shares is in full compliance with paragraph 6.30(1A) of the LR <input type="checkbox"/></p> <p>(d) The proposed subdivision of shares will be approved by way of -</p> <p>(i) ordinary resolution in accordance with its constitution; or <input type="checkbox"/></p> <p>(ii) special resolution <input type="checkbox"/></p>
17B	<b>Bonus issue by way of capitalisation will be fully capitalised from the following:</b>	<p>(a) Retained Profit Account <input type="checkbox"/></p> <p>(b) [Deleted]</p> <p>(c) Surplus arising from the revaluation of investments in subsidiaries and associated companies <input type="checkbox"/></p> <p>(d) Surplus arising from the revaluation of real estate (at least 20% of the valuation amount will be retained) <input type="checkbox"/></p>

**Annexure PN28-B**

**Listing application for a new issue of securities or subdivision of shares**

<b>17C</b>	<b>Conditionality</b>	<p>(a) The bonus issue/subdivision of shares is not conditional upon another corporate proposal <input type="checkbox"/></p> <p>(b) The bonus issue is conditional upon a concurrent subdivision or consolidation <input type="checkbox"/></p> <p>(c) The bonus issue/ subdivision of shares is conditional upon another corporate proposal. <input type="checkbox"/></p> <p>To specify details of the other corporate proposals and the estimated time frame for completion of the same</p> <p>_____</p>
<b>17D</b>	<b>Undertakings for bonus issues/ subdivision of shares</b>	<p>We undertake the following:</p> <p>(a) the return of allotment will be filed with the Registrar pursuant to the Companies Act or in relation to a foreign corporation, the relevant document showing its latest issued and paid-up capital will be filed with the relevant authority pursuant to the laws of the place of incorporation;</p> <p>(b) all notices of allotment will be issued and despatched to the entitled holders as expeditiously as possible and in any event, not later than 4 market days after the date of listing and quotation;</p> <p>(c) the new securities will be listed and quoted as the existing listed securities of the same class;</p> <p>(d) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities will be met;</p> <p>(e) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law; and</p> <p>(f) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the listed issuer has failed to meet any of the above undertakings referred to in paragraphs (a) to (d) or of any circumstances or facts referred to in paragraph (e) above.</p>



**Annexure PN28-B  
Listing application for a new issue of securities or subdivision of shares**

<b>18.</b>	<b>ISSUES OF SECURITIES ON A NON-PRO RATA BASIS UNDER A GENERAL MANDATE</b>	
<b>18A</b>	<b>Confirmation from Principal Adviser</b>	<p>We confirm that –</p> <p>(i) Paragraph 6.03 of the LR has been complied with <input style="float: right;" type="checkbox"/></p> <p>(ii) Paragraph 6.04 of the LR has been complied with <input style="float: right;" type="checkbox"/></p>
<b>19.</b>	<b>CORPORATE PROPOSALS WHICH FALL UNDER PARAGRAPHS 4.1 AND 4.2 OF PRACTICE NOTE 28</b>	
<b>19A</b>	<b>Undertakings for corporate proposals which apply the procedure under paragraphs 4.1 and 4.2</b>	<p>We undertake the following:</p> <p>(a) the return of allotment will be filed with the Registrar pursuant to the Companies Act or in relation to a foreign corporation, the relevant document showing its latest issued and paid-up capital will be filed with the relevant authority pursuant to the laws of the place of incorporation;</p> <p>(b) all notices of allotment will be issued and despatched to the entitled holders as expeditiously as possible and in any event, not later than 4 market days after the date of listing and quotation;</p> <p>(c) the new securities will be listed and quoted as the existing listed securities of the same class;</p> <p>(d) all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities will be met;</p> <p>(e) there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law;</p> <p>(f) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the listed issuer has failed to meet any of the above undertakings referred to in paragraphs (a) to (d) or of any circumstances or facts referred to in paragraph (e) above; and</p> <p>(g) to announce to the Exchange the relevant information in accordance with paragraph 13.2 of Practice Note 28.</p>
<p>_____ [Authorised signatory of the Principal Adviser] Name: Designation: Date:</p>		<p>_____ [Authorised signatory of the listed issuer] Name: Designation: Date:</p>

**Annexure PN28-B**  
**Listing application for a new issue of securities or subdivision of shares**

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**Part B****Documents to be filed with a listing application for a new issue of securities or subdivision of shares**

(paragraphs 6.1(b), 7.1, 8.1 and 9.1)

- (1) A listed issuer must file the following documents in support of a listing application for a new issue of securities or subdivision of shares:
  - (a) a copy of the announcement, circular, prospectus or abridged prospectus which is registered with the relevant authorities;
  - (b) a certified true copy of the relevant resolution passed by securities holders in general meeting;
  - (c) a letter from the listed issuer's Principal Adviser confirming all approvals of relevant authorities have been obtained;
  - (d) a copy each of all letters of approval from the relevant authorities;
  - (dA) in the case of a bonus issue by way of capitalisation –
    - (i) a statement from the listed issuer confirming that it has sufficient reserves to cover the capitalisation; and
    - (ii) where a confirmation by the external auditors or reporting accountants is required under paragraph 6.30(2)(b) of the Listing Requirements, the report from the external auditors or reporting accountants;
  - (dB) in the case of a bonus issue or subdivision of shares, a table showing before and after the bonus issue/subdivision of shares, the following:
    - (i) the designation or title of each class of shares; and
    - (ii) the number of shares issued.
  - (e) in the case of a Share Issuance Scheme, a draft copy of the bylaws; and
  - (f) for proposals which apply the procedures under paragraphs 3.0 and 4.0 of Practice Note 28, a cheque drawn to the order of Bursa Malaysia Securities Berhad or such other proof of payment acceptable to the Exchange for the processing and listing fees as may be prescribed by the Exchange from time to time, together with a copy of the details of the computation of the amount of listing fees payable.
- (2) If any of the above documents are not filed because they are not applicable or available in any case, a listed issuer must submit a separate exhibit explaining why such documents are not applicable or available.
- (3) The confirmation in subparagraph (1)(c) above may be provided by the listed issuer instead of the Principal Adviser, for a listing application of subdivision of shares or new issue of securities arising from -
  - (a) an exercise or conversion of convertible securities;
  - (b) an exercise of options under a Share Issuance Scheme; or

**Annexure PN28-B**  
**Listing application for a new issue of securities or subdivision of shares**

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- (c) a Specified Bonus Issue of equity securities.

**Part C**

**Documents to be filed with a quotation application for a new issue of securities**  
(paragraph 6.2)

- (1) A listed issuer must file the following documents in support of quotation application for a new issue of securities:
- (a) a confirmation from the listed issuer as to its latest share capital and number of issued shares;
  - (b) a confirmation that all notices of allotment have been issued and despatched to the entitled holders;
  - (c) a confirmation from the listed issuer that the Depository is ready to credit the new securities to the accounts of the entitled holders, after receiving the allotment information for crediting of the new securities;
  - (d) a cheque drawn to the order of Bursa Malaysia Securities Berhad or such other proof of payment acceptable to the Exchange for the listing fees as may be prescribed by the Exchange from time to time, together with a copy of the details of the computation of the amount of listing fees payable;
  - (e) a confirmation from the Principal Adviser of whether the new issue of securities will be listed and quoted as the existing securities of the same class or will be separately quoted on the listing date. If the new issue of securities will be separately quoted on the listing date, to specify the entitlement that the holders of the new issue of securities will not be entitled to;
  - (f) a confirmation from the Principal Adviser that all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met before the listing and quotation of the securities have been met;
  - (g) a confirmation from the Principal Adviser that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law; and
  - (h) such other documents which are not/have not been submitted pursuant to Part B of Annexure PN28-B.
- (2) The relevant confirmations in subparagraphs (1)(e), (f) or (g) above may be provided by the listed issuer instead of the Principal Adviser, for an application for quotation of new issue of securities arising from –
- (a) an exercise or conversion of convertible securities;
  - (b) an exercise of options under a Share Issuance Scheme or
  - (c) a Specified Bonus Issue of equity securities.

**Annexure PN28-B**  
**Listing application for a new issue of securities or subdivision of shares**

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**Part D**

**Additional information for redeemable preference shares**  
(paragraph 7.1(a))

- (1) The preferential dividend rate and preferential dividend payment dates.
- (2) The method of redemption.
- (3) A summary of other material terms of issue.

**Part E**

**Additional supporting documents to be filed with a listing application for redeemable preference shares**  
(paragraph 7.1(b))

- (1) A listed issuer must file a copy of its constitution in support of a listing application for redeemable preference shares.

Annexure PN28-B  
Listing application for a new issue of securities or subdivision of shares

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**Part F**

**Additional supporting documents to be filed with a listing application for convertible securities**

(paragraph 8.1)

- (1) A listed issuer must file a copy of the duly executed deed poll in support of a listing application for convertible securities.
- (2) If the above document is not filed because it is not applicable in any case, a listed issuer must submit a separate exhibit explaining why the document is not applicable.

[End of Annexure]

**Annexure PN28-C  
Listing application for new issue of units  
for an exchange-traded fund**

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**ANNEXURE PN28-C**

**[Deleted]**

## BURSA MALAYSIA SECURITIES BERHAD

## PRACTICE NOTE 29

## SAVING AND TRANSITIONAL PROVISIONS

Details	Cross References
Revision date:	3 August 2009
	Paragraph 8.03, 8.04, 13.04, 13.05 and 16.11

**1.0 Introduction**

- 1.1 This Practice Note sets out the requirements that must be complied with by the relevant listed issuers arising from the amendments to paragraphs 8.03 and 8.04, Practice Notes 16 and 17 of the Listing Requirements with effect from 3 August 2009.
- 1.2 This Practice Note applies to the following listed issuers which are subjected to the following Listing Requirements prior to 3 August 2009:
- (a) **PN4 Companies** - paragraph 8.14 and Practice Note No 4/2001 from 15 February 2001 to 2 January 2005 ("**PN 4 Framework**", as set out in Annexure PN29-A);
  - (b) **PN10 Companies** - paragraph 8.16 and Practice Note No 10/2001, from 15 January 2001 to 2 January 2005 ("**PN 10 Framework**" as set out in Annexure PN29-B);
  - (c) **Original PN16 Companies** - paragraph 8.14B and Practice Note No 16/2005 from 3 January 2005 to 4 May 2006 ("**Original PN16 Framework**", as set out in Annexure PN29-C);
  - (d) **Original PN17 Companies** - paragraph 8.14C and Practice Note No 17/2005 from 3 January 2005 to 4 May 2006 ("**Original PN17 Framework**", as set out in Annexure PN29-D);
  - (e) **Amended PN16 Companies** - amended paragraph 8.14B and Practice Note No 16/2005 from 5 May 2006 to 2 August 2009 ("**Amended PN16 Framework**", as set out in Annexure PN29-E); and
  - (f) **Amended PN17 Companies** – amended paragraph 8.14C and Practice Note No 17/2005 from 5 May 2006 to 2 August 2009 ("**Amended PN17 Framework**", as set out in Annexure PN29-F).

**2.0 Saving and Transitional Provisions for PN 4 and PN 10 Companies**

- 2.1 The repeal of PN 4 Framework and PN 10 Framework with effect from 3 January 2005 shall not in any way affect the obligations of the listed issuers which -
- (a) triggered any of the criteria set out in paragraph 2.1 of PN4; or
  - (b) had been determined by the Exchange as having inadequate level of operations to warrant continued trading, listing or both, on the Official List pursuant to PN10 Framework,

before 3 January 2005.

- 2.2 The PN4 and PN10 Companies must continue to comply with their obligations under the PN 4 Framework or PN 10 Framework, as the case may be.

### **3.0 Saving and transitional provision for Original PN16 and PN17 Companies**

- 3.1 The amendments to the Original PN16 Framework and Original PN17 Framework with effect from 5 May 2006 shall not in any way affect the obligations of the listed issuers which -

(a) had been considered a Cash Company pursuant to paragraph 8.14B; or

(b) triggered any of the criteria set out in paragraph 2.1 of PN17,

before 5 May 2006.

- 3.2 The Original PN16 and PN17 Companies must continue to comply with their obligations under the Original PN16 and PN17 Framework.

### **4.0 Saving and transitional provision for Amended PN16 and PN17 Companies**

- 4.1 The amendments to the Amended PN16 Framework and Amended PN17 Framework with effect from 3 August 2009 shall not in any way affect the obligations of the listed issuers which -

(a) had been considered a Cash Company pursuant to paragraph 8.14B; or

(b) triggered any of the criteria set out in paragraph 2.1 of PN17,

before 3 August 2009.

- 4.2 Subject to paragraph 4.3 below, the Amended PN16 and Amended PN17 Companies must continue to comply with their obligations under the Amended PN16 and Amended PN17 Framework, as the case may be.

- 4.3 Notwithstanding paragraph 4.2 above, an Amended PN16 Company or Amended PN17 Company may apply to the Exchange to regularise its condition under paragraph 8.03 and PN16 or paragraph 8.04 and PN17 of the Listing Requirements which come into effect on 3 August 2009, provided that such Amended PN16 or Amended PN17 Company is still within the stipulated or extended timeframe granted by the Exchange to submit its proposal or plan to regularise its condition under the Amended PN16 or Amended PN17 Framework, as the case may be.



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**ANNEXURE PN29-A****PN4 Framework**

(paragraphs 1.2(a), 2.1 and 2.2)

**[Reproduction of Paragraph 8.14]****“8.14 Financial condition**

- (1) The financial condition of a listed issuer on a consolidated basis must, in the opinion of the Exchange, warrant continued trading and/or listing on the Official List. If the financial condition of a listed issuer on a consolidated basis does not, in the opinion of the Exchange, warrant continued listing on the Official List, the Exchange may de-list such listed issuer.
- (2) The Exchange may prescribe certain criteria in relation to the financial condition of a listed issuer, the fulfillment of which would require the listed issuer and/or its directors to comply with subparagraph (3) below.
- (3) Where a listed issuer fulfils one or more of the criteria prescribed by the Exchange pursuant to subparagraph (2) above, such listed issuer and/or its directors must -
  - (a) regularise its financial condition within such timeframes as may be stipulated by the Exchange;
  - (b) provide such information or document as may be prescribed by the Exchange from time to time, whether for public release or for the Exchange’s information;
  - (c) where it fulfils one or more of the criteria prescribed by the Exchange for the appointment of a monitoring accountant, appoint an independent accounting firm as the monitoring accountant, to perform such functions as may be specified by the Exchange and to report to the Exchange and the listed issuer on a periodic basis; and
  - (d) do all such acts or things as may be directed by the Exchange, from time to time.
- (4) Any cost incurred as a result of the appointment of the monitoring accountant pursuant to subparagraph (3)(c) above shall be borne by the listed issuer.
- (5) None of the above provisions shall be construed to constitute the monitoring accountant as an agent of the Exchange.”

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[Reproduction of Practice Note No 4/2001]

## “KUALA LUMPUR STOCK EXCHANGE

### PRACTICE NOTE NO 4/2001

#### CRITERIA AND OBLIGATIONS PURSUANT TO PARAGRAPH 8.14 OF THE LISTING REQUIREMENTS

Issued in relation to paragraphs 8.14, 16.02 and 16.09 of the Listing Requirements;

And

Pursuant to paragraph 2.08 of the Listing Requirements.

#### 1.0 Introduction

1.1 This Practice Note sets out, amongst others, the following:-

- (a) the criteria in relation to the financial condition of a listed issuer, the fulfilment of one or more of which will require a listed issuer and/or its directors to comply with the provisions of this Practice Note (a listed issuer which fulfils one or more of the aforesaid criteria shall hereinafter be referred to as “an affected listed issuer”);
- (b) the requirements that must be complied with by an affected listed issuer; and
- (c) the actions that may be taken by the Exchange in respect of an affected listed issuer.

1.2 Unless otherwise extended by the Exchange, an affected listed issuer has a maximum timeframe of between 6 to 12 months to implement its plans to regularise its financial condition.

1.3 An affected listed issuer that fails to comply with the obligations set out under this Practice Note may be suspended and/or de-listed.

1.4 The Exchange will accord due process to an affected listed issuer prior to effecting any suspension and/or de-listing.

#### 2.0 Criteria

2.1 Pursuant to paragraph 8.14(2) of the Listing Requirements, the Exchange prescribes the following criteria, the fulfilment of one or more of which will require an affected listed issuer and/or its directors to comply with the provisions of this Practice Note :-

- (a) deficit in the adjusted shareholders' equity of the listed issuer on a consolidated basis;
- (b) receivers and/or managers have been appointed over the property of the listed issuer, or over the property of its major subsidiary or major associated company which property accounts for at least 70% of the total assets employed of the listed issuer on a consolidated basis;
- (c) the auditors have expressed adverse or disclaimer opinion in respect of the listed issuer's going concern, in its latest audited accounts; or

- 
- (d) special administrators have been appointed over the listed issuer or the major subsidiary or major associated company of the listed issuer pursuant to the provisions of the Pengurusan Danaharta Nasional Berhad Act 1998.

2.2 For the purposes of this Practice Note:-

- (a) “adjusted shareholders’ equity” is defined as the residual interest in the assets of a listed issuer on a consolidated basis after deducting all its liabilities, based on the listed issuer’s audited accounts or unaudited accounts. The components of adjusted shareholders’ equity will include the following:
- (i) share capital;
  - (ii) share premium account;
  - (iii) capital redemption reserves;
  - (iv) revaluation reserves;
  - (v) translation reserves;
  - (vi) retained profit/accumulated loss; and
  - (vii) other reserves and/or any other components as determined by the Exchange.

For the purposes of this definition, redeemable preference shares and negative goodwill or reserves on consolidation shall be excluded from the determination of adjusted shareholders’ equity. In addition, in determining the components of “other reserves and/or any other components”, in the absence of any provisions in the approved accounting standards and/or the Companies Act 1965, the Exchange will take into consideration the application of the generally accepted accounting principles and the best current practices and the Exchange’s treatment of this component shall prevail; and

- (b) “a major subsidiary” means a subsidiary which contributes 70% or more of the profits before tax or total assets employed of the listed issuer on a consolidated basis.

**3.0 Obligations of an affected listed issuer**

3.1 An affected listed issuer must comply with the following obligations:-

- (a) provide such information or document as prescribed in paragraph 4.1 below;
- (b) regularise its financial condition within the time schedule stipulated in paragraph 5.1 below; and
- (c) appoint a monitoring accountant, where it fulfils the criteria set out in paragraph 6.1 below.

**4.0 Disclosure obligations of the affected listed issuer**

4.1 An affected listed issuer must comply with the following disclosure requirements. An affected listed issuer must:-

- (a) within 7 market days from the date of this Practice Note or from the date a listed issuer fulfils one or more of the criteria prescribed pursuant to paragraph 8.14(2) of the Listing Requirements, whichever shall be the later, announce the following (“the First Announcement”):-

- (i) the listed issuer is an affected listed issuer pursuant to this Practice Note;
  - (ii) the obligations of the listed issuer pursuant to this Practice Note;
  - (iii) the consequences of non-compliance with such obligations; and
  - (iv) the status of the listed issuer's plan to regularise its financial condition or the status of its endeavours to formulate such a plan, whichever is applicable, or where neither a plan nor any endeavour to formulate such a plan has been undertaken, an appropriate negative statement to such effect;
- (b) announce the status of its plan to regularise its financial condition on a monthly basis until further notice from the Exchange;
  - (c) announce its compliance or failure to comply with a particular obligation imposed pursuant to this Practice Note, as and when such obligation becomes due; and
  - (d) submit monthly reports to the Exchange ("the Monthly Reports") in the manner set out in paragraph 4.2 below, accompanied by statutory declarations as provided in paragraph 4.5 below.

4.2 The Monthly Reports must include the following:-

- (a) details of all related party transactions entered into by an affected listed issuer and its subsidiaries in the month reported, irrespective of the value of the transactions and regardless of whether or not such transactions were entered into in the ordinary course of business, and such other transactions as may be required by the Exchange, from time to time; and
- (b) details of the outstanding balance(s) due to an affected listed issuer and its subsidiaries by the substantial shareholders and directors of the listed issuer (if any).

4.3 The details of the transactions to be disclosed shall include the following:-

- (a) the date(s) of the transaction(s);
- (b) the description of the transaction(s);
- (c) the parties to the transaction(s);
- (d) the relationship of the parties with the substantial shareholder or director of the affected listed issuer (where applicable);
- (e) the rationale for entering into the transaction(s);
- (f) the consideration for the transaction(s); and
- (g) whether the transaction(s) were on normal commercial terms.

4.4 The Monthly Reports must be submitted to the Exchange within 10 market days from the end of the month reported upon and must continue to be submitted until further notice from the Exchange.

4.5 The affected listed issuer must submit statutory declaration(s) duly executed by its board of directors or 2 directors duly authorized by the board of directors together with the Monthly Reports, in the prescribed format which is attached as Appendix PN4/2001-A.

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## 5.0 Time schedule to regularise financial condition

- 5.1 An affected listed issuer must comply with the following time schedule:-
- (a) an affected listed issuer must make an announcement to the Exchange of a plan to regularise its financial condition within 6 months from the date of the First Announcement. This announcement must fulfil the requirements of the Exchange set out in paragraph 5.2 (“the requisite announcement”);
  - (b) an affected listed issuer which has made an announcement of a plan to regularise its financial condition must submit its plan to regularise its financial condition to the relevant authorities for approval, including the Commission (where applicable), within 2 months from the date of the requisite announcement or the date of the First Announcement (whichever applicable); and
  - (c) an affected listed issuer which has made the said announcement and submitted its plan to regularise its financial condition to the relevant authorities, in accordance with paragraphs 5.1(a) and (b), must obtain all approvals necessary for the implementation of such plan within 4 months from the date of submission of such plan for approval.
- 5.2 The requisite announcement must satisfy the following conditions:-
- (a) it must be a detailed plan, the implementation of which will enable an affected listed issuer to regularise its financial condition; and
  - (b) it must be announced by a merchant bank or a Member Company approved by the Commission to act as an adviser in the same manner as advisers under the Commission’s Policies and Guidelines on Issue/ Offer of Securities and include a timeline for the completion of the plan.
- 5.3 An affected listed issuer must ensure that prior to the making of the requisite announcement :-
- (a) all agreements to be entered into with third parties as part of the plan to regularise the financial condition, have been duly executed by all parties to such agreements; and
  - (b) where the plan involves a compromise or arrangement with the listed issuer’s creditors, an affected listed issuer has taken reasonable steps to procure the agreement-in-principle of such creditors.
- 5.4 An affected listed issuer must implement its plans to regularise its financial condition within the timeframes stipulated in paragraph 5.1 above.
- 5.5 An affected listed issuer which has made an announcement of a plan to regularise its financial condition on or prior to the date of this Practice Note and subsequently announces that its plan has been aborted, may be given a period of up to 6 months from the date of the First Announcement to make another requisite announcement of a plan to regularise its financial condition provided that the announcement to abort is made within 2 months from the date of the First Announcement.
- 5.6 The Exchange reserves the discretion to extend the timeframes given to an affected listed issuer pursuant to paragraph 5.1 above, upon its request, if the circumstances justify the same.
- ## 6.0 Monitoring accountant
- 6.1 An affected listed issuer which fulfils one or more of the following criteria must appoint an independent accounting firm as a monitoring accountant (“the monitoring accountant”) within

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2 weeks from the date of the First Announcement, to perform the functions set out in paragraph 6.2 below:-

- (a) the latest group audited accounts of the affected listed issuer are qualified in any one or more of the following respects:-
  - (i) the auditors were unable to determine that all relevant transactions have been recorded due to incomplete accounting records; or
  - (ii) the auditors were unable to obtain sufficient information and explanations from the directors with regard to the latest group audited consolidated accounts; or
- (b) the latest audited accounts have not been issued and the issuance has been delayed for more than 6 months from the date the audited accounts are due to be issued.

6.2 The functions of the monitoring accountant shall include the following:-

- (a) vetting and reviewing all payments and receipts of the affected listed issuer;
- (b) reviewing the movement of all assets of the affected listed issuer;
- (c) reporting on any legal action involving the affected listed issuer and its subsidiaries;
- (d) visiting the operations of an affected listed issuer, as and when considered necessary;
- (e) reporting on the above to the Exchange and the listed issuer once every 2 months, highlighting in particular, any irregularities; and
- (f) reporting any irregularity in the listed issuer to any other relevant regulator, including but not limited to the Commission and the Registrar of Companies, where appropriate.

6.3 None of the above provisions shall be construed to constitute the monitoring accountant as the agent of the Exchange.

## **7.0 Uplifting of suspension**

7.1 The Exchange may uplift the suspension on trading of securities of an affected listed issuer which is suspended, upon its written request, provided that such listed issuer:-

- (a) is not subject to the appointment of a receiver and/or managers pursuant to paragraph 2.1(b);
- (b) is not subject to winding-up proceedings;
- (c) has not failed to issue its latest annual report for more than 12 months from the end of its financial year or has not failed to issue its quarterly report pursuant to paragraph 9.22 of the Listing Requirements for 2 consecutive financial quarters;
- (d) is able to provide adequate reasons, which in the opinion of the Exchange, would justify the uplifting of the suspension; and
- (e) it complies with the other requirements of the Exchange pursuant to this Practice Note.

**8.0 Compliance with requirements**

8.1 Any affected listed issuer which fails to comply with any of the obligations imposed on it by the Exchange under this Practice Note, may be regarded as a listed issuer whose financial condition does not warrant continued trading and/or listing.

**9.0 Effective Date**

9.1 This Practice Note takes effect on 15 February 2001.”

Appendix PN4/2001-A

STATUTORY DECLARATION

I/We, .....[NRIC No(s)/Passport No(s).....], the director(s) of .....[name of listed issuer] ("the listed issuer") do solemnly and sincerely declare as follows:-

- 1. The transactions reported in the Monthly Report for the month of ..... constitute all of the related party transactions entered into by the listed issuer and its subsidiaries in the month concerned;
- 2. Save as disclosed, I/we affirm that all transactions entered into by the listed issuer and its subsidiaries in the month concerned were in the ordinary course of business of the listed issuer and its subsidiaries and on terms not more favourable than those generally available to the public;
- 3. Save as disclosed, to the best of my/our knowledge, the controlling shareholders or the directors have not benefited in any way from the transactions of the listed issuer and its subsidiaries; and
- 4. I/We have, at all times, in the month concerned, acted in the best interests of the listed issuer.

And I/we make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above-named

.....)  
at .....)  
in the State of .....)  
this .....day of....., .....

Before me,

.....  
(Signature of President of Sessions Court,  
Magistrate, Commissioner for Oaths)"

[ End of Annexure ]



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**ANNEXURE PN29-B****PN10 Framework**

(paragraphs 1.2(b), 2.1 and 2.2)

**[Reproduction of Paragraph 8.16]****“8.16 Level of operations**

- (1) The level of operations of a listed issuer must, in the opinion of the Exchange, be adequate to warrant continued trading and/or listing on the Official List.
- (2) A listed issuer whose level of operations is, in the opinion of the Exchange, inadequate to warrant continued trading on the Official List may have trading in its securities suspended. Any suspension imposed by the Exchange shall remain in force for a period of 6 months or such other period as may be determined by the Exchange.
- (3) If at the end of the period of suspension, the level of operations of the listed issuer is still inadequate to warrant continued listing, the Exchange may de-list such listed issuer.”

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[Reproduction of Practice Note No 10/2001]

## “KUALA LUMPUR STOCK EXCHANGE

### PRACTICE NOTE NO 10/2001

#### LEVEL OF OPERATIONS

Issued in relation to paragraph 8.16 of the Listing Requirements;

And

Pursuant to paragraphs 2.08 and 2.19 of the Listing Requirements.

#### 1.0 Introduction

- 1.1 A listed issuer must maintain a level of operations which, in the opinion of the Exchange, is adequate to warrant continued trading and/or listing on the Official List as set out under paragraph 8.16 of the Listing Requirements.
- 1.2 In this connection, this Practice Note enumerates the following in relation to a listed issuer:-
- (a) circumstances which may be an indication that a listed issuer has a level of operations that is inadequate to warrant continued trading and/or listing on the Official List (such level of operations shall hereinafter be referred to as “inadequate level of operations”); and
  - (b) the obligations of such listed issuer.
- 1.3 It must be noted that the circumstances set out under paragraphs 2.1 and 2.2 of this Practice Note are by no means exhaustive.
- 1.4 Nothing in this Practice Note shall be read to restrict the generality of paragraph 8.16 of the Listing Requirements.

#### 2.0 Determination of adequacy of level of operations

- 2.1 The following are some of the circumstances, the occurrence of any one of which, may lead the Exchange to determine a listed issuer as having inadequate level of operations pursuant to paragraph 8.16 of the Listing Requirements:-

- (a) where the assets of the listed issuer on a consolidated basis consist of 70% or more of cash and/or short term investments (hereinafter referred to as "Cash Company"). As a minimum requirement, the listed issuer must make a determination as to whether it is or has become a Cash Company when it disposes its assets and/or business on a group basis or prepares its financial statements or accounts.

For the purpose of this paragraph, "short term investments" means investments which are by their nature readily realisable and intended to be held for 12 months or less including interests (equity or otherwise) in companies;

- (b) the listed issuer has suspended or ceased:-
  - (i) all of its business or its major business; or

- (ii) its entire or major operations,  
for any reasons whatsoever including, amongst others, due to or as a result of:-
- (aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;
  - (bb) the disposal of the listed issuer's business or major business; or
  - (cc) a court order or judgment obtained against the listed issuer prohibiting the listed issuer from conducting its major operations on grounds of infringement of copyright of products etc.

For the purpose of this paragraph, "major" means such proportion that contributes or generates 70% or more of the listed issuer's revenue on a consolidated basis based on its latest annual audited accounts; or

- (c) the listed issuer has an insignificant business or operations. For the purpose of this paragraph, "insignificant business or operations " means business or operations which generates revenue on a consolidated basis that represents 5% or less of the issued and paid-up capital (excluding any redeemable preference shares) of the listed issuer (hereinafter referred to as "Capital") based on its latest annual audited accounts.

For the purpose of computation, where there is/are a change/changes to the Capital in that financial year, the weighted average Capital for that financial year shall be used. The weighted average Capital means the total amount of the Capital at the beginning of the financial year, adjusted by the amount of increase or reduction in the Capital during that financial year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the specific Capital is outstanding as a proportion of the total number of days in that financial year.

Example - Weighted Average of Capital		Issued and Paid up Capital (RM)
1 January 2000	Balance	60,000,000
1 June 2000	Issue of 10,000,000 new shares for cash	70,000,000
1 Dec 2000	Issue of 12,000,000 new shares for cash	82,000,000
Computation of weighted average:		
$(60,000,000 \times 151/365) + (70,000,000 \times 183/365) + (82,000,000 \times 31/365) = 66,882,185$		

- 2.2 Where a listed issuer falls within any one of the circumstances set out in paragraph 2.1 above, the Exchange will make a determination as to whether the listed issuer has inadequate level of operations after consideration of all relevant facts and circumstances relating to the listed issuer's business and operations as well as the prevailing macro-economic conditions. If the Exchange determines the listed issuer as having inadequate level of operations, the Exchange will notify the listed issuer of this determination (hereinafter referred to as "the Notice").

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### 3.0 Exceptions

- 3.1 Paragraph 2.1(a) shall not be applicable to companies whose activities are regulated by any written law relating to banking, finance companies or insurance and are subject to supervision by Bank Negara Malaysia, Member Companies, closed-end funds, property trust funds and infrastructure project companies which have not completed their infrastructure project(s).
- 3.2 Paragraph 2.1(c) shall not be applicable to closed-end funds, property trust funds and infrastructure project companies which have not completed and commenced operations on their infrastructure project(s).
- 3.3 For the purpose of paragraphs 3.1 and 3.2 above, "infrastructure project" shall be as defined in the Commission's Guidelines for Public Offerings of Securities of Infrastructure Project Companies.

### 4.0 Obligations of the listed issuer

- 4.1 A listed issuer that falls within any one of the circumstances set out in paragraph 2.1 must notify the Exchange in writing of the same immediately.
- 4.2 Where the Exchange determines a listed issuer as having inadequate level of operations and issues the Notice to the listed issuer (hereinafter referred to as "an affected listed issuer"), the affected listed issuer must comply with the following:-
- (a) provide such information as prescribed in paragraph 5.1 below;
  - (b) comply with the obligations set out in paragraph 6.1 below within the time frames stipulated therein; and
  - (c) do such other acts or things as may be required by the Exchange.

### 5.0 Disclosure obligations of the affected listed issuer

- 5.1 An affected listed issuer must comply with the following disclosure requirements. An affected listed issuer must:-
- (a) within 7 market days from the Notice announce the following to the Exchange (hereinafter referred to as the "Initial Announcement"):-
    - (i) that the affected listed issuer has inadequate level of operations and details relating to the same;
    - (ii) the obligations of an affected listed issuer pursuant to this Practice Note;
    - (iii) the consequences of non-compliance with the aforesaid obligations; and
    - (iv) the status of the affected listed issuer's proposal, if any, to ensure an adequate level of operations or the status of its endeavours/steps to formulate such a proposal, whichever is applicable, or where neither a proposal nor any endeavour to formulate such a proposal has been undertaken, an appropriate negative statement to such effect;
  - (b) announce the status of its proposal to ensure an adequate level of operations simultaneously with its quarterly report pursuant to paragraph 9.22 of the Listing Requirements and in any event not later than 2 months after the end of each quarter of a financial year until further notice from the Exchange; and

- 
- (c) announce its compliance or non-compliance with a particular obligation imposed pursuant to this Practice Note, as and when such obligation becomes due.

## **6.0 Obligation to ensure adequate level of operations**

6.1 Except as otherwise prescribed by the Exchange, an affected listed issuer must comply with the following obligations within the timeframes stipulated hereunder:-

- (a) an affected listed issuer must within 9 months from the date of the Initial Announcement make an announcement to the Exchange of a detailed proposal, the implementation of which will enable the affected listed issuer to ensure a level of operations that is adequate to warrant continued trading and/or listing on the Official List. This announcement must fulfil the requirements set out in paragraph 6.3 (hereinafter referred to as the "Requisite Announcement");
- (b) an affected listed issuer which has announced a detailed proposal to ensure an adequate level of operations must submit the same to the relevant authorities for approval within 2 months from the date of the Requisite Announcement or the date of the Initial Announcement (where the detailed proposal was made on or before the effective date of this Practice Note); and
- (c) an affected listed issuer which has submitted the detailed proposal to the relevant authorities, in accordance with subparagraph (b) above, must obtain all approvals necessary for the implementation of such detailed proposal within 4 months from the date of submission of such detailed proposal for approval.

6.2 The Exchange reserves the discretion to extend the timeframes given to the affected listed issuer pursuant to paragraph 6.1 above, upon its request, if the circumstances justify the same.

6.3 In respect of the Requisite Announcement, an affected listed issuer must ensure that it is made by a merchant bank or a Member Company approved by the Commission to act as an adviser in the same manner as advisers under the Commission's Policies and Guidelines on Issue/Offer of Securities and include a timeline for the completion of the proposal. Prior to the making of the Requisite Announcement, the listed issuer must ensure that all agreements to be entered into with third parties as part of the proposal have been duly executed by all parties to such agreements.

## **7.0 Suspension and de-listing**

7.1 If an affected listed issuer fails to comply with any of the obligations imposed on it by the Exchange pursuant to this Practice Note, the Exchange may have trading in the affected listed issuer's securities suspended and subsequently de-list the affected listed issuer.

## **8.0 Effective Date**

8.1 This Practice Note takes effect on 1 July 2001."

[ End of Annexure ]

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**ANNEXURE PN29-C****Original PN16 Framework**  
(paragraphs 1.2(c), 3.1 and 3.2)**[Reproduction of Paragraph 8.14B]****“8.14B Cash Companies**

- (1) A listed issuer that is considered a “Cash Company” by the Exchange must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may de-list such listed issuer.
- (2) A listed issuer whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both, must immediately notify the Exchange of the same in writing (referred to as “the Cash Criterion” in this Part E). The Exchange will make a determination as to whether such listed issuer should be considered a Cash Company pursuant to subparagraph (1) above. A listed issuer considered as a Cash Company by the Exchange will be notified by the Exchange (referred to as “the Notice” in this Part E).
- (3) For the purposes of subparagraph (2) above, the following shall apply:-
  - (a) a listed issuer must, as a minimum requirement, make a determination as to whether it triggers the Cash Criterion when it disposes its assets or business on a group basis or prepares its financial statements or accounts; and
  - (b) “short term investments” means investments which are by their nature readily realisable and intended to be held for 12 months or less including interests (equity or otherwise) in companies.
- (4) A Cash Company must comply with the following additional requirements:-
  - (a) regularise its condition in the following manner:-
    - (i) submit a proposal to regularise its condition to the relevant authorities for approval or, where the relevant authorities’ approvals are not required, obtain all other approvals necessary for the implementation of the proposal within such timeframe as may be stipulated by the Exchange; and
    - (ii) implement its proposal to regularise its condition within the timeframe stipulated by the relevant authorities or where no timeframe has been stipulated or allowed by the relevant authorities, within the timeframe stipulated by the Exchange,
  - (b) provide such information as may be prescribed by the Exchange from time to time for public release; and
  - (c) do such other acts or things as may be required by the Exchange.
- (5) For the purpose of subparagraph (4)(a) above, a “proposal to regularise its condition” refers to a proposal, the implementation of which will result in the Cash Company no longer being considered a Cash Company by the Exchange (referred to as “the Proposal” in this Part E).
- (6) A Cash Company which fails to comply with subparagraph (4)(a) above or whose Proposal is rejected by the relevant authorities, may have its listed securities suspended and subsequently de-listing procedures commenced against the Cash Company.

- (7) Subparagraphs (1) and (2) above shall not be applicable to listed issuers whose activities are regulated by any written law relating to banking, finance companies or insurance and are subject to supervision by Bank Negara Malaysia, Participating Organisations, closed-end funds, real estate investment trust, infrastructure project companies which have not completed their infrastructure project(s) and such other category of listed issuers as may be stipulated by the Exchange. For the purpose of this subparagraph, "infrastructure project" shall be as defined in the Commission's Policies and Guidelines on Issue/Offer of Securities."

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[Reproduction of Practice Note No 16/2005]

## BURSA MALAYSIA SECURITIES BERHAD

### PRACTICE NOTE NO. 16/2005

#### CASH COMPANIES

Issued in relation to paragraphs 8.14B, 16.02 and 16.09 of the Listing Requirements;

And

Pursuant to paragraphs 2.08 and 2.19 of the Listing Requirements.

#### 1.0 Introduction

- 1.1 Paragraph 8.14B(1) of the Listing Requirements states that a listed issuer that is considered a Cash Company must comply with such requirements as may be prescribed by the Exchange.
- 1.2 In this connection, this Practice Note sets out the requirements that must be complied with by a Cash Company.
- 1.3 Nothing in this Practice Note shall be read to restrict the generality of paragraph 8.14B of the Listing Requirements.
- 1.4 The provisions of this Practice Note are in amplification and not in derogation of the obligations of a listed issuer as contained in the Listing Requirements.

#### 2.0 Disclosure obligations of a Cash Company

- 2.1 A Cash Company must comply with the following disclosure requirements. A Cash Company must:-
  - (a) within 7 market days from the Notice (as defined in paragraph 8.14B(2)) announce the following to the Exchange (hereinafter referred to as the "Initial Announcement"):-
    - (i) that the listed issuer is a Cash Company;
    - (ii) the obligations of a Cash Company pursuant to this Practice Note;
    - (iii) the consequences of non-compliance with the aforesaid obligations; and
    - (iv) the status of the Cash Company's proposal to comply with the obligations set out in paragraph 8.14B(4)(a) of the Listing Requirements, or the status of its endeavours/steps to formulate such a proposal, whichever is applicable, or where neither a proposal nor any endeavour to formulate such a proposal has been undertaken, an appropriate negative statement to such effect;
  - (b) announce the status of its proposal referred to in subparagraph (a)(iv) above and the number of months to the end of the relevant timeframes referred to in paragraph 3.1 or 3.2 below, as may be applicable, simultaneously with the announcement of its quarterly report pursuant to paragraph 9.22 of the Listing Requirements and in any



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event not later than 2 months after the end of each quarter of a financial year until further notice from the Exchange; and

- (c) announce its compliance or non-compliance with a particular obligation imposed pursuant to this Practice Note on an immediate basis.

### **3.0 Obligation to Regularise**

- 3.1 A Cash Company must submit the Proposal, as defined in paragraph 8.14B(5) of the Listing Requirements, to the relevant authorities for approval, or where the relevant authorities' approvals are not required, obtain all other approvals necessary for the implementation of the Proposal within 12 months from the date of the Initial Announcement.
- 3.2 A Cash Company must also implement the Proposal within the timeframe stipulated by the relevant authorities or where no timeframe has been stipulated or allowed by the relevant authorities, within the timeframe stipulated by the Exchange.

### **4.0 Effective Date**

- 4.1 This Practice Note takes effect on 3 January 2005."

[ End of Annexure ]

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**ANNEXURE PN29-D**

**Original PN17 Framework**  
(paragraphs 1.2(d), 3.1 and 3.2)

**[Reproduction of Paragraph 8.14C]**

**“8.14C Financial condition and level of operations**

- (1) The financial condition and level of operations of a listed issuer on a consolidated basis must, in the opinion of the Exchange, warrant continued trading and/or listing on the Official List, failing which the Exchange may de-list such listed issuer.
- (2) The Exchange may prescribe certain criteria in relation to the financial condition and level of operations of a listed issuer (referred to as “the Prescribed Criteria” in this Part E), the fulfilment of one or more of which would require the listed issuer (referred to as “the Affected Listed Issuer” in this Part E) to comply with the following additional requirements:-
  - (a) regularize its condition in the following manner (referred to as “the Obligation to Regularise” in this Part E):-
    - (i) submit a plan to regularize its condition to the relevant authorities for approval or, where the relevant authorities’ approvals are not required, obtain all other approvals necessary for the implementation of the plan within such timeframe as may be stipulated by the Exchange (referred to as “Submission Timeframe” in this Part E); and
    - (ii) implement its plan to regularize its condition within the timeframe stipulated by the relevant authorities or where no timeframe has been stipulated or allowed by the relevant authorities, within the timeframe stipulated by the Exchange (referred to as “Implementation Timeframe” in this Part E),  
  
(the Submission Timeframe and Implementation Timeframe shall be referred to collectively as “the Stipulated Timeframes” in this Part E);
  - (b) provide such information as may be prescribed by the Exchange from time to time for public release; and
  - (c) do such other acts or things as may be required by the Exchange.
- (3) For the purpose of subparagraph (2)(a) above, a “plan to regularise its condition” refers to a plan, the implementation of which will result in the Affected Listed Issuer no longer triggering any of the Prescribed Criteria (referred to as “the Regularisation Plan” in this Part E).
- (4) An Affected Listed Issuer which fails to comply with the Obligation to Regularise shall have all its listed securities suspended from trading on the 5<sup>th</sup> market day after expiry of the Submission Timeframe or Implementation Timeframe, as the case may be, and de-listing procedures shall be commenced against such Affected Listed Issuer.
- (5) Where an Affected Listed Issuer has submitted its Regularisation Plan to the relevant authorities for approval prior to the expiry of the Submission Timeframe but whose Regularisation Plan is rejected by the relevant authorities, the following shall apply:-
  - (a) if the rejection takes place after the expiry of the Submission Timeframe, the Affected Listed Issuer shall have all its listed securities suspended from trading on the 5<sup>th</sup> market day after the Affected Listed Issuer’s announcement of the relevant

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- authorities' rejection and de-listing procedures shall be commenced against such Affected Listed Issuer; or
- (b) if the rejection takes place prior to the expiry of the Submission Timeframe, the Affected Listed Issuer shall have all its listed securities suspended from trading on the 5<sup>th</sup> market day after expiry of the Submission Timeframe and de-listing procedures shall be commenced against such Affected Listed Issuer unless either:-
- (i) the Affected Listed Issuer submits a new or revised Regularisation Plan to the relevant authorities for approval within the Submission Timeframe; or
  - (ii) the Affected Listed Issuer appeals against the rejection of the relevant authorities and the appeal is pending upon expiry of the Submission Timeframe.
- (6) In the case of an Affected Listed Issuer falling within the circumstances described under subparagraph (5)(b)(ii) above and the appeal lodged by the Affected Listed Issuer with the relevant authorities is unsuccessful, the Affected Listed Issuer shall have all its listed securities suspended from trading on the 5<sup>th</sup> market day after the Affected Listed Issuer's announcement of the relevant authorities' rejection of the appeal and de-listing procedures shall be commenced against such Affected Listed Issuer."

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[Reproduction of Practice Note No 17/2005]

## BURSA MALAYSIA SECURITIES BERHAD

### PRACTICE NOTE NO. 17/2005

#### CRITERIA AND OBLIGATIONS PURSUANT TO PARAGRAPH 8.14C OF THE LISTING REQUIREMENTS

Issued in relation to paragraphs 8.14C, 16.02 and 16.09 of the Listing Requirements;

And

Pursuant to paragraph 2.08 and 2.19 of the Listing Requirements.

#### 1.0 Introduction

1.1 This Practice Note sets out, amongst others, the following:-

- (a) the criteria in relation to the financial condition and level of operations of a listed issuer, the fulfillment of one or more of which will require a listed issuer to comply with the provisions of this Practice Note (a listed issuer which fulfils one or more of the aforesaid criteria shall hereinafter be referred to as “an Affected Listed Issuer”); and
- (b) the requirements that must be complied with by an Affected Listed Issuer.

1.2 Nothing in this Practice Note shall be read to restrict the generality of paragraph 8.14C of the Listing Requirements.

1.3 The provisions of this Practice Note are in amplification and not in derogation of the obligations of a listed issuer as contained in the Listing Requirements.

#### 2.0 Criteria

2.1 Pursuant to paragraph 8.14C(2) of the Listing Requirements, the Exchange prescribes the following criteria, the fulfillment of one or more of which will require an Affected Listed Issuer to comply with the provisions of this Practice Note :-

- (a) deficit in the adjusted shareholders' equity of the listed issuer on a consolidated basis;
- (b) receivers and/or managers have been appointed over the property of the listed issuer, or over the property of its major subsidiary or major associated company which property accounts for at least 70% of the total assets employed of the listed issuer on a consolidated basis;
- (c) the auditors have expressed adverse or disclaimer opinion in respect of the listed issuer's going concern, in its latest audited accounts;
- (d) the listed issuer has suspended or ceased:-
  - (i) all of its business or its major business; or

- (ii) its entire or major operations,  
for any reasons whatsoever including, amongst others, due to or as a result of:-
  - (aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;
  - (bb) the disposal of the listed issuer's business or major business; or
  - (cc) a court order or judgment obtained against the listed issuer prohibiting the listed issuer from conducting its major operations on grounds of infringement of copyright of products etc; or
- (e) the listed issuer has an insignificant business or operations.

2.2 For the purposes of this Practice Note:-

- (a) "adjusted shareholders' equity" is defined as the residual interest in the assets of a listed issuer on a consolidated basis after deducting all its liabilities, based on the listed issuer's latest audited or unaudited accounts. The components of adjusted shareholders' equity will include the following:
  - (i) share capital;
  - (ii) share premium account;
  - (iii) capital redemption reserves;
  - (iv) revaluation reserves;
  - (v) translation reserves;
  - (vi) retained profit/accumulated loss; and
  - (vii) other reserves and/or any other components as determined by the Exchange.

For the purposes of this definition, redeemable preference shares and negative goodwill or reserves on consolidation shall be excluded from the determination of adjusted shareholders' equity. In addition, in determining the components of "other reserves and/or any other components", in the absence of any provisions in the approved accounting standards and/or the Companies Act 1965, the Exchange will take into consideration the application of the generally accepted accounting principles and the best current practices and the Exchange's treatment of this component shall prevail;

- (b) "total assets employed" shall be based on the listed issuer's latest audited or unaudited accounts;
- (c) "a major subsidiary" means a subsidiary which contributes 70% or more of the profits before tax or total assets employed of the listed issuer on a consolidated basis.
- (d) in relation to paragraph 2.1(d), "major" means such proportion that contributes or generates 70% or more of the listed issuer's revenue on a consolidated basis based on its latest annual audited or unaudited accounts; and
- (e) "insignificant business or operations" means business or operations which generates

revenue on a consolidated basis that represents 5% or less of the issued and paid-up capital (excluding any redeemable preference shares) of the listed issuer (hereinafter referred to as "Capital") based on its latest annual audited or unaudited accounts.

For the purpose of computation, the following shall apply:-

- (i) "revenue on a consolidated basis" shall comprise of the revenue of the listed issuer, its subsidiaries, as well as revenue from the listed issuer's associated companies, calculated on a proportionate basis, based on the listed issuer's equity holding in the associated companies; and
- (ii) where there is/are a change/changes to the Capital in that financial year, the weighted average Capital for that financial year shall be used. The weighted average Capital means the total amount of the Capital at the beginning of the financial year, adjusted by the amount of increase or reduction in the Capital during that financial year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the specific Capital is outstanding as a proportion of the total number of days in that financial year.

Example – Weighted Average of Capital for financial year ended 31 December 2xx1

		Issued and Paid up Capital (RM)
1 January 2xx1	Balance	60,000,000
1 June 2xx1	Issue of 10,000,000 new shares for cash	70,000,000
1 Dec 2xx1	Issue of 12,000,000 new shares for cash	82,000,000

Computation of weighted average:

$$(60,000,000 \times 151/365) + (70,000,000 \times 183/365) + (82,000,000 \times 31/365) = 66,882,185$$

- 2.3 Paragraph 2.1 (e) shall not be applicable to closed-end funds, real estate investment trust and infrastructure project companies which have not completed and commenced operations on their infrastructure project(s). For the purpose of this paragraph, "infrastructure project" shall be as defined in the Commission's Policies and Guidelines on Issue/Offer of Securities.

### 3.0 Disclosure obligations of the Affected Listed Issuer

- 3.1 Pursuant to paragraph 8.14C(2)(b) of the Listing Requirements, an Affected Listed Issuer must comply with the following disclosure requirements:-

- (a) within 7 market days from the date a listed issuer fulfils one or more of the criteria prescribed pursuant to paragraph 8.14C(2) of the Listing Requirements, announce the following ("the First Announcement"):-
  - (i) the listed issuer is an Affected Listed Issuer pursuant to this Practice Note;
  - (ii) the obligations of the listed issuer pursuant to this Practice Note;
  - (iii) the consequences of non-compliance with such obligations; and

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- (iv) the status of the listed issuer's plan to comply with the Obligation to Regularise (as defined in paragraph 8.14C(2)(a) of the Listing Requirements) or the status of its endeavours to formulate such a plan, whichever is applicable, or where neither a plan nor any endeavour to formulate such a plan has been undertaken, an appropriate negative statement to such effect;
  - (b) announce the status of its plan as referred to in paragraph (a)(iv) above and the number of months to the end of the relevant timeframes referred to in paragraph 4.1 or 4.2 below, as may be applicable, on a monthly basis (hereinafter referred to as the "Monthly Announcement") until further notice from the Exchange; and
  - (c) announce its compliance or non-compliance with a particular obligation imposed pursuant to this Practice Note on an immediate basis.
- 3.2 The Monthly Announcements must be made on the first market day of each month beginning with the month following the date of the First Announcement.

#### **4.0 Obligation to Regularise**

- 4.1 An Affected Listed Issuer must submit the Regularisation Plan as defined in paragraph 8.14C(3) of the Listing Requirements to the relevant authorities for approval or, where the relevant authorities' approvals are not required, obtain all other approvals necessary for the implementation of the Regularisation Plan within 8 months from the date of the First Announcement (i.e. the Submission Timeframe).
- 4.2 An Affected Listed Issuer must implement the Regularisation Plan within the timeframe stipulated by the relevant authorities or where no timeframe has been stipulated or allowed by the relevant authorities, within the timeframe stipulated by the Exchange (i.e. the Implementation Timeframe).

#### **5.0 Effective Date**

- 5.1 This Practice Note takes effect on 3 January 2005.

[ End of Annexure ]

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**ANNEXURE PN29-E****Amended PN16 Framework**  
(paragraphs 1.2(e), 4.1, 4.2 and 4.3)**[Reproduction of Paragraph 8.14B]****“8.14B Cash Companies**

- (1) A listed issuer that is considered a “Cash Company” by the Exchange must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may de-list such listed issuer.
- (2) A listed issuer whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both, must immediately notify the Exchange of the same in writing (referred to as “the Cash Criterion” in this Part E). The Exchange will make a determination as to whether such listed issuer should be considered a Cash Company pursuant to subparagraph (1) above. A listed issuer considered as a Cash Company by the Exchange will be notified by the Exchange (referred to as “the Notice” in this Part E).
- (3) For the purposes of subparagraph (2) above, the following shall apply:-
  - (a) a listed issuer must, as a minimum requirement, make a determination as to whether it triggers the Cash Criterion when it disposes its assets or business on a group basis or prepares its financial statements or accounts; and
  - (b) “short term investments” means investments which are by their nature readily realisable and intended to be held for 12 months or less including interests (equity or otherwise) in companies.
- (4) A Cash Company must comply with the following additional requirements:-
  - (a) regularize its condition in the following manner:-
    - (i) submit a proposal to regularize its condition to the Commission, and the other relevant authorities, for approval (collectively referred to as the “Approving Authority” in this Part E) within such timeframe as may be stipulated by the Exchange; and
    - (ii) implement its proposal to regularize its condition within the timeframe stipulated by the relevant Approving Authority;
  - (b) provide such information as may be prescribed by the Exchange from time to time for public release; and
  - (c) do such other acts or things as may be required by the Exchange.
- (5) For the purpose of subparagraph (4)(a) above, a “proposal to regularise its condition” refers to a proposal that is substantive and falls within the ambit of section 212 of the CMSA (referred to as “the Proposal” in this Part E).
- (6) A Cash Company which fails to comply with subparagraph (4)(a) above or whose Proposal is rejected by the Approving Authority, may have its listed securities suspended and subsequently de-listing procedures commenced against the Cash Company.



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- (7) Subparagraphs (1) and (2) above shall not be applicable to listed issuers whose activities are regulated by any written law relating to banking, finance companies or insurance and are subject to supervision by Bank Negara Malaysia, Participating Organisations, closed-end funds, real estate investment trusts, exchange traded funds, infrastructure project companies which have not completed their infrastructure project(s) and such other category of listed issuers as may be stipulated by the Exchange. For the purpose of this subparagraph, “infrastructure project” shall be as defined in the Commission’s Guidelines on the Offering of Equity and Equity-Linked Securities.
- (8) Where a Cash Company has completed the implementation of its Proposal, it must submit an application to the Exchange together with all the necessary documentary evidence to show that it is no longer a Cash Company.”

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[Reproduction of Practice Note No. 16/2005]

## “BURSA MALAYSIA SECURITIES BERHAD

### PRACTICE NOTE NO. 16/2005

#### CASH COMPANIES

Issued in relation to paragraphs 8.14B, 16.02 and 16.09 of the Listing Requirements;

And

Pursuant to paragraphs 2.08 and 2.19 of the Listing Requirements.

#### 1.0 Introduction

- 1.1 Paragraph 8.14B(1) of the Listing Requirements states that a listed issuer that is considered a Cash Company must comply with such requirements as may be prescribed by the Exchange.
- 1.2 In this connection, this Practice Note sets out the requirements that must be complied with by a Cash Company.
- 1.3 Nothing in this Practice Note shall be read to restrict the generality of paragraph 8.14B of the Listing Requirements.
- 1.4 The provisions of this Practice Note are in amplification and not in derogation of the obligations of a listed issuer as contained in the Listing Requirements.

#### 2.0 Disclosure obligations of a Cash Company

- 2.1 A Cash Company must comply with the following disclosure requirements. A Cash Company must:-
- (a) immediately upon receipt of the Notice (as defined in paragraph 8.14B(2)) announce the following to the Exchange (hereinafter referred to as the "Initial Announcement"):-
- (i) that the listed issuer is a Cash Company;
  - (ii) the obligations of a Cash Company pursuant to this Practice Note;
  - (iii) the consequences of non-compliance with the aforesaid obligations; and
  - (iv) the status of the Cash Company's proposal to comply with the obligations set out in paragraph 8.14B(4)(a) of the Listing Requirements, or the status of its endeavours/steps to formulate such a proposal, whichever is applicable, or where neither a proposal nor any endeavour to formulate such a proposal has been undertaken, an appropriate negative statement to such effect;
- (b) announce the status of its proposal referred to in subparagraph (a)(iv) above and the number of months to the end of the relevant timeframes referred to in paragraph 3.1 or 3.2 below, as may be applicable, simultaneously with the announcement of its quarterly report pursuant to paragraph 9.22 of the Listing Requirements and in any

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event not later than 2 months after the end of each quarter of a financial year until further notice from the Exchange;

- (c) announce its compliance or non-compliance with a particular obligation imposed pursuant to this Practice Note on an immediate basis; and
- (d) announce details of the Proposal as referred to in paragraph 8.14B(5) of the Listing Requirements which announcement must fulfill the requirements set out in paragraph 2.2 below (hereinafter referred to as “the Requisite Announcement”).

2.2 The Requisite Announcement must satisfy the following conditions:-

- (a) the announcement must contain details of the Proposal and a timeline for the complete implementation of the Proposal; and
- (b) it must be announced by a corporate finance adviser that may act as a principal adviser under the Commission’s Guidelines on Principal Advisers for Corporate Proposals.

2.3 A Cash Company must ensure that prior to the making of the Requisite Announcement, all agreements to be entered into with third parties as part of the Proposal, have been duly executed by all parties to such agreements.

### **3.0 Obligation to Regularise**

3.1 A Cash Company must submit a Proposal, as referred to in paragraph 8.14B(5) of the Listing Requirements, to the relevant Approving Authority as referred to in paragraph 8.14B(4)(a)(i) of the Listing Requirements for approval within 12 months from the date of the Initial Announcement.

3.2 A Cash Company must also implement the Proposal within the timeframe stipulated by the relevant Approving Authority.

### **4.0 Effective Date**

4.1 This Practice Note takes effect on 3 January 2005.

[ End of Annexure ]

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**ANNEXURE PN29-F****Amended PN17 Framework**

(paragraphs 1.2(f), 4.1, 4.2 and 4.3)

**[Reproduction of Paragraph 8.14C]****“8.14C Financial condition and level of operations**

- (1) The financial condition and level of operations of a listed issuer on a consolidated basis must, in the opinion of the Exchange, warrant continued trading and/or listing on the Official List, failing which the Exchange may de-list such listed issuer.
- (2) The Exchange may prescribe certain criteria in relation to the financial condition and level of operations of a listed issuer (referred to as “the Prescribed Criteria” in this Part E), the fulfilment of one or more of which would require the listed issuer (referred to as “the Affected Listed Issuer” in this Part E) to comply with the following additional requirements:-
  - (a) regularise its condition in the following manner (referred to as “the Obligation to Regularise” in this Part E):-
    - (i) submit a plan to regularise its condition to the Commission, and the other relevant authorities for approval, (collectively referred to as the “Approving Authority” in this Part E) within such timeframe as may be stipulated by the Exchange (referred to as “Submission Timeframe” in this Part E); and
    - (ii) implement its plan to regularise its condition within the timeframe stipulated by the relevant Approving Authority (referred to as “Implementation Timeframe” in this Part E),  
  
(the Submission Timeframe and Implementation Timeframe shall be referred to collectively as “the Stipulated Timeframes” in this Part E);
  - (b) provide such information as may be prescribed by the Exchange from time to time for public release; and
  - (c) do such other acts or things as may be required by the Exchange.
- (3) For the purpose of subparagraph (2)(a) above, a “plan to regularise its condition” refers to a plan that is substantive and falls within the ambit of section 212 of the CMSA (referred to as “the Regularisation Plan” in this Part E).
- (4) An Affected Listed Issuer which fails to comply with the Obligation to Regularise shall have all its listed securities suspended from trading on the 5<sup>th</sup> market day after expiry of the Submission Timeframe or Implementation Timeframe, as the case may be, and de-listing procedures shall be commenced against such Affected Listed Issuer.
- (5) Where an Affected Listed Issuer has submitted its Regularisation Plan to the Approving Authority for approval prior to the expiry of the Submission Timeframe but whose Regularisation Plan is rejected by the Approving Authority, the following shall apply:-
  - (a) if the rejection takes place after the expiry of the Submission Timeframe, the Affected Listed Issuer shall have all its listed securities suspended from trading on the 5<sup>th</sup> market day after the Affected Listed Issuer’s announcement of the Approving Authority’s rejection and de-listing procedures shall be commenced against such Affected Listed Issuer; or

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- (b) if the rejection takes place prior to the expiry of the Submission Timeframe, the Affected Listed Issuer shall have all its listed securities suspended from trading on the 5<sup>th</sup> market day after expiry of the Submission Timeframe and de-listing procedures shall be commenced against such Affected Listed Issuer unless either:-
- (i) the Affected Listed Issuer submits a new or revised Regularisation Plan to the Approving Authority for approval within the Submission Timeframe; or
  - (ii) the Affected Listed Issuer appeals against the rejection of the Approving Authority and the appeal is pending upon expiry of the Submission Timeframe.
- (6) In the case of an Affected Listed Issuer falling within the circumstances described under subparagraph (5)(b)(ii) above and the appeal lodged by the Affected Listed Issuer with the Approving Authority is unsuccessful, the Affected Listed Issuer shall have all its listed securities suspended from trading on the 5<sup>th</sup> market day after the Affected Listed Issuer's announcement of the Approving Authority's rejection of the appeal and de-listing procedures shall be commenced against such Affected Listed Issuer.
- (7) Where an Affected Listed Issuer has completed the implementation of its Regularisation Plan, it must submit an application to the Exchange together with all the necessary documentary evidence to show that it no longer triggers any of the Prescribed Criteria.”

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[Reproduction of Practice Note No. 17/2005]

## “BURSA MALAYSIA SECURITIES BERHAD

### PRACTICE NOTE NO. 17/2005

#### CRITERIA AND OBLIGATIONS PURSUANT TO PARAGRAPH 8.14C OF THE LISTING REQUIREMENTS

Issued in relation to paragraphs 8.14C, 16.02 and 16.09 of the Listing Requirements;  
And  
Pursuant to paragraph 2.08 and 2.19 of the Listing Requirements.

#### 1.0 Introduction

1.1 This Practice Note sets out, amongst others, the following:-

- (a) the criteria in relation to the financial condition and level of operations of a listed issuer, the fulfillment of one or more of which will require a listed issuer to comply with the provisions of this Practice Note (a listed issuer which fulfils one or more of the aforesaid criteria shall hereinafter be referred to as “an Affected Listed Issuer”); and
- (b) the requirements that must be complied with by an Affected Listed Issuer.

1.2 Nothing in this Practice Note shall be read to restrict the generality of paragraph 8.14C of the Listing Requirements.

1.3 The provisions of this Practice Note are in amplification and not in derogation of the obligations of a listed issuer as contained in the Listing Requirements.

#### 2.0 Criteria

2.1 Pursuant to paragraph 8.14C(2) of the Listing Requirements, the Exchange prescribes the following criteria (hereinafter referred to as the “Prescribed Criteria”), the fulfillment of one or more of which will require a listed issuer to comply with the provisions of paragraph 8.14C and this Practice Note :-

- (a) the shareholders’ equity of the listed issuer on a consolidated basis is equal to or less than 25% of the issued and paid-up capital of the listed issuer and such shareholders’ equity is less than the minimum issued and paid-up capital as required under paragraph 8.16A(1) of the Listing Requirements ;
- (b) receivers and/or managers have been appointed over the asset of the listed issuer, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis;
- (c) a winding up of a listed issuer’s subsidiary or associated company which accounts for at least 50% of the total assets employed of the listed issuer on a consolidated basis;
- (d) the auditors have expressed an adverse or disclaimer opinion in the listed issuer’s latest audited accounts;

- 
- (e) the auditors have expressed a modified opinion with emphasis on the listed issuer's going concern in the listed issuer's latest audited accounts and the shareholders' equity of the listed issuer on a consolidated basis is equal to or less than 50% of the issued and paid-up capital of the listed issuer;
  - (f) a default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to Practice Note No 1/2001 and the listed issuer is unable to provide a solvency declaration to the Exchange.
  - (g) the listed issuer has suspended or ceased:-
    - (i) all of its business or its major business; or
    - (ii) its entire or major operations,for any reasons whatsoever including, amongst others, due to or as a result of:-
    - (aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;
    - (bb) the disposal of the listed issuer's business or major business; or
    - (cc) a court order or judgment obtained against the listed issuer prohibiting the listed issuer from conducting its major operations on grounds of infringement of copyright of products etc; or
  - (h) the listed issuer has an insignificant business or operations.

2.2 For the purposes of this Practice Note, unless the context otherwise requires:-

- (a) the components of "shareholders' equity" shall be as prescribed under the approved accounting standards of the Malaysian Accounting Standards Board;
- (b) "total assets employed" shall be based on the listed issuer's latest audited or unaudited accounts ;
- (c) in relation to paragraph 2.1(g), "major" means such proportion that contributes or generates 70% or more of the listed issuer's revenue on a consolidated basis based on its latest annual audited or unaudited accounts ; and
- (d) "insignificant business or operations" means business or operations which generates revenue on a consolidated basis that represents 5% or less of the issued and paid-up capital (excluding any redeemable preference shares) of the listed issuer (hereinafter referred to as "Capital") based on its latest annual audited or unaudited accounts .

For the purpose of computation, the following shall apply:-

- (i) "revenue on a consolidated basis" shall comprise of the revenue of the listed issuer, its subsidiaries, as well as revenue from the listed issuer's associated companies, calculated on a proportionate basis, based on the listed issuer's equity holding in the associated companies; and
- (ii) where there is/are a change/changes to the Capital in that financial year, the weighted average Capital for that financial year shall be used. The weighted average Capital means the total amount of the Capital at the beginning of the financial year, adjusted by the amount of increase or reduction in the Capital

during that financial year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the specific Capital is outstanding as a proportion of the total number of days in that financial year.

Example - Weighted Average of Capital for financial year ended 31 December 2xx1

		Issued and Paid up Capital (RM)
1 January 2xx1	Balance	60,000,000
1 June 2xx1	Issue of 10,000,000 new shares for cash	70,000,000
1 Dec 2xx1	Issue of 12,000,000 new shares for cash	82,000,000

Computation of weighted average:

$$(60,000,000 \times 151/365) + (70,000,000 \times 183/365) + (82,000,000 \times 31/365) = 66,882,185$$

- 2.3 Paragraph 2.1 (h) shall not be applicable to closed-end funds, real estate investment trusts, exchange traded funds and infrastructure project companies which have not completed and commenced operations on their infrastructure project(s). For the purpose of this paragraph, "infrastructure project" shall be as defined in the Commission's Guidelines on the Offering of Equity and Equity-Linked Securities.

### 3.0 Disclosure obligations of the Affected Listed Issuer

- 3.1 Pursuant to paragraph 8.14C(2)(b) of the Listing Requirements, an Affected Listed Issuer must comply with the following disclosure requirements:-

- (a) announce the following, on an immediate basis (hereinafter referred to as "the First Announcement") upon the Affected Listed Issuer fulfilling one or more of the Prescribed Criteria:-
- (i) that the listed issuer is an Affected Listed Issuer pursuant to this Practice Note;
  - (ii) the obligations of the listed issuer pursuant to this Practice Note;
  - (iii) the consequences of non-compliance with such obligations; and
  - (iv) the status of the listed issuer's plan to comply with the Obligation to Regularise (as defined in paragraph 8.14C(2)(a) of the Listing Requirements) or the status of its endeavours to formulate such a plan, whichever is applicable, or where neither a plan nor any endeavour to formulate such a plan has been undertaken, an appropriate negative statement to such effect;
- (b) announce the status of its plan as referred to in paragraph (a)(iv) above and the number of months to the end of the relevant timeframes referred to in paragraph 4.1 or 4.2 below, as may be applicable, on a monthly basis (hereinafter referred to as the "Monthly Announcement") until further notice from the Exchange;
- (c) announce its compliance or non-compliance with a particular obligation imposed pursuant to this Practice Note on an immediate basis; and



- (d) announce details of the Regularisation Plan as referred to in paragraph 8.14C(3) of the Listing Requirements which announcement must fulfill the requirements set out in paragraph 3.1A below (hereinafter referred to as “the Requisite Announcement”).

3.2 The Requisite Announcement must satisfy the following conditions:-

- (a) the announcement must contain details of the Regularisation Plan and a timeline for the complete implementation of the Regularisation Plan; and
- (b) it must be announced by a corporate finance adviser that may act as a principal adviser under the Commission’s Guidelines on Principal Advisers for Corporate Proposals 3.1B. An Affected Listed Issuer must ensure that prior to the making of the Requisite Announcement:-
- (i) all agreements to be entered into with third parties as part of the Regularisation Plan, have been duly executed by all parties to such agreements; and
- (ii) where the Regularisation Plan involves a compromise or arrangement with the Affected Listed Issuer’s creditors, the Affected Listed Issuer has taken reasonable steps to procure the agreement-in-principle of such creditors.

3.3 The Monthly Announcements must be made on the first market day of each month beginning with the month following the date of the First Announcement.

#### **4.0 Obligation to Regularise**

4.1 An Affected Listed Issuer must submit a Regularisation Plan as referred to in paragraph 8.14C(3) of the Listing Requirements to the Approving Authority as referred to in paragraph 8.14C(2)(a)(i) of the Listing Requirement for approval within 8 months from the date of the First Announcement (i.e. the Submission Timeframe)

4.2 An Affected Listed Issuer must implement Regularisation Plan within the timeframe stipulated by the relevant Approving Authority.

#### **5.0 Effective Date**

5.1 This Practice Note takes effect on 3 January 2005.”

[ End of Annexure ]

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**BURSA MALAYSIA SECURITIES BERHAD**
**PRACTICE NOTE 30****ENFORCEMENT PROCEEDINGS & RELATED MATTERS**

Details	Cross References
Effective date:            8 May 2013	Paragraphs 16.26, 16.27 & 16.29

**1.0 Introduction**

- 1.1 Pursuant to paragraph 16.26 of the Listing Requirements, the Exchange will determine the procedures applicable to any enforcement action taken under Chapter 16 of the Listing Requirements.
- 1.2 Parts I and II of this Practice Note set out the procedures and requirements relating to a full and expedited enforcement proceeding respectively.
- 1.3 Pursuant to paragraph 16.27 of the Listing Requirements, any person who is dissatisfied with a decision resulting from an enforcement action taken may appeal against such decision in the manner as may be prescribed by the Exchange from time to time. Part III of this Practice Note sets out the procedures and requirements relating to the appeal procedure.
- 1.4 Part IV of this Practice Note sets out the oral representation that may be requested by a person in an enforcement proceeding.
- 1.5 For the avoidance of doubt, the Exchange is not bound by legal rules of evidence and procedure in any enforcement proceedings under the Listing Requirements.

**PART I FULL ENFORCEMENT PROCEEDING****2.0 Requisite Notice**

- 2.1 When the Exchange proposes to take an enforcement action against a person under the Listing 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**").

**3.0 Response to Requisite Notice**

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

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**4.0 Notification of decision**

- 4.1 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****5.0 Procedures relating to an expedited enforcement proceeding**

- 5.1 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 the Listing Requirements which does not typically attract a penalty beyond -

- (a) a reprimand; or
- (b) a fine of more than RM 10,000.00

- 5.2 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**").

- 5.3 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.

- 5.4 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.

- 5.5 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.

**6.0 No limitation**

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

**PART III APPEAL****7.0 Notice of appeal**

- 7.1 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.

**8.0 Deliberation of appeals**

- 8.1 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.
- 8.2 The person must produce the new evidence as stated in paragraph 8.1 above when submitting the Notice of Appeal.
- 8.3 The Exchange may produce new evidence arising from the Notice of Appeal submitted by the person.
- 8.4 The Exchange may affirm, vary or set aside the decision appealed against.

**9.0 Notification of decision on appeal**

- 9.1 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****10.0 Request for oral representations etc.**

- 10.1 The Exchange may allow an oral representation, submission or attendance of witnesses for any proceedings commenced against a person under this Practice Note.
- 10.2 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.

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**BURSA MALAYSIA SECURITIES BERHAD**
**PRACTICE NOTE 31**  
**STAPLED SECURITIES**

Details		Cross References
Effective date:	8 May 2013	Paragraphs 4.20 and 4.21
Revision date:	31 December 2015	

**1.0 Introduction**

- 1.1 This Practice Note clarifies the requirements that must be complied with by applicants seeking admission of stapled securities to the Official List, and the continuing listing obligations of issuers of stapled securities.

**2.0 Definitions**

- 2.1 For the purpose of this Practice Note, unless the context otherwise requires -
- (a) “**anchor issuer**” refers to the issuer of stapled securities which consolidates or combines the financial statements of the stapled group and issues the stapled group’s financial statements on a consolidated or combined basis; and
- (b) “**other stapled issuer**” refers to the issuer of stapled securities whose financial statements are consolidated or combined with the anchor issuer’s financial statements.

**3.0 Admission**

- 3.1 Applicants must first consult the SC and obtain approval from SC and other relevant authorities (where applicable) before listing and quotation of stapled securities will be considered by the Exchange.
- 3.2 Applicants seeking admission of stapled securities to the Official List must, individually or collectively comply with the admission requirements set out in Chapters 3, 4, 4A or 4B of the Listing Requirements, as the case may be, in addition to this Practice Note.

**PRACTICE NOTE 31**  
**Stapled Securities**

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3.3 Applicants seeking admission of stapled securities must disclose the stapling structure in their listing application and supporting documents, and provide a copy of the stapling deed in support of their listing application for the stapled securities.

**4.0 Agent or representative**

4.1 Applicants/issuers of stapled securities must appoint an agent or representative to be responsible for communication with the Exchange, on behalf of the applicants/issuers of stapled securities.

**5.0 Stapling and issuance of securities**

5.1 Issuers of stapled securities must ensure that the securities remain stapled at all times after listing.

5.2 Issuers of stapled securities must:

- (a) cooperate with each other to ensure compliance with the stapling provisions in the stapling deed or other constituent documents and the Listing Requirements;
- (b) ensure that any securities issued by an issuer is matched with the issuance of securities of the other issuer in the stapled group;
- (c) issue joint certificates and maintain joint registers; and
- (d) ensure that any corporate action effected will not prejudice the stapling of the securities.

**6.0 Provision of financial assistance**

6.1 In addition to the provisions of financial assistance allowed under paragraph 8.23(1) of the Listing Requirements, issuers of stapled securities may provide financial assistance within the stapled group subject to compliance with paragraph 8.23(1) of the Listing Requirements.

**7.0 Immediate announcements on amendments to stapling deed**

7.1 In addition to the disclosure requirements set out in Chapter 9 of the Listing Requirements, issuers of stapled securities must immediately announce to the Exchange any proposed amendments and subsequent amendments to their stapling deed or constituent documents.

**8.0 Quarterly report**

8.1 For purposes of complying with paragraph 9.22 of the Listing Requirements, the anchor issuer of stapled securities must announce to the Exchange the quarterly report of the stapled group on a consolidated or combined basis.

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**9.0 Issue of annual report**

- 9.1 For purposes of complying with paragraph 9.23(1) of the Listing Requirements, the issuers of stapled securities must comply with the following:
- (a) the anchor issuer must issue its annual reports that include annual audited financial statements of the stapled group on a consolidated or combined basis, as the case may be, together with the auditors' and directors' reports of the stapled group; and
  - (b) if the other stapled issuer issues annual reports, it must also announce its annual reports to the Exchange.
- 9.2 [Deleted]

**10.0 Transactions**

- 10.1 For the purposes of calculating the percentage ratios applicable in Chapter 10 of the Listing Requirements, issuers of stapled securities must first consult the Exchange. Generally, the Exchange will require the issuers to calculate the percentage ratios of a transaction based on the stapled group's financial statements prepared either on a consolidated or combined basis, as the case may be.
- 10.2 If the percentage ratio relates to net profits, the calculation will be based on net profits of the stapled group (i.e. the aggregate net profits attributable to the anchor issuer and other stapled issuer).
- 10.3 A related party of each issuer of stapled securities includes a related party of the other issuer in the stapled group.
- 10.4 The Exchange may waive compliance with the rules on transactions between issuers in the stapled group, where appropriate.

**11.0 Other continuing listing obligations**

- 11.1 All the other continuing listing obligations of the Listing Requirements apply to the issuers of stapled securities, either individually or collectively and their directors or officers, where applicable and with the necessary modifications.

**12.0 Financial condition and level of operations of issuers of stapled securities**

- 12.1 The Prescribed Criteria set out in Practice Note 17 are applicable to issuers of stapled securities with the necessary modifications, having regard to the types of securities involved and subject to prior consultation with the Exchange.

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**Stapled Securities**

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- 12.2 Generally, when assessing whether the issuers of stapled securities trigger the Prescribed Criteria set out in Practice Note 17, the Exchange will take into account the following considerations:
- (a) in relation to sub-paragraph 2.1(a), the assessment will be made based on the equity attributable to the securities holders of both the anchor issuer and the other stapled issuer; and
  - (b) in relation to sub-paragraphs 2.1(b), (c), (d), (e), (f), (g) and (h), the assessment will be made based on the consolidated or combined financial statements of the stapled group.

**13.0 De-listing**

- 13.1 In addition to the powers of the Exchange as set out in Chapter 16 of the Listing Requirements, the Exchange may de-list any or all of the securities from the Official List if the securities are no longer stapled.



## BURSA MALAYSIA SECURITIES BERHAD

## PRACTICE NOTE 32

ADDITIONAL REQUIREMENTS FOR LISTED ISSUERS INVOLVED IN MOG  
ACTIVITIES

Details	Cross References
Effective date:	2 January 2018, 31 March 2018 ( <i>paragraph 7.0 and 8.0 below</i> ), 13 March 2019
	Paragraphs 9.56, 10.15 and 15.28

**1.0 Introduction**

- 1.1 This Practice Note prescribes additional requirements in respect of disclosure, shareholder approval and governance to be complied with by an MOG listed issuer, and in relation to an acquisition or disposal involving MOG Assets.

**2.0 Definitions**

- 2.1 For the purpose of this Practice Note, unless the context otherwise requires –

Acceptable Reporting Standard means the MOG reporting standards and MOG valuation standards.

MOG Assets has the meaning assigned to “**mineral assets**” or “**petroleum assets**” or the equivalent in the MOG valuation standards, and includes any right, title or interest to explore or extract the MOG Assets.

Reserves refers to the following:

- (a) in relation to minerals, the Proved Reserves or Probable Reserves as defined in the Acceptable Reporting Standard adopted by an MOG listed issuer; and
- (b) in relation to O&G, the Proved Reserves, Probable Reserves or Possible Reserves as defined in the Acceptable Reporting Standard adopted by an MOG listed issuer.

Resources refers to the following:

- (a) in relation to minerals, the Measured Resources, Indicated Resources or Inferred Resources as defined in the Acceptable Reporting Standard adopted by an MOG listed issuer.

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- (b) in relation to O&G, the Contingent Resources or Prospective Resources as defined in the Acceptable Reporting Standard adopted by an MOG listed issuer.
- 2.2 Unless otherwise defined in the Listing Requirements or unless the context otherwise requires, the terms “**competent person**”, “**competent valuer**”, “**mineral**”, “**mineral reporting standards**”, “**MOG reporting standards**”, “**MOG valuation standards**”, “**O&G**”, “**O&G reporting standards**” and “**recognised professional organisation**” have the meanings assigned to them in the SC’s Equity Guidelines.
- 3.0 Criteria of MOG listed issuer**
- 3.1 A listed issuer which fulfils any one of the following criteria is considered a MOG listed issuer:
- (a) a listed issuer whose MOG exploration or extraction activities represent 25% or more of its total assets, revenue, operating expenses or after tax profit, based on its latest published or announced audited financial statements or audited consolidated financial statements, as the case may be; or
- (b) a listed issuer which has completed an acquisition involving MOG Assets that falls within paragraphs 10.11 or 10.15 of the Listing Requirements.
- 3.2 For the avoidance of doubt, a MOG listed issuer excludes a listed issuer which purely provides services or equipment to other corporations engaged in such core business.

**PART I – ADDITIONAL CONTINUING DISCLOSURE REQUIREMENTS OF AN MOG LISTED ISSUER**

**4.0 Additional continuing disclosure requirements**

- 4.1 Paragraph 9.56 of the Listing Requirements states that in addition to the requirements set out in Chapter 9 of the Listing Requirements, an MOG listed issuer must also comply with such other disclosure requirements as may be prescribed by the Exchange.
- 4.2 Part I of this Practice Note sets out the additional requirements that must be complied with by an MOG listed issuer when making immediate announcements or periodic disclosures.

**5.0 Acceptable Reporting Standard**

- 5.1 An MOG listed issuer must –
- (a) prepare and present all announcements, statements or reports in relation to its Reserves or Resources and exploration results in accordance with an Acceptable Reporting Standard;
- (b) state the Acceptable Reporting Standard adopted in the announcements, statements or reports; and
- (c) apply an Acceptable Reporting Standard to its MOG Assets in a consistent manner.

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- 5.2 All data on an MOG listed issuer's Reserves or Resources must be presented in tables in a manner readily understandable to a non-technical person and a glossary of technical terms used must be provided. All assumptions must be disclosed and statements must include an estimate of volume, tonnage and grades.
- 5.3 Where a competent person or a competent valuer is appointed to prepare the announcements, statements or reports, such person must also comply with paragraphs 5.1 and 5.2 above and Part II below.

**6.0 Immediate announcement by an MOG listed issuer**

- 6.1 An MOG listed issuer must immediately announce to the Exchange the following events in relation to its MOG activities:
- (a) any material exploration results;
  - (b) any material discovery of new Reserves or Resources;
  - (c) any material change to Reserves or Resources published or announced previously;
  - (d) any report of Reserves or Resources prepared by a competent person;
  - (e) any decision to abort its material MOG activity and the rationale for the decision;
  - (f) any change in the Acceptable Reporting Standard adopted, including the reasons for the change and the impact, if any, on the level of Reserves or Resources published or announced previously; and
  - (g) any appointment of a new competent person or competent valuer.
- 6.2 In making an announcement that contains any of the matters referred to in paragraphs 6.1(a), (b), (c) above, the MOG listed issuer must state –
- (a) that the announcement is based on, and fairly represents, information and supporting documentation prepared by a named competent person; and
  - (b) the full name, professional qualifications, years of relevant experience, membership and details of the recognised professional organisation, of the competent person.

The MOG listed issuer must publish a copy of the competent person's report on its website and make available a copy for inspection at its registered office as soon as practicable from the date of the announcement.

**7.0 Quarterly report of an MOG listed issuer**

- 7.1 In addition to the information set out in Part A of Appendix 9B of the Listing Requirements, an MOG listed issuer must include the following information in its quarterly report:
- (a) a description of the exploration, development and production activities undertaken by the MOG listed issuer during the period under review. If there is none, a statement to that effect; and
  - (b) a summary of the expenditure incurred on the exploration, development and production activities during the period under review.

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**8.0 Annual report of an MOG listed issuer**

- 8.1 In addition to the information set out in Part A of Appendix 9C of the Listing Requirements, an MOG listed issuer must include the following information in its annual report;
- (a) the information set out in paragraphs 7.1(a) and (b) above during the financial year; and
  - (b) a summary of Reserves or Resources as at the end of the financial year, including an update, if any, and a comparison with the Reserves or Resources reported in the previous year.

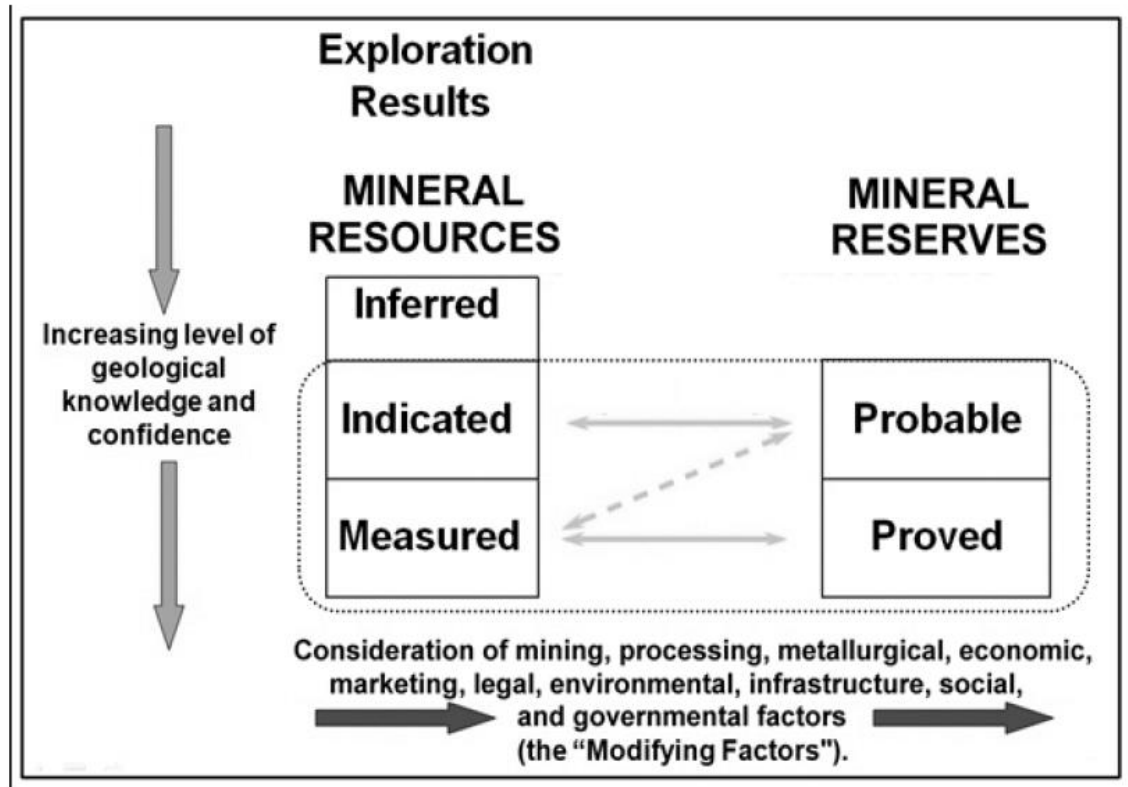
**PART II – STANDARD OF DISCLOSURE FOR ANNOUNCEMENTS, STATEMENTS OR REPORTS IN RELATION TO MOG RESERVES, RESOURCES AND EXPLORATION RESULTS**

**9.0 Disclosure requirements in relation to mineral Resources and mineral Reserves**

- 9.1 Pursuant to the mineral reporting standards –
- (a) mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories; and
  - (b) mineral Reserves are sub-divided, in order of increasing confidence, into Probable Reserves and Proved Reserves.
- 9.2 The relationship between the exploration results, mineral Resources and mineral Reserves as set out in paragraph 9.1 above is depicted in the diagram below for illustration purposes:

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General relationship between exploration results, mineral Resources and mineral Reserves



(Source: Figure 1 in the International Template for Reporting of Exploration Results, Mineral Resources and Mineral Reserves prepared by the Committee for Mineral Reserves International Reporting Standards)

- 9.3 In disclosing the exploration results, mineral Reserves and mineral Resources, an MOG listed issuer must comply with the following:
- (a) support disclosure of any estimates of mineral Reserves with at least a Pre-Feasibility Study;
  - (b) disclose the estimates of mineral Reserves and mineral Resources clearly and separately;
  - (c) if Indicated Resources and Measured Resources are included in economic analyses –
    - (i) ensure sufficient work has been done on the Modifying Factors;
    - (ii) disclose and explain the basis why they are considered to be economically extractable;
    - (iii) disclose whether they are appropriately discounted for the probabilities of conversion to mineral Reserves;
    - (iv) state all assumptions clearly; and
    - (v) include appropriate, prominently disclosed cautionary statements;

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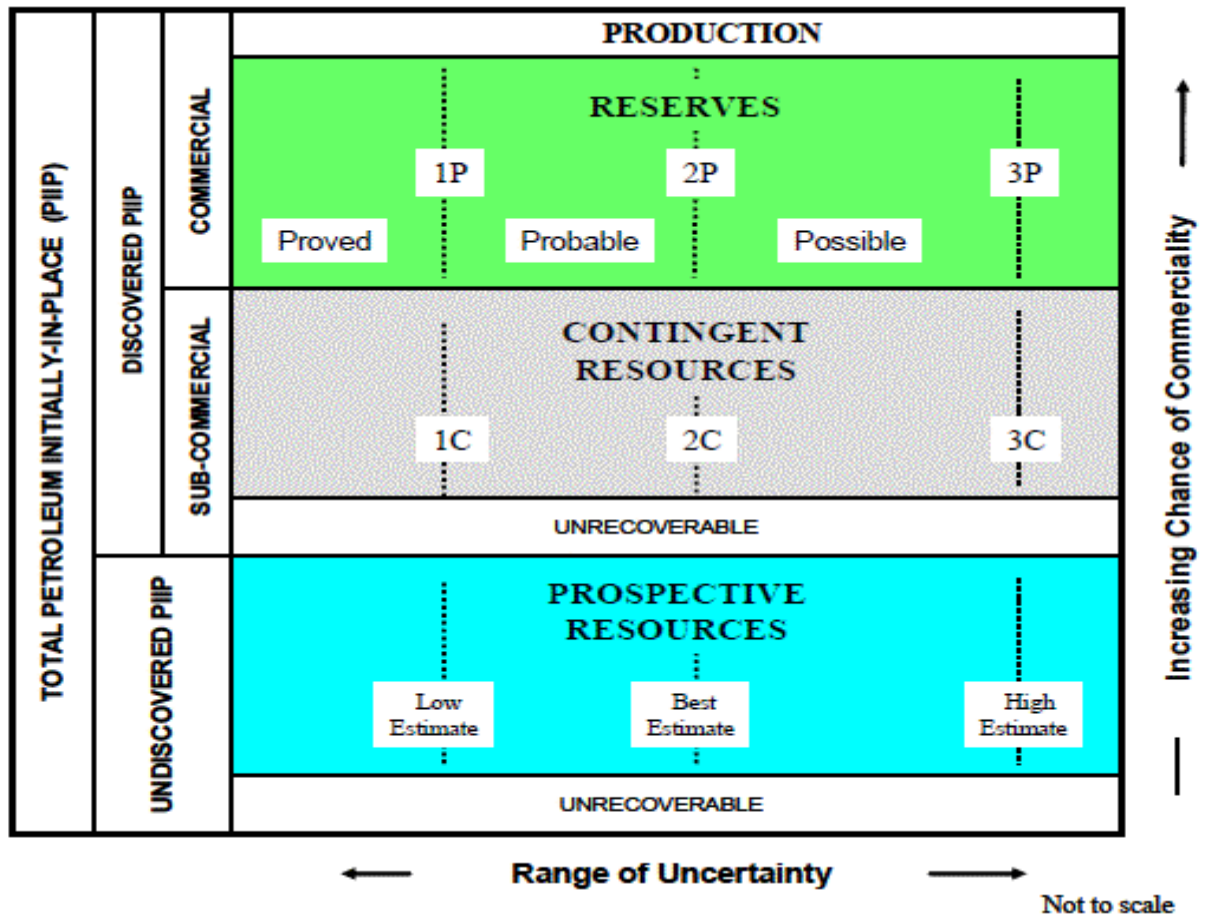
- (d) for commodity prices assumed in Pre-Feasibility Studies, Feasibility Studies and valuations of Indicated Resources, Measured Resources and mineral Reserves –
    - (i) disclose the methods to determine such commodity prices together with all key assumptions and explain the basis why those prices represent reasonable views of future prices; and
    - (ii) apply the contract price if there is an existing contract for future prices of mineral Reserves; and
  - (e) avoid basing production targets on Inferred Resources and attaching economic value to Inferred Resources.
- 9.4 For the purpose of paragraph 9.3 above, the terms “**Feasibility Studies**”, “**Indicated Resources**”, “**Inferred Resources**”, “**Measured Resources**” “**Pre-Feasibility Studies**” and “**Modifying Factors**” have the meanings given in the Acceptable Reporting Standard adopted by the MOG listed issuer.

#### **10.0 Disclosure requirements in relation to O&G Reserves and O&G Resources**

- 10.1 Pursuant to the O&G reporting standards –
- (a) O&G Resources are sub-divided, in order of increasing likelihood of commerciality into Prospective and Contingent Resources; and
  - (b) O&G Reserves are sub-divided in order of increasing recoverability into Possible Reserves, Probable Reserves and Proved Reserves.
- 10.2 The categorisation of O&G Resources and O&G Reserves is depicted in Figure 2.1 in the Guidelines for Application of the Petroleum Resources Management System sponsored by the Society for Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council, Society of Petroleum Evaluation Engineers and Society of Exploration Geophysicists (“**SPE-PRMS**”) as reproduced below for illustration purposes:

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Resources classification framework



(Source: Figure 2.1 in the SPE-PRMS)

- 10.3 In disclosing O&G Reserves and O&G Resources, an MOG listed issuer must comply with the following:
- disclose the method and basis for choice of estimation, if estimates of O&G Reserves are disclosed;
  - analyse Proved Reserves and Proved plus Probable Reserves (2P) separately and state the principal assumptions and the basis of the methodology clearly;
  - classify and report O&G Resources in the most specific Resource class in which they may be classified under the Acceptable Reporting Standard;
  - set out the relevant risk factors clearly if estimated volumes of Contingent Resources or Prospective Resources are disclosed;
  - if the Contingent Resources disclosed represent aggregated estimates, disclose the method of aggregation, which must be either arithmetic summation by category or statistical aggregation of uncertainty distributions up to the field, property or project level;
  - avoid attaching economic values to Prospective Resources;

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- (g) if economic values are attached to the O&G Reserves or O&G Resources (other than Prospective Resources), disclose the following:
- (i) the full name, professional qualifications, years of relevant experience, membership and details of the recognised professional organization, of the competent valuer;
  - (ii) the Acceptable Reporting Standard adopted;
  - (iii) method of valuation and basis for choice of the valuation method;
  - (iv) principal assumptions used in arriving at the valuation and the basis for each assumption; and
  - (v) sensitivity analysis on the valuations arising from changes made to the principal assumptions provided in subparagraph (iv) above; and
- (h) base production targets only on Proved Reserves and Probable Reserves and not on Possible Reserves, Contingent Resources or Prospective Resources.
- 10.4 For the purpose of paragraph 10.3 above, the terms “**Contingent Resources**”, “**Possible Reserves**”, “**Probable Reserves**”, “**Prospective Resources**”, “**Proved Reserves**” and “**Proved plus Probable Reserves (2P)**” have the meanings given in the Acceptable Reporting Standard adopted by the MOG listed issuer.

**PART III – ADDITIONAL REQUIREMENTS FOR ACQUISITION OR DISPOSAL INVOLVING MOG ASSETS**

**11.0 Acquisition or disposal involving MOG Assets**

- 11.1 Paragraph 10.15 of the Listing Requirements states that in addition to the requirements set out in Chapter 10 of the Listing Requirements, a listed issuer which intends to undertake an acquisition or disposal involving MOG Assets where any one of the percentage ratios of the transaction is 25% or more, must also comply with such other requirements as may be prescribed by the Exchange.
- 11.2 The additional requirements that a listed issuer must comply with pursuant to paragraph 10.15 of the Listing Requirements are as follows:
- (a) include the additional information set out in Annexure PN32-A and Annexure PN32-B respectively, in the announcement to the Exchange, and the circular issued to the shareholders;
  - (b) appoint a competent person and ensure the competent person’s report on the technical assessment of the Reserves or Resources of the MOG Assets complies with the requirements in paragraph 12 below and is included in the circular issued to the shareholders; and
  - (c) appoint a competent valuer and ensure the competent valuer’s report on the valuation of the MOG Assets complies with the requirements in paragraph 12 below and is included in the circular issued to the shareholders.



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**Additional Requirements For Listed Issuers Involved In MOG Activities**

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**12.0 Competent person's report and competent valuer's report**

- 12.1 A competent person's report or competent valuer's report must –
- (a) be prepared in accordance with an Acceptable Reporting Standard;
  - (b) be addressed to the listed issuer;
  - (c) state the Acceptable Reporting Standard adopted in preparing the report; and
  - (d) comply with the disclosure requirements and contents of reports as prescribed in Chapter 17, Division 1, Part II of the SC's Prospectus Guidelines in relation to Specific Requirements For A Corporation with MOG Exploration or Extraction Assets.
- 12.2 The competent person's report and the competent valuer's report are to be dated not more than 6 months before the date of the circular issued to the shareholders.
- 12.3 There must be a statement in the circular to shareholders that no material changes have occurred since the effective date of the competent person's report and competent valuer's report. If the listed issuer, the competent person or the competent valuer, as the case may be, becomes aware of any circumstance or significant change which has or will have material effect on the content, validity or accuracy of the relevant reports before the date of issuance of the circular, the competent person or the competent valuer, as the case may be, and the listed issuer must cause the reports to be updated. If the listed issuer fails to do so, the competent person or the competent valuer, as the case may be, must withdraw its consent to the inclusion of the reports in the circular.
- 12.4 The listed issuer must submit to the Exchange the following, immediately after the listed issuer announces the transaction or as soon as the relevant reports are ready:
- (a) 2 copies of the competent person's report;
  - (b) 2 copies of the competent valuer's report; and
  - (c) a copy each of the undertaking letter in the form of Appendix 6D of the Listing Requirements from the competent person and competent valuer.
- In any event, the listed issuer must submit the reports together with the undertaking letters from the competent person and competent valuer, to the Exchange at least 1 month before it submits its draft circular in relation to the transaction to the Exchange.
- 12.5 The Exchange may refer any competent person's report or competent valuer's report received by the Exchange to another competent person or competent valuer for review, at the cost of the listed issuer. The listed issuer and the competent person or competent valuer must provide the Exchange on a timely basis, any information or assistance required in relation to the competent person's report or competent valuer's report.
- 12.6 A listed issuer, its competent person and competent valuer must comply with the instructions, directives or conditions imposed by the Exchange and within such timeframe as may be specified by the Exchange.
- 12.7 For the avoidance of doubt, the competent person's report and the competent valuer's report referred to in paragraphs 11.2(b) and 11.2(c) above may be prepared by the same person provided that such person meets both the requirements of a competent person and competent valuer.

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**Additional Requirements For Listed Issuers Involved In MOG Activities**

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**PART IV – SPECIFIC REQUIREMENTS FOR A LISTED ISSUER OR SPECIAL PURPOSE ACQUISITION COMPANY INVOLVED IN MOG ACTIVITIES**

**13.0 Additional criteria for independent directors and external auditor**

- 13.1 Paragraph 15.28 of the Listing Requirements states that a listed issuer falling within any one of the following categories (collectively referred to as “**the specified listed issuer**”) must comply with the additional governance requirements as may be prescribed by the Exchange:
- (a) a listed issuer admitted as an MOG corporation under the SC’s Equity Guidelines;
  - (b) a SPAC intending to acquire MOG Assets as part of its qualifying acquisition; or
  - (c) a listed issuer whose MOG exploration or extraction activities represent 50% or more of the total assets, revenue, operating expenses or after-tax profit based on its latest published or announced audited financial statements or audited consolidated financial statements, as the case may be.
- 13.2 In this respect, the specified listed issuer must, on a continuous basis, ensure that –
- (a) at least one of its independent directors has appropriate MOG exploration or extraction experience or expertise; and
  - (b) the external auditor it appoints has the relevant MOG exploration or extraction industry expertise.
- 13.3 For the purpose of paragraph 13.2(b) above, the external auditor may rely on the experience of its network firms to demonstrate that it has the relevant MOG exploration or extraction industry expertise provided that the partner-in-charge from the network firm is involved in the engagement.

**Annexure PN32-A**

**Additional Specific Information to be included in the announcement, where applicable, in relation to an Acquisition or Disposal involving MOG Assets**

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**ANNEXURE PN32-A**

**Additional specific information to be included in the announcement, where applicable, in relation to an acquisition or disposal involving MOG Assets**  
(paragraph 11.2(a))

- (1) The total size of the concession area and the location of the MOG exploration or production operation.
- (2) The salient features of the contractual arrangements entered into (for example concessions, licenses or production sharing contracts etc.) in respect of the MOG exploration or production operation including a description of the legal rights for exploration or extraction activities and control over the MOG Assets.
- (3) The total financing required for the MOG exploration or production operation and its source of funds.
- (4) The value of the MOG Assets together with the basis of such valuation.

[ End of Annexure ]

**Annexure PN32-B**

**Additional Specific Information to be included in the Circular to Shareholders, where applicable, in relation to an Acquisition or Disposal involving MOG Assets**

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**ANNEXURE PN32-B**

**Additional specific information to be included in the circular to shareholders, where applicable, in relation to an acquisition or disposal involving MOG Assets**  
(paragraph 11.2(a))

- (1) The total size of the concession area and the location of the MOG exploration or production operation, together with a location diagram or map.
- (2) The salient features of the contractual arrangements entered into (for example concessions, licenses or production sharing contracts etc.) in respect of the MOG exploration or production operation including a description of the legal rights for exploration or extraction activities and control over the MOG Assets.
- (3) The estimated timeframe to advance the MOG Assets to commercial production (if applicable).
- (4) The estimated Reserves or Resources together with the basis of the existence of such mineral or O&G.
- (5) The value of the MOG Assets together with the basis of such valuation.
- (6) The total financing required for the MOG exploration or production operation and its source of funds, whether debt financing, equity financing or other sources of funding and details of the development expenditure incurred to date.
- (7) The full name, professional qualifications, years of relevant experience, membership and details of recognised professional organisations, of the competent person and competent valuer.
- (8) The risks in relation to the MOG exploration or production operations which could materially affect the listed issuer.

[ End of Annexure ]