

Ref. No.: RPA/JH/TAC/RO(cxy)/LD07/23 [LEAP Transfer and RAA Framework]

31 March 2023

**The Company Secretary**  
(ACE Market Listed Corporations)

**Via Email**

Dear Sir/ Madam,

**AMENDMENTS TO -**

- (1) **BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS (“ACE LR”) AND**
- (2) **ACE MARKET FEES AND CHARGES**

**IN RELATION TO A TRANSFER OF LISTING FROM THE LEAP MARKET TO THE ACE MARKET AND RECOGNISED APPROVED ADVISER FRAMEWORK**

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**A. INTRODUCTION**

1. Pursuant to section 9 of the Capital Markets and Services Act 2007 (“**CMSA**”), Bursa Malaysia Securities Berhad (“**the Exchange**”) has made amendments to the ACE LR to facilitate a transfer of listing of eligible LEAP Market listed corporations to the ACE Market and expand the role of eligible Approved Advisers<sup>1</sup> on the ACE Market (“**LEAP Transfer Related Amendments**”).

**B. BACKGROUND**

2. The Exchange has been continuously working and developing initiatives to ensure that the country’s capital market remains vibrant and competitive. In this regard, the LEAP Transfer Related Amendments are aimed at improving the vibrancy of the LEAP Market, invigorating the growth of LEAP Market listed corporations’ businesses, and propelling capacity building amongst professionals in the corporate finance fraternity.
3. Under the LEAP Transfer Related Amendments, the Exchange has formalised a transfer of listing framework to the ACE Market for eligible LEAP Market listed corporations (“**transfer applicant**”) in the ACE LR. This will facilitate a transfer applicant to access a larger pool of investors to meet its funding needs.

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<sup>1</sup> Approved Advisers refer to those advisers authorised by the Exchange to carry out both the initial listing and post-listing activities on the LEAP Market.

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4. In tandem with the above, the Exchange is also expanding the roles of eligible Approved Advisers in the ACE Market progressively (“**Recognised Approved Adviser**”), taking into account the listing experience and advisory role they have gained from the LEAP Market, as well as their familiarity with the transfer applicants. These enhancements will facilitate capacity building of the Recognised Approved Advisers particularly in respect of an application for a transfer of listing to the ACE Market (“**transfer listing application**”) and certain simple and straightforward corporate proposals.
5. In finalising the LEAP Transfer Related Amendments, the Exchange has considered various feedback and comments in response to the public consultation paper issued on 10 August 2022, and reviewed the proposals accordingly.

**C. KEY LEAP TRANSFER RELATED AMENDMENTS**

6. The key LEAP Transfer Related Amendments are as follows:

**6.1 Facilitating eligible LEAP Market listed corporations to transfer their listing to the ACE Market (“LEAP Transfer Framework”) by -**

- (a) prescribing the eligibility requirements that a transfer applicant must satisfy,<sup>2</sup> such as -
  - (i) having been listed on the LEAP Market for 2 years; and
  - (ii) being considered as suitable for listing on the ACE Market by a Sponsor, including how the transfer applicant has implemented its business plan and utilised the proceeds raised from its initial listing on the LEAP Market;<sup>3</sup>
- (b) classifying the transfer listing application as a Specific Proposal,<sup>4</sup> which is subjected to greater supervision and oversight by a Sponsor and its key officers;

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<sup>2</sup> New Rule 3A.02(1) of the ACE LR.

<sup>3</sup> New paragraph 3.3 of Guidance Note 18 of the ACE LR.

<sup>4</sup> Rule 1.01 of the ACE LR under the definition of “**Specific Proposal**”.

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- (c) prescribing other requirements and admission procedures relating to a transfer of listing,<sup>5</sup> such as -
  - (i) requiring the Sponsor (together with the transfer applicant and other key advisers) to consult the Exchange before submitting the transfer listing application;<sup>6</sup>
  - (ii) requiring the transfer applicant to comply with the requirements relating to registration of prospectus and contents of prospectus, similar to an initial public offering application to the ACE Market;<sup>7</sup>
  - (iii) requiring the transfer applicant to request for a withdrawal of listing from the LEAP Market as part of the transfer of listing, and offer either an exit offer or any other alternative exit mechanism which is equitable to all shareholders;<sup>8</sup>
  - (iv) enhancing the existing procedures, listing application form, and supporting documents relating to an admission of securities to the ACE Market, to facilitate the transfer of listing;<sup>9</sup> and
  - (v) prescribing specific disclosure obligations in an announcement and circular to shareholders in relation to a proposed transfer of listing;<sup>10</sup>

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<sup>5</sup> New Rule 3A.02(1)(e) of the ACE LR.

<sup>6</sup> Rule 4.06A, paragraph 2A.0 of Part I of Guidance Note 15; and paragraph 2.2(d) of new Guidance Note 15A, of the ACE LR.

<sup>7</sup> New Rule 3A.04; new Appendix 3A(A); Part II of Guidance Note 15; Part C of Annexure GN15-A; paragraphs 2.2(h) and (i) of new Guidance Note 15A, of the ACE LR.

<sup>8</sup> Paragraph 2.1 of the new Guidance Note 15A of the ACE LR.

<sup>9</sup> Paragraphs 1.2 and 3.0 of Part I of Guidance Note 15; Parts A and B of Annexure GN15-A; new Guidance Note 15A, of the ACE LR.

<sup>10</sup> Paragraphs 2.2(a) and (b) of new Guidance Note 15A; and new Annexure GN15A-A, of the ACE LR.

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- (d) requiring a clear and transparent price discovery mechanism for the transfer applicant’s shares, which reflects its valuation before the transfer to the ACE Market<sup>11</sup>, and accordingly, requiring a public issue to be undertaken as part of the transfer of listing<sup>12</sup>; and
- (e) imposing a shorter minimum sponsorship period on a transfer applicant, i.e. for 2 full financial years (instead of 3).<sup>13</sup>

**6.2 Expanding the role of eligible Approved Advisers in the ACE Market under a new framework (“Recognised Approved Adviser Framework”) by -**

- (a) specifying that only an Approved Adviser which had, among others, completed at least 3 initial listings on the LEAP Market, and employed a Qualified Person<sup>14</sup>, may act as a Recognised Approved Adviser<sup>15</sup>;
- (b) prescribing the permitted undertakings of a Recognised Approved Adviser,<sup>16</sup> such as -
  - (i) acting as an adviser for the transfer listing application jointly with a Sponsor (“**Joint Transfer Sponsor**”), for a transfer applicant which it has acted either as an Approved Adviser for its initial listing, or as its Continuing Adviser for at least 1 full financial year, on the LEAP Market;

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<sup>11</sup> New Rule 3A.03 of the ACE LR.

<sup>12</sup> New Rule 3A.02(1)(d) of the ACE LR

<sup>13</sup> New Rule 3A.05 of the ACE LR.

<sup>14</sup> A Qualified Person refers to a full-time employee of the Recognised Approved Adviser who fulfils the requirements of a qualified person under the Securities Commission Malaysia’s Licensing Handbook.

<sup>15</sup> New Rule 4.29 of the ACE LR.

<sup>16</sup> New Rule 4.30(1) of the ACE LR.

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- (ii) serving as a replacement Sponsor<sup>17</sup> of a listed corporation which it has acted as a Joint Transfer Sponsor; and
  - (iii) acting as an adviser for a listed corporation which it has acted either as a Joint Transfer Sponsor or replacement Sponsor, in respect of permitted corporate proposals (i.e. a bonus issue, a private placement made under a general mandate or a Dividend Reinvestment Scheme); and
- (c) prescribing the obligations that a Recognised Approved Adviser must comply with in discharge of the permitted undertakings above and these include, among others, the following:

*in its capacity as Joint Transfer Sponsor*

- (i) requiring the Recognised Approved Adviser as well as its Qualified Person and Senior Officer to comply with the requirements pertaining to Specific Proposal as provided in the ACE LR;<sup>18</sup>
- (ii) clarifying the Recognised Approved Adviser is not required to be a placement agent or underwriter, if it is not permitted to do so. Instead, the Sponsor appointed jointly with the Recognised Approved Adviser must perform these roles;<sup>19</sup>
- (iii) stipulating that the Recognised Approved Adviser is jointly and severally responsible for the transfer listing application (including the withdrawal of listing from the LEAP Market) together with the Sponsor appointed jointly with it;<sup>20</sup>

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<sup>17</sup> A replacement Sponsor refers to a Sponsor or Recognised Approved Adviser, as the case may be, which has been appointed by a listed corporation during the sponsorship period to assume the role of a Sponsor, after the resignation or termination of service of the Sponsor responsible for its admission to the ACE Market.

<sup>18</sup> New Rule 4.30(2) of the ACE LR.

<sup>19</sup> New Rule 3A.02(3)(a) of the ACE LR.

<sup>20</sup> New Rule 3A.02(3)(b) of the ACE LR.

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*in its capacity as the adviser for the permitted corporate proposals*

- (iv) requiring the Recognised Approved Adviser to comply with the requirements as prescribed in Chapter 6 of the ACE LR including being primarily responsible for any application submitted for the permitted corporate proposals;<sup>21</sup> and
  - (v) clarifying that a Recognised Approved Adviser must ensure the listed corporation appoints a qualified person to act as the placement agent, if it is not permitted to be one.<sup>22</sup>
- 6.3 Making other miscellaneous changes for greater clarity and certainty such as reserving the Exchange’s power to review the performance and conduct of a Recognised Approved Adviser, and extending the regulatory and enforcement ambit under the ACE LR to a Recognised Approved Adviser.

**D. FULL TEXT OF THE LEAP TRANSFER RELATED AMENDMENTS**

7. The full text of the LEAP Transfer Related Amendments is attached as **Appendix 1**. For ease of reference, the amendments are reflected in the following manner:
- portions underlined are text newly inserted/added into the existing rules
  - portions struck through are text deleted.

**E. QUESTIONS AND ANSWERS AND CONTACT PERSONS**

8. In addition, we have also provided “Questions and Answers” in relation to the LEAP Transfer Related Amendments as set out in **Appendix 2**, to facilitate better understanding of the LEAP Transfer Related Amendments.

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<sup>21</sup> New Rule 6.02(4B) of the ACE LR.

<sup>22</sup> New Rule 6.13(2) of the ACE LR.

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9. If you have any queries on the LEAP Transfer Related Amendments, please do not hesitate to contact Listing Advisory & Development, Listing Division at 03-2034 7766 or submit your enquiry via <https://asklisting.bursamalaysia.com>.

**F. REVISED FEES AND CHARGES**

10. Apart from the above, the Exchange has, pursuant to Rule 2.20(3) of the ACE LR, amended the Fees and Charges for the ACE Market consequential to the LEAP Transfer Related Amendments.
11. Accordingly -
  - (a) a transfer applicant must pay the relevant fees and charges stipulated in Sections A and C of the Fees and Charges, similar to any initial public offering applicant seeking an admission to the ACE Market; and
  - (b) a Recognised Approved Adviser must pay an initial admission fee and annual fee to the Exchange as stipulated in paragraph 10 in Section B of the Fees and Charges.
12. The full details of the Fees and Charges (with the relevant amendments duly tracked) is enclosed as **Appendix 3**.

**G. IMPLEMENTATION**

13. The LEAP Transfer Related Amendments and revised Fees and Charges take effect on **1 April 2023**.

**H. ADDITIONAL INFORMATION**

14. This letter as well as the respective Appendices are also available at Bursa Malaysia Berhad’s website at:  
[https://www.bursamalaysia.com/regulation/listing\\_requirements/ace\\_market/amendments\\_to\\_listing\\_requirements](https://www.bursamalaysia.com/regulation/listing_requirements/ace_market/amendments_to_listing_requirements).

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15. The amended Fees and Charges for the ACE Market is available at:  
[https://www.bursamalaysia.com/listing/get\\_listed/fees\\_and\\_charges/ace\\_market](https://www.bursamalaysia.com/listing/get_listed/fees_and_charges/ace_market)

Thank you.

Yours sincerely,



REGULATION

Encl. (3)