

---

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

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

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

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

**6.03 Director's undertaking**

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

**6.04 Securities holder approval**

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

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

**6.05 Function of the board of directors**

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

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

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

#### **6.05A Anti-corruption and whistle-blowing**

A listed corporation and its board of directors must ensure that the following are established and maintained for the listed corporation and its group of companies:

- (a) 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
- (b) policies and procedures on whistle-blowing.

#### **6.06 Core business**

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

### **PART C – CONTINUING DISCLOSURE**

#### **6.07 Corporate disclosure policy**

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

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

**6.08 Disclosure of material information**

- (1) A listed corporation must disclose to the public any information that is considered material, if it is reasonably expected to have a material effect on -
  - (a) the price, value or market activity of any of the listed corporation's securities; or
  - (b) the decision of a securities holder or investor in determining his choice of action.
- (2) Without limiting the generality of sub-Rule (1) above, material information may include information which -
  - (a) concerns the listed corporation's assets and liabilities, business, financial condition or prospects;
  - (b) relates to dealings with employees, suppliers, customers and others; or
  - (c) relates to any event affecting the present or potential dilution of the rights or interests of the listed corporation's securities.

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

- (1) A listed corporation may, in exceptional circumstances, temporarily refrain from publicly disclosing material information, provided that complete confidentiality is maintained. Where material information is withheld, the listed corporation must refrain from delaying disclosure for an unreasonable period of time since it is unlikely that confidentiality can be maintained beyond a short period of time.
- (2) The exceptional circumstances where disclosures can be withheld are limited and constitute an infrequent exception to the normal requirement of immediate public disclosure, such as when the facts are in a state of flux or where the laws prohibit the disclosure of such information and the listed corporation is able to maintain confidentiality of such information.
- (3) During a period where material information is withheld in accordance with sub-Rules (1) and (2) above, a listed corporation must ensure it closely monitors the market activity of its securities. A listed corporation must immediately announce the information withheld to the Exchange, in the following circumstances:
  - (a) there is unusual market activity of the listed corporation's securities;
  - (b) rumours or reports concerning the information have appeared; or
  - (c) there are signs that insider trading may be taking place.

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

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

- 
- (d) avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman;
  - (e) explains, if the consequences or effects of the information on the listed corporation's future prospects cannot be assessed, why this is so;
  - (f) does not contain any language which is inflammatory, defamatory or scandalous of another person; and
  - (g) in relation to an announcement on internal targets, that the information disclosed are merely internal management targets or aspirations set to be achieved by the listed corporation and not a financial estimate, forecast or projection.
- (2) A listed corporation must ensure that any financial estimate, forecast or projection is prepared with reasonable bases and assumptions and reviewed by the external auditors or reporting accountants, as the case may be, except where the financial estimate, forecast or projection is required to be released on an immediate basis in response to a media report.
  - (3) Where an Adviser is appointed by the listed corporation for preparation or submission of the announcement or circular to the Exchange, such Adviser must also comply with sub-Rule (1) or (2) above, as the case may be.
  - (4) A listed corporation or its Adviser does not commit a breach of sub-Rule (1), (2) or (3) above, as the case may be, if such person proves that -
    - (a) he had made all enquiries as were reasonable in the circumstances; and
    - (b) after making such enquiries, he had reasonable grounds to believe and did believe until the submission of the announcement or the issue of the circular that the announcement or circular did fulfil the requirements of sub-Rule (1) above.
  - (6) Where any announcement or circular referred to in sub-Rule (1) above has been submitted to the Exchange or issued and the person referred to in sub-Rules (1) and (3) above subsequently becomes aware that the announcement or circular may not fulfil the requirements of sub-Rule (1) above, the person must immediately notify the Exchange of the same.

#### **6.11 Immediate announcements to the Exchange**

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

- (1) any intention to fix books closing date and its reason, stating the books closing date, which must be at least 5 market days after the date of announcement to the Exchange;
- (2) any recommendation, or declaration of a dividend or distribution. The announcement must include –
  - (a) the amount per share;
  - (b) the mode (in cash, by shares or both); and
  - (c) date of payment;

- 
- (3) any decision to call for a general meeting. The announcement must include the date of the Record of Depositors which the listed corporation requires for purposes of determining whether a depositor shall be regarded as a member entitled to attend, speak and vote at the general meeting;
  - (4) all resolutions put to a general meeting of a listed corporation and immediately after such meeting whether or not the resolutions were carried;
  - (5) any change in the financial year end of the listed corporation;
  - (6) any change in the chief executive or the composition of the board of directors of the listed corporation, including the name and particulars of the new chief executive or director of the listed corporation;
  - (7) any change in the company secretary or external auditors of the listed corporation;
  - (8) any notice of resignation by, or termination of, the Adviser of the listed corporation. The reasons for such resignation or termination must be disclosed;
  - (9) any notice relating to director or substantial shareholding which the listed corporation has received;
  - (10) the following matters in relation to winding-up of the listed corporation, its subsidiary or major associated company:
    - (a) presentation of a winding-up petition;
    - (b) winding up order being made; or
    - (c) commencement of a voluntary winding-up in accordance with section 441 of the Companies Act;
  - (11) the appointment of, or any change in, a receiver, manager or receiver and manager, liquidator (which includes an interim liquidator) or special administrator or such other person of a similar capacity over the listed corporation, any of its subsidiaries or major associated companies or any part of the properties of the listed corporation or any of its subsidiaries or major associated companies;
  - (12) the procurement of a court order restraining proceedings against a listed corporation or any of its subsidiaries or major associated companies;
  - (13) any scheme of compromise, arrangement, amalgamation or reconstruction;
  - (14) any change to the utilisation of proceeds raised by the listed corporation from the issuance of securities that deviates by 25% or more from the original utilisation of proceeds;
  - (15) a subdivision of shares or consolidation by the listed corporation;
  - (16) any deviation of 25% or more between the profit or loss after tax and minority interest stated in the announced unaudited financial statements and the audited financial statements, giving an explanation of the deviation and the reconciliation of the deviation;
  - (17) any modified opinion or material uncertainty related to going concern in an external auditors' report, giving full details of such modified opinion or material uncertainty related to going concern;

- 
- (18) any change of control in the listed corporation;
  - (19) any information in relation to a proposed take-over or take-over offer which is required to be announced pursuant to the Take-Overs and Mergers Code and a statement whether it is the offeror's intention to maintain the listed corporation's listing status;
  - (20) any proposed material diversification in the operations carried on by the listed corporation; or
  - (21) any change in the registered or business address of the listed corporation.

#### 6.12 Semi-annual financial statements

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

#### 6.13 Annual audited financial statements

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

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

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

- 
- (5) If a listed corporation fails to announce the outstanding Financial Statements within 6 months after the end of the Relevant Timeframes, in addition to any enforcement action that the Exchange may take, the Exchange shall commence de-listing procedures against such listed corporation.

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

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

[End of Chapter]

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

---

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

(Rule 6.12)

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

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

(Rule 6.13)

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

[End of Appendix]