

**BURSA MALAYSIA SECURITIES  
BERHAD**

**ACE 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 “admitted” will be construed accordingly.
adviser	in relation to an applicant or a listed corporation, means –  (a) an Adviser or Sponsor and in the case of a Specific Proposal, the Sponsor, its Qualified Person and Senior Officer;  (b) a person who is permitted to carry on the regulated activity of advising corporate finance under the CMSA;  (c) a financial adviser, lawyer, accountant, valuer, or any other person retained by an applicant or a listed corporation to provide professional advice or services in relation to a matter governed by these Requirements; or  (d) 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 corporation.
Adviser	means a person registered on the Register of Sponsors who has been appointed by a listed corporation to undertake a corporate proposal prescribed by the Exchange to require the services of an Adviser.
amendment	in relation to a document or information, includes any addition, deletion, modification or variation of any part of such document or information and “amended” will be construed accordingly.
applicant	means a corporation which is applying for admission of its securities to the Official List.
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:  (a) a family member of the said Person;  (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;

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	(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;
	(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;
	(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 corporation for the purpose of determining entitlements to dividends, interests, new securities or other distributions or rights of holders of its securities.
Cash Company	means a listed corporation 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 Rule 8.03.



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change in the board of directors of a listed corporation	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.
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.
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.
convertible securities	means securities which are convertible or exercisable by their terms of issue, into shares.
core business	means the business which provides the principal source of operating revenue or after-tax profits 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.
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.

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depository receipts	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.
Dividend Reinvestment Scheme	means a scheme which enables shareholders to reinvest cash dividend into new shares.
Employee Share Scheme	means collectively a Share Issuance Scheme and a Share Grant Scheme.
Exchange	means Bursa Malaysia Securities Berhad.
Exchange Holding Company	means Bursa Malaysia Berhad.
expert	includes an engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.
family	<p>in relation to a person means such person who falls within any one of the following categories:</p> <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 sub-Rules (c) and (d) above.</li> </ul>
foreign corporation	means an entity that is incorporated outside Malaysia.
GN3 Company	has the meaning given in Rule 8.04.
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 corporation 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	<p>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 listed corporation. Without limiting the generality of the foregoing, an independent director is one who -</p> <ul style="list-style-type: none"> <li>(a) is not an executive director of the applicant, listed corporation or any related corporation of such applicant or listed corporation (each corporation is referred to as the "<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 of 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 the listed corporation) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange.

*[Cross reference: Guidance Note 9]*

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.
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.
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 corporation on a consolidated basis.

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major shareholder	<p>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 –</p> <p>(a) 10% or more of the total number of voting shares in the corporation; or</p> <p>(b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.</p> <p>For the purpose of this definition, “<b>interest</b>” shall have the meaning of “<b>interest in shares</b>” given in section 8 of the Companies Act.</p>
market day	<p>means a day on which the stock market of the Exchange is open for trading in securities.</p>
MCCG	<p>means the Malaysian Code on Corporate Governance.</p>
member	<p>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.</p>
net assets	<p>refers to the net assets attributable to ordinary equity holders of the listed corporation.</p>
offer for sale	<p>means an invitation by, or on behalf of, an existing securities holder to purchase securities of a corporation already in issue or allotted.</p>
offer for subscription	<p>means an invitation by, or on behalf of, a corporation, to subscribe for securities of the corporation not yet in issue or allotted.</p>
officer	<p>(a) in relation to an applicant, a listed corporation, 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, a listed corporation 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	<p>means a list specifying all securities which have been admitted for listing on the ACE Market and not removed.</p>
options	<p>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.</p>

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Participating Organisation	means a company which carries on the business of dealing in securities and for the time being recognised as a Participating Organisation 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> <ul style="list-style-type: none"><li>(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</li><li>(b) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.</li></ul>
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>

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predominantly foreign-based operations	means a situation where –  (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  (b) the majority of the infrastructure projects of the corporation are located outside Malaysia.
predominantly Malaysian-based operations	means a situation where –  (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  (b) the majority of the infrastructure projects of the corporation are located within Malaysia.
principal subsidiary	means a subsidiary which accounts for 25% or more of the profit after tax or total assets employed of the listed corporation based on the latest published or announced audited financial statements of the listed corporation or audited consolidated financial statements of the listed corporation, as the case may be.
promoter	has the meaning given in section 226 of the CMSA.
property development corporation	means a corporation whose core business is in –  (a) development or redevelopment of real estate; or  (b) 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.
property investment corporation	means a corporation whose core business is in –  (a) the holding of landed or strata properties in the commercial, residential, industrial or agricultural sector (collectively referred to as “ <b>investment properties</b> ”) for letting and retention as investments; or  (b) the purchase of investment properties for subsequent sale.
prospectus	has the meaning given in section 226 of the CMSA.

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public	<p>means all persons or members of the public but excludes:-</p> <ul style="list-style-type: none"> <li>(a) directors of an applicant or a listed corporation and its subsidiaries;</li> <li>(b) substantial shareholders of an applicant or a listed corporation 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>(i) such shareholder’s interest, directly or indirectly is not more than 15% of the total number of shares of the applicant or listed corporation;</li> <li>(ii) such shareholder is not a specified shareholder of the applicant or listed corporation; and</li> <li>(iii) such shareholder is either - <ul style="list-style-type: none"> <li>(aa) a statutory institution who is managing funds belonging to contributors or investors who are members of the public; or</li> <li>(bb) 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>(c) associates of directors or substantial shareholders of an applicant or a listed corporation; and</li> </ul> <p>For the avoidance of doubt, a “public” shareholder also excludes:</p> <ul style="list-style-type: none"> <li>(I) shareholders whose shares are subject to moratorium pursuant to Rules 3.19 and 3.19A; and</li> <li>(II) a person who holds or acquires shares through artificial means. This includes, for example, giving away free shares or shares as gifts, or providing financial assistance or loans to acquire shares to nominees of the directors or substantial shareholders.</li> </ul>
Qualified Person	<p>means the employee of the Sponsor who fulfils the requirements of a qualified person under the SC’s Licensing Handbook.</p>
real estate	<p>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.</p>

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Recognised Stock Exchange	means –  (a) a body corporate which has been approved by the Minister under section 8(2) of the CMSA; or  (b) a foreign stock exchange declared by the Exchange to be a recognised stock exchange.
Record of Depositors	means a record provided by the Depository to a listed corporation under chapter 24.0 of the Rules of the Depository.
Register	means the register of members to be kept pursuant to the Companies Act.
Register of Sponsors	means a register maintained by the Exchange for the ACE Market specifying all persons which have been approved to act as Sponsors by the Exchange pursuant to Chapter 4 of these Requirements and such approval has not been revoked or suspended.
Registrar	means the Registrar of Companies under the Companies Act and includes any Deputy or Assistant Registrar of Companies.
related corporation	means a corporation which is –  (a) the holding company of another corporation;  (b) a subsidiary of another corporation; or  (c) a subsidiary of the holding company of another corporation.
related party	means a director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, “ <b>director</b> ” and “ <b>major shareholder</b> ” have the meanings given in Rule 10.02 of these Requirements.
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.
restricted offer for sale	means an invitation to an identifiable group of investors by, or on behalf of, an existing securities holder to purchase securities of a corporation already in issue or allotted.
restricted offer for subscription	means an invitation to an identifiable group or pool of investors by, or on behalf of a corporation, to subscribe for the securities of the corporation not yet in issue or allotted.
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.



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Senior Officer	means an individual of higher authority or ranking than the Qualified Person, or a committee duly constituted, for the purpose of Rule 4.05A of these Requirements.
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.
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 sub-Rules (a), (b), (c) and (d) above; or</li> </ul> <p>in the case of a foreign corporation, means sub-Rules (a) to (e) above and any law outside Malaysia relating to the capital market.</p>
Share Grant Scheme	means a scheme involving the grant of a listed corporation'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	in relation to a listed corporation means - <ul style="list-style-type: none"> <li>(a) an acquisition of assets such that any one of the percentage ratios is 100% or more, except where the assets to be acquired are in a business similar to the core business of the listed corporation;</li> <li>(b) an acquisition of assets which results in a change in the controlling shareholder of the listed corporation;</li> <li>(c) an acquisition of assets which results in a change in the board of directors of the listed corporation;</li> <li>(d) an acquisition of assets by a Cash Company to regularize its condition pursuant to Rule 8.03(5)(a); or</li> </ul>

- (e) a restructuring exercise involving the transfer of the listed corporation's listing status and the introduction of new assets to the other corporation.

For the purpose of this definition, “**percentage ratios**” means the figures, expressed as a percentage, resulting from each of the following computations:

- (i) the net assets value of the assets which are the subject of the acquisition divided by the net assets value of the listed corporation;
- (ii) the revenue attributable to the assets which are the subject of the acquisition divided by the revenue of the listed corporation;
- (iii) the after-tax profits attributable to the assets which are the subject of the acquisition divided by the after-tax profits of the listed corporation;
- (iv) the aggregate value of the consideration for the subject acquisition (including amounts to be assumed by the purchaser, such as the vendor's liabilities) divided by the aggregate market value of all the ordinary shares of the listed corporation; or
- (v) the number of new shares issued by the listed corporation as consideration for the acquisition divided by the number of shares in the listed corporation in issue prior to the acquisition.

Specific Proposal

refers to the following:

- (a) an application for admission to the Official List;
- (b) registration of prospectus (other than abridged prospectus) in relation to securities to be admitted to the Official List;
- (c) a Major Disposal as defined in Rule 10.02(eA) of these Requirements; or
- (d) a corporate proposal or transaction which results in a significant change in the business direction or policy of the listed corporation (except where such corporate proposal or transaction is carried out in conjunction with a transfer of listing from the ACE Market to the Main Market).

specified shareholder

means a controlling shareholder, a person connected to a controlling shareholder, and an executive director who is a substantial shareholder, of the applicant or listed corporation, or any other person as specified by the Exchange.

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Sponsor	means such persons who are registered on the Register of Sponsors.
Sponsored Corporation	means a listed corporation which is sponsored by a Sponsor during the Sponsorship Period.
Sponsorship Period	in relation to a sponsorship means the period referred to in Rule 3.21(1).
stabilizing action	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 corporation.
substantial shareholder	has the meaning given in section 136 of the Companies Act.
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 ACE 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.

## 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 Rule 1.01 are also applicable to any Guidance Note, unless otherwise defined in the Guidance 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.

**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 includes 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 corporations 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 Rules, Parts and Chapters unless otherwise stated are to be construed as references to Rules, 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 corporations, their directors, officers, advisers or any other person to whom these Requirements are directed.

**2.02 Objective of ACE Market**

The principal objective of the ACE Market is to allow local and foreign corporations from all business sectors to access the capital market under a sponsor-driven framework.

**2.03 Purpose of these Requirements**

The purpose of these Requirements is to set out the requirements that must be complied with by all applicants, listed corporations, 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.

**2.04 General principles**

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

- (1) all applicants will be of a certain quality;
- (2) investors and the public will be kept fully informed by the listed corporations 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 the listed corporations;
- (3) all holders of securities will be treated fairly and equitably;
- (4) directors, officers and advisers of listed corporations will maintain the highest standards of integrity, accountability, corporate governance and responsibility; and
- (5) directors of listed corporations will act in the interests of the listed corporation as a whole, particularly where the public represents only a minority of the shareholders or where directors or major shareholders have material interests in transactions entered into by listed corporations.

**PART B – APPLICATION OF THESE REQUIREMENTS****2.05 Obligation to comply**

- (1) A listed corporation, 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.
- (2) A listed corporation, 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 corporation or its securities remain listed on the Official List. This applies even during periods when a listed corporation'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.

## 2.06 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.

## 2.07 Waivers and modifications

- (1) The Exchange requires strict compliance with these Requirements.
- (2) Notwithstanding sub-Rule (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.

## 2.08 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.

## 2.09 Guidance Notes

- (1) The Exchange may, from time to time, issue Guidance 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 Guidance Notes from time to time.
- (3) A listed corporation, its directors, officers, advisers or any other person to whom these Requirements are directed must comply with the Guidance Notes issued pursuant to this Rule in the same manner as these Requirements. For the avoidance of doubt, unless the context otherwise requires, directions and requirements contained in the Guidance Notes are in clarification of and not in derogation of any obligations of persons to whom these Requirements or the Guidance Notes apply.
- (4) Unless otherwise defined in the Guidance Notes or the context otherwise requires, words or expressions defined in these Requirements, when used in the Guidance Notes, have the same meaning as in these Requirements.

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

- (1) An applicant or a listed corporation must ensure that -
  - (a) any constitution, 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 corporation 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 documents; and
  - (b) the approvals of the relevant authorities are obtained (where applicable).

**2.11 Timing of submission**

An applicant or a listed corporation 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 corporation 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, except as provided 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 corporation’s advisers; and
  - (b) in the case of an amendment to the constitution, by the listed corporation’s advisers or its company secretary.

*[Cross reference: Guidance Notes 15 and 16]*

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**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 corporation 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 corporation, 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 corporation or its advisers must clearly mark the document with the words “For Immediate Release”.

**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.



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**2.17 Verification of report or information**

The Exchange may, at its discretion, instruct or direct an applicant or a listed corporation to appoint an independent adviser or expert at the expense of such applicant or listed corporation 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 corporation 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 corporation, an adviser a director of an applicant or a listed corporation, or a promoter or chief executive of an applicant 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 corporation, an adviser or a director of an applicant or a listed corporation, or a promoter or chief executive of an applicant does not commit a breach of sub-Rule (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 sub-Rule (1) above.
- (3) Where any statement, information or document referred to in sub-Rule (1) above has been presented, submitted or disclosed to the Exchange and the person referred to in sub-Rule (1) above subsequently becomes aware that the statement, information or document may not fulfil the requirements of sub-Rule (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, Rule 9.35 apply in substitution of sub-Rules (1) to (3) above.

**2.18A Attendance before the Exchange**

The directors, officers, employees or advisers of a listed corporation 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 corporation 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.

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- (2) An applicant, a listed corporation or an adviser or director of an applicant or listed corporation 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 corporation.

#### **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 corporation and its Sponsor or Adviser (if appointed), as the case may be, 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 corporation 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.

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

A listed corporation 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 corporation —
- (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 corporation for purposes of communication with the securities holder;
- (b) if the listed corporation publishes the Documents on its website, the listed corporation 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 corporation 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 corporation 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 corporation must send these Documents through electronic mail, in hard copy or in any other manner as the Exchange may prescribe from time to time.

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**PART E – FEES AND OTHER CHARGES****2.20 Fees and other charges**

- (1) An applicant, a listed corporation, and a Sponsor 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 corporation, 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 corporation 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 corporation 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.

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

Every listed corporation 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.

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

- (1) An adviser who presents, submits or discloses an application, a circular or any information or other document to the Exchange on behalf of an applicant or a listed corporation 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 information or other document submitted by an adviser on behalf of an applicant or a listed corporation where such adviser has not lodged with the Exchange an undertaking referred to in sub-Rule (1) above.
  - (3) The acceptance by the Exchange of the undertaking referred to in sub-Rule (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.
  - (4) In respect of a Sponsor, Senior Officer or Qualified Person of a Sponsor, the following will apply in substitution of sub-Rule (1) above:
    - (a) in the case of a Sponsor, Rule 4.03(1)(b) of these Requirements; and
    - (b) in the case of a Senior Officer or Qualified Person of a Sponsor, Rule 4.05A(2) of these Requirements.

### 2.21A Share registrar

- (1) A listed corporation 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 corporation's share registrar; and
  - (b) acts professionally and in the best interests of the listed corporation and the integrity of the market when providing services for the listed corporation.
- (2) For purposes of sub-Rule (1)(a) above, the listed corporation 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 corporation 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 corporation; 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 corporation and its shareholders.
- (3) The "**share registrar**" referred to in sub-Rule (1) above includes an in-house share registrar.

## PART G – OTHER PERSON PRIMARILY RESPONSIBLE FOR LISTED CORPORATIONS

### 2.22 Undertaking by a person responsible for a listed corporation

- (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 corporation ("**Controlling Person**"), the listed corporation 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 corporation referred to in sub-Rule (1) above; or
  - (b) permit, either knowingly or where he had reasonable means of obtaining such knowledge, such listed corporation 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 corporation, 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 sub-Rule (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 corporation to appoint a special auditor to review or investigate the affairs of the listed corporation, 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 corporation.
- (2) For the purpose of this Rule, a special auditor means any auditor other than the statutory auditor of the listed corporation appointed pursuant to the Companies Act or in relation to a foreign corporation, pursuant to the relevant laws of the place of incorporation.

### **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 corporation or its adviser under these Requirements will be sent to the registered office or last known address of the listed corporation or its 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 3<sup>rd</sup> day after posting;
    - (b) if sent by courier, on the 2<sup>nd</sup> day after despatch; and
    - (c) if sent by facsimile transmission, immediately.
  - (4) Notwithstanding sub-Rule (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 corporation will be quoted in Ringgit or such other foreign currency as may be allowed by the Exchange.
- (2) A listed corporation 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, listed corporation, its directors, officers, advisers or any other person to whom these Requirements are directed.

##### **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 corporation, its directors, officers, advisers or any 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 sub-Rule (1) above.

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**2.30 Liability of the Exchange, etc.**

Without prejudice to any immunity or defence 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.

**PART K – CONCLUSION****2.31 Conclusion**

These Requirements provide that any statement, information or document presented, submitted or disclosed pursuant to these Requirements must be clear, unambiguous, accurate and must not contain any material omission or be false or misleading. Under this full disclosure approach, investors, rather than the Exchange, will have the responsibility for evaluating the merits and risks of investing in a particular security. This approach places the onus of evaluating the disclosed information on the investor.

[End of Chapter]

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**APPENDIX 2A****Undertaking by an adviser**  
(Rule 2.21(1))

To

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

**Compliance with ACE 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 corporations, WE .....[name of adviser] having a #registered address/place of business at ..... irrevocably and unconditionally UNDERTAKE AND AGREE to comply with Bursa Securities ACE Market Listing Requirements, including any amendment as may be made from time to time, insofar as the same apply to us as advisers.

The term “adviser”, “applicant”, “listed corporation” and “Official List” have the meanings given under Bursa Securities ACE Market 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 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 corporation**

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**APPENDIX 2B**

**Undertaking by a person responsible for the management of a listed corporation**  
(Rule 2.22(1))

To

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

**Compliance with ACE Market Listing Requirements**

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

In consideration of Bursa Securities allowing the continued listing of the Company(ies) on the Official List, #I/We, irrevocably and unconditionally UNDERTAKE AND AGREE to comply with Bursa Securities ACE 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 WE 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 corporation only.

[End of Appendix]

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**CHAPTER 3 ADMISSION****PART A – GENERAL****3.01A [Deleted]****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) Where a listed corporation undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed corporation, the Exchange will treat such listed corporation as if it were a new applicant seeking admission to the Official List. In such instance, the listed corporation must comply with the requirements under this Chapter, where applicable.
- (3) For the purposes of this Chapter, unless the context otherwise requires, references to –
  - (a) **“applicant”** includes a listed corporation that undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed corporation; and
  - (b) **“issue or offer of shares”** means an issue of shares, or offer for subscription or purchase of shares, or issue an invitation to subscribe for or purchase of shares, of an applicant.

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

- (1) An applicant must obtain the approval of the Exchange for its admission to the Official List. The Exchange will exercise discretion over the admission and continued listing of securities on its Official List and may return, 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 apply for admission to the Official List through a Sponsor. For this purpose, the applicant and the Sponsor must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

*[Cross reference: Guidance Note 15]*

- (4) The Sponsor appointed by an applicant must assess the suitability of the applicant seeking admission to the Official List.

*[Cross reference: Guidance Note 18]*

- (5) The applicant, Sponsor or other persons accepting responsibility for all or any part of the information and documents submitted to the Exchange, including a prospectus, in relation to an initial listing application must comply with the equivalent obligations and standards imposed on an applicant, Submitting Party or adviser, as the case may be, under the SC's Guidelines on Submission of Corporate and Capital Market Product Proposals, as if the submission were made to the SC.

- 
- (6) An applicant which is a special purpose acquisition company or an incubator, including a technology incubator must apply for admission to the Main Market only.

### 3.03 Chain listing

An applicant which is a subsidiary or holding company of a corporation currently listed on the Main Market or ACE Market of the Exchange cannot seek admission to the Official List on its own unless the Sponsor is satisfied that -

- (a) the applicant has a distinct and viable business of its own;
- (b) no intra-group competition or conflict of interests exists between the applicant and all the other corporations within the holding company's group;
- (c) the applicant is independent from the other listed and non-listed corporations within the group in terms of its operations, including purchases and sales of goods, management, management policies and finance; and
- (d) the existing listed corporation within the group must have a separate autonomous business of its own, and is capable of sustaining its listing in the future.

### 3.04 Independence of business

The core business of an applicant must not be the holding of investments in other listed corporations.

### 3.05 Working capital

An applicant must have sufficient working capital available for its present requirements and for at least 12 months from the date of its prospectus for an initial public offering.

### 3.06 Management continuity

An applicant must have continuity of substantially the same management at the level of executive directors and senior management for 3 full financial years before submitting its listing application to the Exchange or since commencement of its operations (if less than 3 full financial years).

### 3.07 Property investment and property development corporation

- (1) An applicant which is a property investment and property development corporation must -
  - (a) appoint an independent valuer to conduct a valuation of all its material real estate; and
  - (b) 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 together with its listing application.
- (2) The applicant and the valuer must ensure that -
  - (a) the valuation report submitted pursuant to sub-Rule (1) above complies with these Requirements and the SC's Asset Valuation Guidelines, which are in force from time to time; and
  - (b) the date of valuation which forms the basis of the valuer's undertaking letter pursuant to sub-Rule (1)(b) above is current, and in any event, not more than 6 months before the date of submission to the Exchange.

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- (3) For the purposes of sub-Rules 1(b) and 2(a) above, a “**valuation report**” includes a valuation certificate.

### **3.08 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.

### **3.09 Audit committee**

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

### **3.10 Shareholding spread**

- (1) An applicant must have at least 25% of the total number of shares for which listing is sought in the hands of a minimum number of 200 public shareholders holding not less than 100 shares 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 shares.
- (2) An applicant which has or will be having shares listed on other stock exchange(s) may have these shares included for the purpose of computing the shareholding spread.

*[Cross-reference: Guidance Note 13]*

### **3.11 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 Rule 2.12 together with its constitution and a checklist showing compliance with the relevant provisions of Chapter 7.

### **3.12 Preference shares, convertible securities and debt securities**

- (1) An applicant may issue and list any securities as part of its listing scheme, including preference shares, convertible securities and debt securities. For issues of convertible securities, the applicant must comply with the requirements set out in Parts H and I of Chapter 6.
- (2) The exercise or conversion price of convertible securities issued before or as part of the listing scheme must not be lower than the applicant’s ordinary share price offered to the public under an initial public offering.

## **PART B(A) – REQUIREMENTS FOR PROSPECTUS**

### **3.12A Registration and lodgement of prospectus**

- (1) An applicant must not issue or offer any shares, or make an application for listing, in relation to an admission to the Official List unless -
- (a) it is seeking an admission of its shares to the Official List;

- 
- (b) a prospectus relating to the shares has been registered by the Exchange under these Requirements; and
  - (c) the prospectus complies with these Requirements.

*[Cross-reference: Guidance Note 23]*

- (2) An applicant must submit a prospectus to the Exchange for review and registration through a Sponsor. For this purpose, the applicant and its Sponsor must comply with the procedures and requirements relating to the registration of prospectus as may be prescribed by the Exchange.

*[Cross-reference: Guidance Note 15]*

- (3) Unless authorised in writing by the Exchange, an applicant must not issue, circulate or distribute any form of application for shares without a copy of a prospectus duly registered by the Exchange.
- (4) An applicant must lodge a copy of the duly registered prospectus and a copy of the form of application for shares accompanying such prospectus, with the Registrar before the date of issue of the prospectus.

### **3.12B Contents of the prospectus**

- (1) An applicant must include the information as set out in Part A of Appendix 3B in a prospectus issued pursuant to these Requirements.
- (2) The cut-off date for information to be disclosed in the prospectus must be the latest practicable date available prior to the issue of the prospectus.

### **3.12C General duty of disclosure in prospectus**

- (1) An applicant, its promoters, directors and chief executive, Sponsors and advisers must ensure that any prospectus prepared, submitted or issued pursuant to these Requirements -
  - (a) is factual, clear, accurate, concise and contains sufficient information to enable investors to make informed investment decisions;
  - (b) does not contain any material omission;
  - (c) is not false or misleading;
  - (d) presents comparative information which is meaningful and in a fair and balanced way, and disclose the source of information;
  - (e) prominently discloses key information; and
  - (f) is expressed in plain and simple language, and avoids legal or financial jargon, technical terms of complicated methodologies or analyses, unless they can be clearly explained. For this purpose, the applicant and its directors should be guided by the Plain Language Guide for Prospectus issued by the SC.
- (2) If any person referred to in sub-Rule (1) above (collectively the “**said Person**”) becomes aware of any significant change or new matter arising that will affect the contents of the prospectus, or that the prospectus may not fulfil the requirements of sub-Rule (1) above, the said Person must immediately notify the Exchange of the same.

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- (3) A said Person does not commit a breach of sub-Rule (1) above, as the case may be, if the said 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 or issue of the prospectus that the statement or information in the prospectus did fulfil the requirements of sub-Rule (1) above.

*[Cross-reference: Guidance Note 23]*

### **3.12D Issuance and registration of supplementary or replacement prospectus**

- (1) An applicant must issue a supplementary or replacement prospectus when the applicant becomes aware of the following at any time after a prospectus has been registered with the Exchange but before the issuance of shares:
- (a) a matter has arisen and information about that matter would have been required to be disclosed in the prospectus under these Requirements, the CMSA or the SC's Prospectus Guidelines, if the matter had arisen at the time the prospectus was prepared;
  - (b) there has been a significant change affecting a matter disclosed in the prospectus;
  - (c) a material statement or information in the prospectus is false or misleading; or
  - (d) there is a material omission from the prospectus.
- (2) An applicant must, as soon as practicable after becoming aware of a matter referred to in sub-Rule (1) above -
- (a) immediately inform the Exchange of the matter; and
  - (b) submit its supplementary or replacement prospectus, as the case may be, to the Exchange for registration in accordance with Rule 3.12A(2) above.

*[Cross-reference: Guidance Notes 15 and 23]*

- (3) Upon registration of the supplementary or replacement prospectus by the Exchange, an applicant must –
- (a) lodge the supplementary or replacement prospectus with the Registrar immediately; and
  - (b) ensure that every copy of the original prospectus issued after registration of the supplementary prospectus must be accompanied by a copy of the supplementary prospectus.
- (4) For purpose of sub-Rule (1) above –
- (a) a supplementary prospectus shall be regarded as being part of the original prospectus to which it relates; and
  - (b) a replacement prospectus shall be regarded as replacing the original prospectus previously registered with the Exchange.

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**3.12E Contents of supplementary or replacement prospectus**

An applicant must ensure that -

- (a) the supplementary prospectus contains the information set out in Part B of Appendix 3B; and
- (b) the replacement prospectus contains the information set out in Part C of Appendix 3B.

**3.12F Effect of registration of a supplementary or replacement prospectus to a person applying for shares in the applicant**

If a person applies to subscribe for, or purchase, shares in an applicant pursuant to a prospectus (“**subscription application**”), and a supplementary or replacement prospectus is submitted to the Exchange for registration before the issue of such shares, the applicant must do the following as soon as practicable after registration of the supplementary or replacement prospectus:

- (a) give to such person, a written notice or other notice as may be specified by the Exchange -
  - (i) advising such person that a supplementary or replacement prospectus has been registered by the Exchange; and
  - (ii) giving such person at least 14 days from the date of receipt of the notice, to withdraw the subscription application;
- (b) ensure that the written notice is accompanied by a copy of the supplementary or replacement prospectus, as the case may be; and
- (c) immediately refund all monies received from such person on account of the subscription application if such person withdraws the subscription application pursuant to sub-Rule (a)(ii) above.

**3.12G Liability for prospectus**

A prospectus issued by an applicant under these Requirements is a prospectus under the CMSA in so far as it relates to the liability of the applicant or his agent for any statement or information that is false or misleading, or from which there is a material omission.

**3.12H Advertising restrictions**

- (1) An applicant must not issue or publish any advertising notice unless the requirements as may be prescribed by the Exchange are complied with.
- (2) Subject to sub-Rule (3) below, an “**advertising notice**” in this Rule refers to a notice that -
  - (a) issues or offers an applicant’s shares; or
  - (b) makes reference, whether directly or indirectly to -
    - (i) a prospectus in respect of an applicant’s shares;
    - (ii) an issue or offer, or intended issue or offer, of an applicant’s shares; or
    - (iii) another notice that refers to a prospectus in relation to an issue or offer, or intended issue or offer, of an applicant’s shares.

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- (3) The advertising notice excludes the following:
- (a) a preliminary prospectus as referred to in section 241(6) of the CMSA
  - (b) a report as referred to in section 241(7) of the CMSA; or
  - (c) a prospectus submitted to, but has yet to be registered by, the Exchange which is published for public information.

*[Cross-reference: Guidance Note 23]*

### **3.12I Electronic prospectus and electronic application**

- (1) An applicant which intends to issue, circulate or distribute its prospectus electronically must comply with the requirements pertaining to electronic prospectus in Chapters 1 and 4, Division 2 of Part IV of the SC's Prospectus Guidelines (Electronic Prospectus and Electronic Application). For this purpose, any reference to the SC in the said Chapters of the SC's Prospectus Guidelines shall mean a reference to the Exchange.
- (2) If another person is appointed to issue, circulate or distribute the applicant's prospectus electronically, the applicant must ensure that such person –
- (a) is an e-host permitted under the SC's Prospectus Guidelines; and
  - (b) complies with sub-Rule (1) above.
- (3) An applicant which intends to facilitate subscription of its shares electronically must ensure that the service provider appointed to provide such electronic facility -
- (a) is an electronic application provider permitted under the SC's Prospectus Guidelines; and
  - (b) complies with the requirements pertaining to electronic application and systems security and integrity in Chapters 2, 3 and 4 respectively, Division 2 of Part IV of the SC's Prospectus Guidelines (Electronic Prospectus and Electronic Application). For this purpose, any reference to the SC in the said Chapters of the SC's Prospectus Guidelines shall mean a reference to the Exchange.

## **PART C – METHODS OF OFFERING OF SHARES**

### **3.13 General**

- (1) Subject to sub-Rules (2) and (3) below, an applicant may offer its shares by way of an offer for sale to general public, placement or book-building. The methods of offering of shares chosen by an applicant must enable the applicant to have a broad base of shareholders and comply with the shareholding spread requirement under Rule 3.10 above.
- (2) An offer for sale is only allowed for an applicant which has generated 1 full financial year of operating profit based on the latest audited financial statements.
- (3) An applicant must ensure that no offer for sale is made by a specified shareholder if it will result in all specified shareholders in aggregate, holding less than 45% of the total number of issued ordinary shares of the applicant at the date of admission to the Official List assuming full conversion or exercise of convertible securities owned by the specified shareholders, if any.
- (4) An applicant must ensure that expenses incurred relating to an offer for sale or restricted offer for sale of shares are borne by the offeror.



**3.14 Offering of shares**

- (1) An applicant must ensure that the basis for allocation and allotment of its shares is fair and equitable.
- (2) Where an offer of shares is made to the general public via balloting, the applicant must comply with the balloting procedures disclosed in the prospectus.

**3.15 Placement of shares**

- (1) The Sponsor must act as the placement agent (or joint placement agent, where applicable) for any placement of shares under an initial public offering.
- (2) The Sponsor or any other placement agent must not retain any shares being placed for its own account, except where -
  - (a) in the event of an under subscription, such shares are taken up following an underwriting agreement; or
  - (b) such shares being retained are over and above the total number of shares required to be in the hands of general public to meet the shareholding spread requirement in Rule 3.10.
- (3) The retention of shares for the purposes of sub-Rule (2)(b) above must not result in the Sponsor or placement agent holding, whether directly or indirectly, 5% or more of the total number of shares of the applicant for which listing is sought.
- (4) The Sponsor must ensure that shares are not placed with persons connected with the placement agent, except where -
  - (a) such persons connected with the placement agent are –
    - (i) statutory institutions managing funds belonging to general public; or
    - (ii) entities established as collective investment schemes which are considered to represent general public; or
  - (b) the placement is made under a book-building exercise, in which case –
    - (i) the placement agent/book-runner must establish internal arrangements to prevent the persons connected with it from accessing the book;
    - (ii) the placement agent/book-runner must keep the applicant fully informed and obtain the applicant's consent before inviting persons connected with it to bid for the shares;
    - (iii) the persons connected with the placement agent/book-runner must disclose to the placement agent/book-runner and the applicant the amount of bids which they have put in for their own/proprietary account or customer account, as may be applicable; and
    - (iv) the allocation to the persons connected with the placement agent/book-runner must be consistent with the allocation policy which has been communicated to and agreed upon by the applicant, including the amount of shares to be allocated to a single party.

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- (5) The aggregate amount of shares placed with persons connected with the placement agent under sub-Rule (4) above must not be more than 25% of the total amount of shares made available for placement by the placement agent.
- (6) An applicant must not allow placement of shares to be made to –
- (a) directors or existing shareholders of the applicant or persons connected with them (whether in their own names or through nominees), except under restricted offers for sale or restricted offers for subscription stated in Rule 3.16 below or on a pro rata basis to all shareholders of the applicant; or
  - (b) nominee corporations unless the names of the ultimate beneficiaries are disclosed.
- (7) As soon as practicable after the placement and before the listing of the applicant, the Sponsor must submit to the Exchange the following:
- (a) the final list (broken down by each placement agent) setting out the names, home/business addresses, identity card/passport/company registration numbers, occupations/principal activities, securities account numbers of all the placees and the ultimate beneficial owners of the shares placed (where the placees are nominee corporations or funds), and the amount and price of shares placed with each placee; and
  - (b) a confirmation from the Sponsor that to the best of its knowledge and belief, after having taken all reasonable steps and made all reasonable enquiries, the details set out in the final list of placees in sub-Rule (a) above are accurate and the placement exercise complies with the requirements on placement as stated in these Requirements.
- (8) The information on the ultimate beneficiaries of the shares as required in sub-Rule (7)(a) above need not be submitted for the following types of placees:
- (a) statutory institutions managing funds belonging to general public;
  - (b) unit trust funds or prescribed 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 Sponsor confirming to the Exchange that such schemes have been duly authorised, approved or registered.
- (9) The Exchange reserves the discretion to require submission of further information on the placement exercise and the placees as the Exchange may consider necessary for the purpose of establishing the propriety of the exercise or the independence of the placees.

### **3.16 Restricted offers**

Restricted offers for sale or restricted offers for subscription which are undertaken as part of a listing scheme may only be made to the following groups:

- (a) the directors and employees of the applicant;
- (b) the directors and employees of the subsidiary companies and holding company of the applicant;
- (c) other persons who have contributed to the success of the applicant, such as suppliers, distributors, dealers and customers; and

- 
- (d) the shareholders of the holding company of the applicant, if the holding company is listed.

### 3.17 Pricing of shares

Where shares are offered to related parties in conjunction with the initial public offering, the price of the shares offered to such related parties must be at least the issue price offered to the general public.

### 3.18 Underwriting

- (1) Underwriting arrangements in relation to an offering of shares are at the discretion of the applicant and its Sponsor.
- (2) The Sponsor must be part of the syndicate of underwriters for the shares offered under the initial public offering if there is an underwriting arrangement.
- (3) An applicant must disclose in its prospectus –
- (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 applicant; 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 offering of shares must be terminated and consideration received must be immediately returned to all subscribers.

### 3.19 Moratorium on specified shareholder's shares

- (1) A moratorium will be imposed on the sale, transfer or assignment of shares held by specified shareholders of an applicant other than those specified in sub-Rule (1A) below, as follows:
- (a) The moratorium applies to the entire shareholdings of the specified shareholders of an applicant for a period of 6 months from the date of admission to the Official List.
  - (b) Upon the expiry of the 6-month period stated above, the listed corporation must ensure that the specified shareholders' aggregate shareholdings amounting to at least 45% of the total number of issued ordinary shares (adjusted for any bonus issue or subdivision of shares) of the listed corporation remain under moratorium, for another period of 6 months.
  - (c) Thereafter, subject to sub-Rule (d) below, the specified shareholders may sell, transfer or assign up to a maximum of 1/3rd per annum (on a straight-line basis) of the shares held under moratorium.
  - (d) Where a listed corporation has not generated 1 full financial year of operating revenue based on the latest audited financial statements, the specified shareholders may only sell, transfer or assign up to a maximum of 1/3rd per annum (on a straight-line basis) of the shares held under moratorium after the listed corporation has generated 1 full financial year of operating revenue based on its latest audited financial statements.
  - (e) Where the specified shareholders also own securities which are convertible or exercisable into ordinary shares of the applicant, the specified shareholders' shareholdings to be placed under moratorium should amount to 45% of the total number of issued ordinary shares of the applicant assuming full conversion or exercise of such securities owned by the specified shareholders.
- (1A) A moratorium will be imposed on the sale, transfer or assignment of shares held by the following specified shareholders for a period of 6 months from the date of admission to the Official List:

- 
- (a) a specified shareholder which is –
- (i) a corporation undertaking venture capital or private equity activity and registered with the SC pursuant to the SC's Guidelines on the Registration of Venture Capital and Private Equity Corporations and Management Corporations, as amended from time to time; or
  - (ii) an angel investor accredited by the Malaysian Business Angels Network; or
- (b) specified shareholders of an applicant which meets the quantitative criteria for admission to the Main Market of the Exchange as at the date of submission of the listing application to the Exchange, as confirmed by the applicant's Sponsor.
- (1B) The specified shareholders of a listed corporation may apply to the Exchange to be exempted from continued compliance with sub-Rules (1)(b) and (c) if the listed corporation meets the quantitative criteria for admission to the Main Market of the Exchange after admission to the Official List, as confirmed by the listed corporation's Sponsor.
- (1C) The Exchange will not approve the application made pursuant to sub-Rule (1B) above unless it is satisfied with the corporate governance and compliance record of the listed corporation pursuant to these Requirements.
- (1D) Where a listed corporation acquires an asset which results in a significant change in the business direction or policy of the listed corporation, a moratorium will be imposed on the listed corporation's shares received by the vendor of the asset ("**consideration shares**") as follows –
- (a) a vendor who is within the definition of "specified shareholder" in these Requirements must comply with the moratorium requirements in sub-Rule (1) or (1A) above, as the case may be, in respect of the consideration shares; and
  - (b) a vendor who is not within the definition of "specified shareholder" in these Requirements will not be allowed to sell, transfer or assign the entire consideration shares for 6 months from the date such shares are admitted to the Official List.
- (2) Where the specified shareholder or vendor is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation (whether individuals or other unlisted corporations) up to the ultimate individual shareholders must give undertakings to the Exchange that they will not sell, transfer or assign their shares in the unlisted corporation for the period stipulated in sub-Rule (1), (1A) or (1D) above, as the case may be.
- (3) Notwithstanding sub-Rule (1) or (1A) above, the specified shareholders are allowed to transfer the shares which are subjected to moratorium, to facilitate the price stabilization mechanism.
- (4) Where the applicant undertakes the price stabilization mechanism as part of the listing scheme and the specified shareholder's shares to be held under moratorium had been borrowed by the stabilising manager, the stabilising manager and the applicant must submit a written confirmation that such shares are returned to the specified shareholder and placed under moratorium within 5 market days after –
- (a) the end of the stabilisation period of 30 calendar days commencing from the first day of trading on the Exchange; or
  - (b) the day on which the over-allotment option is exercised in full,
- whichever is the earlier.

**3.19A Moratorium on pre-listing investors' shares**

A moratorium will be imposed on the sale, transfer or assignment of all shares held by any investor who is not a specified shareholder, for a period of 6 months from the date of admission to the Official List if such investor has acquired the shares of the applicant –

- (a) within 12 months from the date of submission of the listing application to the Exchange; and
- (b) at a price lower than the issue price offered to the general public in conjunction with the initial public offering.

**3.20 Application of monies from subscription of shares paid into a trust account**

Any monies received by an applicant from any persons who has provided consideration for shares pursuant to an issue, offer for subscription or purchase, or an invitation to subscribe for or purchase, shares for which listing has been approved must be applied in accordance with sections 215 or 243 of the CMSA, as may be applicable.

**PART D – SPONSORS****3.21 Sponsors**

- (1) An applicant must secure and maintain the services of a Sponsor for the following periods :
  - (a) at least 3 full financial years after its admission to the Official List; or
  - (b) at least 1 full financial year after the applicant has generated operating revenue,whichever is the later.
- (2) The applicant's Sponsor who submitted its application for admission to the Official List shall act as its Sponsor for at least 1 full financial year following the applicant's admission to the Official List.
- (2A) A listed corporation may apply to the Exchange to be exempted from continued compliance with sub-Rule (1) above if –
  - (a) a period of 1 full financial year has lapsed since its admission to the Official List; and
  - (b) it meets the quantitative criteria for admission to the Main Market of the Exchange, as confirmed by the listed corporation's Sponsor.
- (2B) The Exchange will not approve the application made pursuant to sub-Rule (2A) above unless it is satisfied with the corporate governance and compliance record of the listed corporation pursuant to these Requirements.
- (3) For the avoidance of doubt, sub-Rules (1), (2) and (2A) above are also applicable to a listed corporation that undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed corporation.

[End of Chapter]

**APPENDIX 3A**

[Deleted]

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**APPENDIX 3B****Part A****Contents of prospectus**

(Rule 3.12B(1))

- (1) The information as set out in Chapters 1 to 14, Division 1 of Part II of the SC's Prospectus Guidelines (Equity). For this purpose, any reference to –
  - (a) the SC in the SC's Prospectus Guidelines shall mean a reference to the Exchange except for paragraphs 1.01(j) and 1.02(i) in Chapter 1, Division 1 of Part II of the SC's Prospectus Guidelines; and
  - (b) the Principal Adviser in the SC's Prospectus Guidelines shall mean a reference to the Sponsor.
- (2) If the prospectus contains any statement made by an adviser or contains a copy of, or an extract from, a report, memorandum or valuation of an adviser, a statement disclosing -
  - (a) the date on which the statement, report, memorandum or valuation was made; and
  - (b) whether the statement, report, memorandum or valuation was prepared by the adviser for incorporation in the prospectus.
- (3) If the prospectus contains a statement made by any person, or which is based on a statement made by such person, a confirmation that such person has given and has not withdrawn the written consent to –
  - (a) being named in the prospectus; and
  - (b) the inclusion of such statement in the prospectus.

**Part B****Contents of supplementary prospectus**

(Rule 3.12E(a))

- (1) Details of significant new matters or changes which must comply with Chapters 1 to 14, Division 1 of Part II of the SC's Prospectus Guidelines (Equity).
- (2) The following information:
  - (a) the full name of the applicant and place of incorporation;
  - (b) statute under which the corporation was incorporated;
  - (c) registration number of the corporation;
  - (d) the date of the supplementary prospectus;
  - (e) a statement that the supplementary prospectus has been registered with the Exchange and lodged with the Registrar; and

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- (f) a statement that registration does not indicate that the Exchange recommends the shares or assumes responsibility for correctness of any statement made or opinion or report expressed in the original prospectus or supplementary prospectus.
  - (3) A clear statement in bold on each page of the supplementary prospectus stating that the document is a supplementary prospectus which is to be read in conjunction with the original prospectus (which must be identified in the supplementary prospectus) and any previous supplementary prospectuses.
  - (4) If the supplementary prospectus contains statements or reports by advisers not included in the original prospectus, the following information:
    - (a) the date of each statement or report and whether or not such statement or report was prepared for incorporation in the supplementary prospectus; and
    - (b) a statement that the expert has given and has not withdrawn his consent.
  - (5) If the information in the supplementary prospectus gives rise to new risk factors not covered in the original prospectus, a description of those new risk factors.
  - (6) A new form of application for shares that is reasonably identical to the original application form, except that it must –
    - (a) refer to the supplementary prospectus; and
    - (b) contain a feature, such as marking, lettering, colour or other feature which distinguishes the form from the application forms accompanying the original prospectus or previous supplementary prospectuses.

## Part C

### Contents of replacement prospectus

(Rule 3.12E(b))

- (1) The information as set out in Part A of Appendix 3B above as applicable and with the necessary modifications, including details of significant new matter or change.
- (2) A clear statement in bold on –
  - (a) the front cover stating that the document is a replacement prospectus and supersedes or replaces the original prospectus; and
  - (b) each page stating that the document is a replacement prospectus.

[End of Appendix]



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**CHAPTER 4 SPONSORS****PART A - GENERAL****4.01 Introduction**

This Chapter sets out the requirements that must be complied with by a Sponsor or a Sponsored Corporation.

**PART B - DEFINITIONS****4.02 Definitions**

In this Chapter, the following terms and expressions have the following meanings:

- (a) **“conflict of interests”** in relation to a Sponsor means circumstances or relationships which affect or may affect the ability of a Sponsor to act independently and objectively or where the Sponsor has an interest in the outcome of the proposal which interferes or is likely to interfere with the independence and objectivity of the Sponsor;
- (b) **“Public Document”** means any document issued by an applicant or a listed corporation to the public or to the holders of any class of securities in a listed corporation pursuant to these Requirements; and
- (c) [deleted]
- (d) **“recognised principal adviser”** has the same meaning assigned to it in the SC’s Licensing Handbook.

**PART C - ADMISSION OF SPONSORS****4.03 Admission as a Sponsor**

- (1) Any person wishing to act as a Sponsor must -
  - (a) be a recognised principal adviser;
  - (b) enter into an agreement with the Exchange, in the form of Appendix 4A, to accept the responsibilities of a Sponsor, to discharge those responsibilities at all times to the satisfaction of the Exchange and to comply with these Requirements and any other rules or regulations issued by the Exchange which are applicable to Sponsors; and
  - (c) satisfy such conditions as may be imposed by the Exchange.
- (2) Fulfilment of the requirements of sub-Rule (1) above does not in itself ensure a person’s admission to the Register of Sponsors. The Exchange retains an absolute discretion to –
  - (a) admit the person to the Register of Sponsors;
  - (b) subject the admission to such other conditions as the Exchange thinks fit;
  - (c) decline an admission which is contrary to public interest, having particular regard to the need for investor protection; or

- 
- (d) decline an admission which will or is likely to adversely affect the reputation of the Exchange or the integrity of the market.

#### 4.04 Compliance with agreement

A Sponsor must ensure compliance with the terms of the agreement entered into with the Exchange in connection with its admission as a Sponsor in the Register of Sponsors.

### PART D – SPONSORS’ OBLIGATIONS

#### 4.05 General obligations

A Sponsor must at all times –

- (a) observe and comply with these Requirements and any other guidance note, instruction or directive issued or condition imposed by the Exchange; and
- (b) comply with the following:
  - (i) act honestly, fairly and efficiently;
  - (ii) maintain the integrity of the market; and
  - (iii) maintain and safeguard the confidentiality of records and information.

#### 4.05A Specific Proposal

- (1) A Sponsor appointed to submit a Specific Proposal must –
  - (a) be primarily responsible for the Specific Proposal, and if there is more than 1 Sponsor for the Specific Proposal, all Sponsors are jointly and severally responsible for the Specific Proposal;
  - (b) assign and identify at least a Qualified Person and Senior Officer for each Specific Proposal;
  - (c) have clear and effective reporting lines so that decisions on critical matters are made by the Senior Officer, its management committee or board of directors in accordance with its policies and procedures; and
  - (d) notify the Exchange if there is any change to the Qualified Person or Senior Officer before completion of the Specific Proposal.
- (2) A Sponsor, its Qualified Person and Senior Officer must comply with these Requirements when submitting a Specific Proposal to the Exchange. The submission must include an undertaking by the Qualified Person and Senior Officer (including subsequently those who were appointed in the event of a change under sub-Rule (1)(d) above) in the form of Appendix 4B, to comply with these Requirements which are applicable to them.

*[Cross-reference: Guidance Note 18]*

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#### 4.06 Sound understanding of an applicant

Before sponsoring an applicant, a Sponsor must have a sound understanding and updated knowledge of the applicant, its business, operations, the industry it operates in and any other issues that might affect the business, operations and industry of the applicant.

*[Cross reference: Guidance Note 18]*

##### 4.06A Pre-admission consultation

A Sponsor must consult the Exchange before submitting an application for admission to the Official List. The consultation must comply with the following:

- (a) the consultation must be done with the applicant together with other key advisers as may be specified by the Exchange, after the necessary due diligence has been substantially completed; and
- (b) the Sponsor must furnish to the Exchange the documents and information as may be specified by the Exchange for purposes of the consultation.

*[Cross reference: Guidance Note 15]*

#### 4.07 Suitability of an applicant for listing

- (1) A Sponsor must assess the suitability of an applicant seeking admission to the Official List.
- (2) In assessing whether an applicant is suitable for listing, a Sponsor must make due and careful enquiries and consider all relevant matters, including the following:
  - (a) the prospects of an applicant's business;
  - (b) the applicant's corporate governance record;
  - (c) the suitability, efficacy and past corporate conduct of the board of directors and key management;
  - (d) the nature and extent of conflict of interests or potential conflict of interests, if any;
  - (e) whether the applicant has sufficient systems, procedures, policies, controls and resources to comply with these Requirements and that its directors understand their obligations under these Requirements;
  - (f) whether the applicant has adequate internal control and risk management systems; and
  - (g) that the admission of the applicant to the Official List is not detrimental to the interest of investors or does not undermine public interest.
- (3) A Sponsor must, in relation to the preparation of the Public Document, comply with the equivalent obligations and standards imposed on a Submitting Party under the SC's Guidelines on Submission of Corporate and Capital Market Product Proposals, where applicable.
- (4) A Sponsor must consider and advise on the competency and suitability of other advisers and experts involved in the listing of the applicant.

- 
- (5) The Exchange may ask a Sponsor to demonstrate its compliance with sub-Rules (2) to (4) above.

*[Cross reference: Guidance Note 18]*

#### **4.08 Conflicts of interests involving a Sponsor**

- (1) A Sponsor must take all reasonable steps to ascertain whether a conflict of interests exists or is likely to exist in relation to its role as a Sponsor to an applicant or a listed corporation. Where a conflict of interests exists or is likely to exist, all possible steps must be taken to avoid or resolve such conflict of interests. A Sponsor must make full disclosure to the applicant's or listed corporation's board of directors and in the Public Document of the nature and extent of the conflict of interests and the steps taken to address such conflicts. Where a conflict of interests cannot be resolved satisfactorily, a Sponsor must not act for the applicant or listed corporation.
- (2) A Sponsor must have controls, procedures and other safeguards to maintain its independence and avoid conflict of interests.
- (3) A Sponsor must ensure that none of its directors, principal officers or persons connected with any such director or principal officer holds the position of a director of an applicant or a Sponsored Corporation for whom it acts as a Sponsor.
- (4) A Sponsor must not sponsor an applicant or a listed corporation if it holds 5% or more of the total number of issued shares of the applicant or listed corporation. However, an asset management company licensed by the SC or a venture capital company registered with the SC and operated by the Sponsor is not subject to this restriction.
- (5) A Sponsor must ensure that any director or employee of a Sponsor who is privy to confidential information regarding a Sponsored Corporation or other listed corporation does not use such information to trade for his own benefit or for the benefit of a person connected with such director or employee. For this purpose, a Sponsor may consider implementing policies, procedures and controls to monitor the trading activities of its directors and employees.

#### **4.09 Guiding the Sponsored Corporation and its directors**

A Sponsor sponsoring a Sponsored Corporation must, where applicable -

- (a) maintain regular contact with the Sponsored Corporation, including being available at all times to advise and guide the Sponsored Corporation and its directors of their responsibilities and obligations, and to ensure their compliance on an on-going basis with these Requirements and all relevant legislation and guidelines issued by regulatory authorities;
- (b) advise the Sponsored Corporation on the appointment of a suitable accounting firm to meet the Sponsored Corporation's audit obligations, valuers and other experts; and
- (c) advise the Sponsored Corporation if the trading of the Sponsored Corporation's listed securities will or should be halted or suspended.

#### **4.10 Documents by a Sponsored Corporation**

- (1) A Sponsor must review any Public Document to be submitted or disclosed by its Sponsored Corporation to the Exchange to ensure compliance by the Sponsored Corporation except -
- (a) the annual audited financial statements issued by the Sponsored Corporation;

- 
- (b) announcements made by the Sponsored Corporation as referred to under Rule 9.17(2)(a); or
  - (c) where the Sponsored Corporation has appointed an entity other than the Sponsor to be an Adviser for the purpose of preparation or submission of the Public Document to the Exchange.
- (2) A Sponsor must ensure that any Public Document that it makes, prepares or submits or any information that it provides, whether solely or jointly with a Sponsored Corporation complies with these Requirements.

#### 4.11 Act with due care and skill

A Sponsor must use due care and skill at all times when acting for any Sponsored Corporation, including taking the following actions:

- (a) exercising due care and skill when advising or guiding a Sponsored Corporation;
- (b) maintaining regular contact with the Sponsored Corporation including holding discussions with its directors on a regular basis and attending its shareholders' meeting where possible;
- (c) seeking necessary assistance and consultation from other appropriately qualified and suitable professionals when required; and
- (d) subject to Rule 4.27(2) below, not allowing its name to be associated with any application required to be submitted to the Exchange pursuant to these Requirements on behalf of a Sponsored Corporation (referred to as "**Application**") or with any Public Document to be issued in connection with a corporate proposal, unless the Sponsor is satisfied that, based on all available information and to the best of its knowledge and belief, the Application or the Public Document constitutes a full and true disclosure of all material facts about the corporate proposal.

#### 4.12 Liaison with the Exchange

A Sponsor must liaise with the Exchange on matters concerning the Sponsor's responsibilities and other matters which should be brought to the Exchange's attention. In this regard, a Sponsor must among others -

- (a) [deleted]
- (b) notify the Exchange immediately when it believes or becomes aware that a matter reported by it to the board of directors of its Sponsored Corporation has not been satisfactorily resolved resulting in a breach of these Requirements;
- (c) notify the Exchange if there is any change to its Qualified Person;
- (d) notify the Exchange when it receives any written warning or disciplinary inquiry from any other regulatory authority; and
- (e) notify the Exchange of any material adverse change in its financial or operating position.

#### 4.13 Appropriate and adequate systems, procedures, policies and resources

A Sponsor must, on a continuous basis, have adequate systems, procedures, policies and resources to discharge its obligations under these Requirements.

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**4.14 Record-keeping**

- (1) A Sponsor must maintain and retain sufficient information about its sponsorship or advisory activities and a record of -
  - (a) [deleted];
  - (b) key discussions, advice and decision-making processes in relation to an applicant or the Sponsored Corporation and the basis for the advice and decisions; and
  - (c) compliance with these Requirements which are applicable to Sponsors, any conditions imposed by the Exchange on the Sponsor and all applicable legislation and guidelines issued by regulatory authorities.
- (2) Records required to be maintained under sub-Rule (1) above may be inspected by a person appointed by the Exchange and must be produced promptly to that person on request.
- (3) All records made by a Sponsor in accordance with sub-Rule (1) above may be stored in any form, but must be capable of prompt reproduction in hard printed form in either Bahasa Malaysia or English.

**4.15 Cooperation**

A Sponsor must cooperate and render every assistance to any investigation, enquiry or query conducted by the Exchange on any matter relating to these Requirements or the Rules of the Exchange.

**4.16 Proposal by a Sponsored Corporation**

- (1) Subject to sub-Rule (3) below, where a Sponsored Corporation undertakes a corporate proposal prescribed by the Exchange to require the services of an Adviser and the Sponsored Corporation appoints the Sponsor to act on its behalf, the Sponsor, having made due and careful enquiries (including complying with the equivalent obligations and standards imposed on a Submitting Party under SC's Guidelines on Submission of Corporate and Capital Market Product Proposals, where applicable) and having considered all relevant matters, must do the following:
  - (a) assess and be satisfied with the suitability and competency of other professionals and consultants involved in the corporate proposal;
  - (b) review the Public Documents relating to the corporate proposal to ensure compliance with these Requirements;
  - (c) ensure that the execution of the corporate proposal is in compliance with these Requirements, guidelines issued by the relevant regulatory authorities and other applicable laws; and
  - (d) ensure that any difference in the effect of the corporate proposal on minority shareholders compared to other shareholders, is clearly disclosed in the Public Documents.
- (2) Where an Adviser is appointed by a listed corporation to act on the corporate proposal prescribed by the Exchange to require the services of an Adviser during or after the Sponsorship Period, the Adviser must review and be satisfied with the adequacy of disclosure set out in any Public Document to be submitted or disclosed by the listed corporation to the Exchange in relation to such corporate proposal. The Adviser must also comply with the following provisions, where applicable and with the necessary modifications:

- 
- (a) sub-Rule (1) above;
  - (aA) Rule 4.05;
  - (b) Rule 4.08;
  - (c) Rule 4.09(b);
  - (d) Rule 4.10;
  - (e) Rule 4.11;
  - (f) Rule 4.12(b);
  - (g) Rule 4.13;
  - (h) Rule 4.14; and
  - (i) Rule 4.15.
- (2A) In addition to sub-Rule (2) above, if the corporate proposal prescribed by the Exchange to require the services of an Adviser is a Specific Proposal and an Adviser is appointed to act on it during or after the Sponsorship Period, the Adviser must also comply with Rule 4.05A above.
- (3) Where a Sponsored Corporation appoints another Adviser to undertake a corporate proposal during the Sponsorship Period, the Sponsor is not required to comply with sub-Rule (1) above.

*[Cross reference: Guidance Note 19]*

#### **4.17 Significant change in business direction or policy of a listed corporation**

Where applicable, a Sponsor must comply with Part D of this Chapter, in particular Rules 4.05A, 4.06, 4.07 and 4.08 above when sponsoring a listed corporation that undertakes a proposal which will result in a significant change in the business direction or policy of a listed corporation, as if it were an applicant seeking admission to the Official List.

### **PART E – ENDING A SPONSORSHIP OR REMOVAL FROM THE REGISTER OF SPONSORS**

#### **4.18 Sponsorship**

A Sponsor who makes an application for listing on behalf of an applicant in accordance with these Requirements must also act as the Sponsor of an applicant upon the applicant's admission to the Official List for at least 1 full financial year following the applicant's admission to the Official List. During the said period of 1 year, the Sponsor cannot resign, neither can the applicant terminate the Sponsor's appointment. Such resignation and termination of appointment is allowed subsequent to the expiry of the said period of 1 year provided that it is effected in accordance with Rule 4.19 below.

#### **4.19 Resignation and termination**

- (1) After 1 full financial year following the listed corporation's admission to the Official List, a Sponsor which intends to resign as a Sponsor must –
- (a) if a replacement Sponsor has been found, notify the Exchange of the proposed resignation, together with the detailed reasons for the resignation; or
  - (b) if no replacement Sponsor has been found, seek the Exchange's prior approval for the proposed resignation, together with the detailed reasons for the resignation.

- 
- (2) A Sponsored Corporation which intends to terminate the appointment of its Sponsor must comply with sub-Rule (1) above, as though it is the Sponsor mentioned in the sub-Rule.
  - (3) Generally, the Exchange will not grant its approval in an application made under sub-Rule (1)(b) above unless there are exceptional circumstances which warrant the consideration of the Exchange.
  - (4) A Sponsored Corporation must immediately announce the decision of the Exchange on its application made under sub-Rule 1(b) above.
  - (5) In the event the Exchange grants its approval pursuant to sub-Rule (3) above but the Sponsored Corporation fails to find a replacement Sponsor within 3 months from the date of the Exchange's approval and it ceases to have a Sponsor upon the expiry of the said period, the Exchange shall suspend trading in its securities. The Exchange shall automatically de-list the Sponsored Corporation from the Official List if it still has not found a replacement Sponsor at the end of 2 months after the expiry of the said 3 months period.

#### **4.20 Replacing a Sponsor**

If a Sponsor resigns or is terminated in accordance with Rule 4.19 above –

- (a) the replacement Sponsor must immediately notify the Exchange of its appointment and if the resignation, termination or removal takes place during the processing of a listing application, resubmit on behalf of the Sponsored Corporation, a listing application and the declarations and undertakings required by this Chapter; and
- (b) all parties must take all necessary steps and provide their full assistance and co-operation to ensure a smooth and proper transition of existing work of the departing Sponsor to the new Sponsor, including providing all relevant documents, information and records.

#### **4.21 Removal of a Sponsor from the Register of Sponsors**

- (1) The Exchange may remove a Sponsor from the Register of Sponsors in the following circumstances:
  - (a) upon the Sponsor's request;
  - (b) if the Sponsor fails to comply with these Requirements; or
  - (c) in the Exchange's opinion, the removal is in the interest of the public or the Exchange.
- (2) If the Exchange acts under sub-Rule (1)(a) above, it may disallow the entity from being re-admitted as a Sponsor for a specified period or indefinitely.
- (3) A Sponsor removed pursuant to this Rule 4.21 will not be absolved but will remain responsible under these Requirements for all its actions, conduct, omission or breaches during its tenure as a Sponsor.

#### **4.22 Cessation of activities**

If a Sponsor ceases to be registered on the Register of Sponsors for any reason whatsoever including voluntary cessation or removal by the Exchange, the Sponsor must, unless otherwise directed by the Exchange, immediately cease all sponsorship activities in relation to the Sponsored Corporation.



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**PART F – REVIEW OF PERFORMANCE AND CONDUCT OF SPONSORS****4.23 Annual review by the Sponsor**

A Sponsor must undertake an annual review of its sponsorship activities to enable it to determine the effectiveness of its role as a Sponsor and compliance with its obligations under these Requirements. Where any inadequacies are detected, the Sponsor must take steps to address the inadequacies and to enable the effective discharge of its role as a Sponsor.

**4.24 Review by the Exchange and other powers**

- (1) The Exchange may at any time review the performance or conduct of each Sponsor. If the Exchange considers that the Sponsor has not performed its duties satisfactorily, the Exchange may impose such conditions or requirements on the Sponsor or take any other action as the Exchange deems fit.
- (2) When reviewing the performance and conduct of Sponsors, the Exchange may have regard to -
  - (a) the conduct of Sponsored Corporations for which the Sponsor acts;
  - (b) the conduct of the Sponsor in its dealings with the Exchange in connection with these Requirements;
  - (c) the compliance or otherwise by the Sponsor with these Requirements, any other rules or regulations issued by the Exchange which are applicable to Sponsors, any conditions imposed by the Exchange on the Sponsor and all applicable legislation and guidelines issued by regulatory authorities;
  - (d) the continuing fulfilment or otherwise by the Sponsor of the requirement enumerated in Rule 4.03 above;
  - (e) the possibility or existence of conflicts of interests; and
  - (f) changes to the Qualified Person, during the past 12 months.

**PART G – RULES GOVERNING SPONSORED CORPORATIONS IN DEALING WITH SPONSORS****4.25 Appointment of Adviser to undertake a proposal**

Where a Sponsored Corporation appoints an Adviser to undertake a corporate proposal prescribed by the Exchange to require the services of an Adviser during the Sponsorship Period, the Sponsored Corporation must obtain the prior written consent of the Sponsor for such appointment, and such consent must not be unreasonably withheld by the Sponsor.

*[Cross reference: Guidance Note 19]*

**4.26 Engagement and consultation with Sponsor**

- (1) A Sponsored Corporation must consult and seek the advice of its Sponsor on a timely basis in the following circumstances:
  - (a) where it contemplates a corporate proposal or transaction, which if carried out, would require a listed corporation, at the minimum, to announce the proposal or transaction to the Exchange;

- 
- (b) where it contemplates a new issue of securities;
  - (c) where it contemplates a change to the utilisation of proceeds raised by the Sponsored Corporation from the issuance of securities that deviates by 5% or more from the original utilisation of proceeds; or
  - (d) in such other circumstances as may be prescribed by the Exchange.
- (2) The Sponsored Corporation must take into account the advice of its Sponsor in considering the proposal or transaction referred to in sub-Rule (1) above.

#### **4.27 Review of Public Document**

- (1) A Sponsored Corporation must ensure that its Sponsor reviews any Public Document to be submitted or disclosed by the Sponsored Corporation to the Exchange, to ensure compliance with these Requirements, except in relation to such matters or circumstances set out in Rule 4.10(1) above.
- (2) During the Sponsorship Period, a Sponsored Corporation must include a statement that its admission to the Official List was sponsored by the Sponsor in all its Public Documents. The statement must be in print no smaller than the main text and positioned on the front page of the Public Document.

#### **4.28 Provision of information and assistance to Sponsors**

A Sponsored Corporation must provide its Sponsor all necessary and reasonable assistance to enable the Sponsor to perform its obligations under these Requirements including:

- (a) provide its Sponsor, on a timely basis, all relevant information within the Sponsored Corporation's possession;
- (b) provide its Sponsor access to all its information, books, records, personnel and premises;
- (c) immediately inform its Sponsor of any material change of information or status when it becomes aware of such change; and
- (d) ensure that its directors, subsidiaries, employees and where possible, its substantial shareholders, associated companies or any other relevant parties of the Sponsored Corporation provide assistance and co-operation to its Sponsor.

[ End of Chapter ]

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**APPENDIX 4A****Agreement between Sponsor and the Exchange**  
(Rule 4.03(1)(b))

Date:

Parties:

- (a) Bursa Malaysia Securities Berhad (“the Exchange”); and
- (b) [Name of Sponsor] (“the Sponsor”).

**Article 1 Interpretation**

Terms used and not separately defined herein shall have the meanings ascribed thereto in Bursa Malaysia Securities Berhad ACE Market Listing Requirements (“the Listing Requirements”).

**Article 2 Undertakings**

In consideration of the Exchange admitting the Sponsor to the Exchange’s Register of Sponsors, the Sponsor hereby undertakes to -

- 2.1 accept the responsibilities of a Sponsor and discharge their roles and responsibilities in accordance with the Listing Requirements at all times to the satisfaction of the Exchange;
- 2.2 comply with and be bound in all respects by -
  - (a) all the provisions of the securities laws applicable to the Sponsor;
  - (b) any laws and guidelines issued by regulatory authorities which are applicable to the Sponsor;
  - (c) the Listing Requirements and any other rules or regulations of the Exchange which now are or may hereinafter be in force in so far as they are applicable to or affect Sponsors; and
  - (d) any special conditions which may have been imposed by the Exchange on the Sponsor at any time and from time to time;
- 2.3 ensure that it has proper procedures in place to ensure compliance with -
  - (a) all the laws, guidelines, code, rules, regulations and conditions mentioned in Article 2.2(a) to (d) above by all its officers, employees and agents; and
  - (b) the Listing Requirements by all its clients;
- 2.4 co-operate and render every assistance to any investigation, enquiry or query conducted by the Exchange on any matter relating to the Listing Requirements or the Rules of the Exchange; and
- 2.5 conduct its business as a Sponsor in accordance with ethical and professional business practices.

**Appendix 4A**  
**Agreement between Sponsor and the Exchange**

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**Article 3 Representations, Warranties and Agreements**

The Sponsor represents, warrants and agrees with the Exchange that -

- 3.1 the Sponsor is duly authorised and has obtained all external and internal approvals, permits, licences and authorisations to enter into this Agreement, and to perform all of its obligations under or pursuant to this Agreement; and
- 3.2 this Agreement constitutes legal, valid and binding obligations of the Sponsor and is enforceable in accordance with its terms.

**Article 4 Indemnities**

The Sponsor agrees that -

- 4.1 neither the Exchange nor any of its officers, employees or agents (including any director or Board member of the Exchange) shall be liable to the Sponsor for any act or omission to act by such officers, employees or agents, whether or not acting within the scope of his or her employment or functions in the Exchange, except only if and to the extent that the Exchange or any of such officers, employees or agents, as the case may be, is proved to have been acting with gross negligence or wilful misconduct; and
- 4.2 the Sponsor shall fully indemnify and hold the Exchange harmless from and against any costs, losses, damages or claims incurred by or asserted against the Exchange as a consequence of or in connection with any act or omission to act by the Sponsor in the conduct of its activities as a Sponsor, or as a consequence of any breach by the Sponsor of any of the obligations assumed by it under this Agreement.

**Article 5 Effective Date**

This Agreement shall not enter into force until it has been executed by both parties hereto.

**IN WITNESS WHEREOF** the parties hereto have set their signatures unto this Agreement on the date stated above.

For the Exchange:

\_\_\_\_\_  
Authorised Signatory  
[Name]  
[Designation]

\_\_\_\_\_  
Witness  
[Name]  
[Designation]

For the Sponsor:

\_\_\_\_\_  
Authorised Signatory  
[Name]  
[Designation]

\_\_\_\_\_  
Witness  
[Name]  
[Designation]

[ End of Appendix ]

**Appendix 4B**  
**Undertaking by Qualified Person or Senior Officer**

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**APPENDIX 4B****Undertaking by Qualified Person or Senior Officer**

(Rule 4.05A(2))

To

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

**Compliance with ACE Market Listing Requirements in respect of Specific Proposal**

I ..... [name of Qualified Person / Senior Officer / member of the committee constituting the Senior Officer and identification number], am a [Qualified Person / Senior Officer / member of the committee constituting the Senior Officer] of ..... [name of Sponsor or Adviser].

In consideration of Bursa Malaysia Securities Berhad ("**Bursa Securities**") allowing ..... [name of Sponsor or Adviser] to act as a Sponsor or Adviser for ..... [name of applicant / listed corporation] in relation to the ..... [description of the Specific Proposal], I irrevocably and unconditionally UNDERTAKE AND AGREE to comply with Bursa Securities ACE Market Listing Requirements, including any amendment as may be made from time to time, insofar as the same apply to me as a Qualified Person / Senior Officer / member of the committee constituting the Senior Officer.

The term "**Qualified Person**" and "**Senior Officer**", and "**Specific Proposal**" have the meanings given under Bursa Securities ACE Market Listing Requirements.

This Undertaking is made or 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.

Date:

Signature:

Name:

# Delete as appropriate

[ End of Appendix ]

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**CHAPTER 5 FOREIGN LISTING****PART A – GENERAL****5.01 Introduction**

- (1) This Chapter sets out the requirements that must be complied with by a foreign corporation seeking or having a primary listing on the ACE Market.
- (2) For the purpose of this Chapter, unless the context otherwise requires –
  - (a) “**applicant**” means a foreign corporation seeking a primary listing on the ACE Market; and
  - (b) “**listed corporation**” means a foreign corporation having a primary listing on the ACE Market.

**PART B – ADMISSION****5.02 Admission**

- (1) An applicant must comply with Chapters 3 and 5 of these Requirements, as the case may be, subject to the additional requirements, modifications or exceptions set out in this Chapter.
- (1A) Where any requirement in this Chapter conflicts with a requirement of another Chapter, the former prevails.
- (2) [Deleted]
- (3) [Deleted]
- (4) [Deleted]
- (5) An applicant must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

*[Cross reference: Guidance Notes 15 and 16]*

**5.02A Prospectus**

In addition to the provisions of these Requirements relating to prospectus, an applicant must also ensure that the prospectus complies with the ASEAN Equity Disclosure Standards as set out in Division 1A of Part II of the SC’s Prospectus Guidelines, if the securities are offered under the ASEAN Capital Markets Forum initiative.

**5.03 Standards of laws and regulations**

- (1) An applicant must be incorporated in a jurisdiction whose corporation laws and other laws and regulations have standards at least equivalent to those in Malaysia, particularly with respect to –
  - (a) corporate governance;
  - (b) shareholders’ and minority interest protection; and

- 
- (c) regulation of take-overs and mergers.
- (2) Where the jurisdiction in which the applicant is incorporated does not provide standards as referred to in sub-Rule (1) above, but it is possible to provide those standards by means of varying the applicant's constituent documents, the Exchange may approve the listing of the applicant, subject to the applicant making such variations to its constituent documents. In relation to this, the applicant must submit a comparison of such standards of laws and regulations of the jurisdiction in which the applicant is incorporated and those provided in Malaysia, together with the proposed variations to its constituent documents to address any deficiency in such standards, in its listing application to the Exchange.
- (3) The securities of the applicant must be validly issued in accordance with the constituent documents of the applicant and the relevant laws in force in the country of incorporation of the applicant.

#### **5.04 Approval of regulatory authorities of foreign jurisdiction**

An applicant must obtain the approval of all relevant regulatory authorities of the jurisdiction in which it is incorporated and carry out its core business, as may be required, before submitting its prospectus and application for listing on the ACE Market to the Exchange.

#### **5.05 Registration under Companies Act**

An applicant must have been registered with the Registrar under Division 1 of Part V of the Companies Act.

#### **5.06 Approval of Bank Negara Malaysia**

An applicant or the offerors of the securities in the applicant, must, where applicable, obtain the prior approval of Bank Negara Malaysia for the utilisation of proceeds from the offering of securities.

#### **5.07 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.

#### **5.07A 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.

#### **5.08 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.

#### **5.09 Share transfer or registration office**

An applicant must establish a share transfer or share registration office in Malaysia.

### 5.10 Accounting standards

An applicant must prepare its financial statements and reports in accordance with the approved accounting standards as defined in the Financial Reporting Act 1997, which includes the International Accounting Standards. In this regard, the applicant must provide to the Exchange a confirmation from a professional accountant qualified under the Accountants Act 1967 and from an international accounting firm, that the applicant's financial statements comply with the said approved accounting standards.

### 5.11 Auditors and auditing standards

An applicant 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 the International Standards on Auditing.

### 5.12 Information or documents in English

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

## PART C - CONTINUING OBLIGATIONS OF A LISTED CORPORATION

### 5.13 Application of other Chapters

- (1) A listed corporation 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.

### 5.14 Directors and audit committee

A listed corporation must comply with Rules 5.07 and 5.07A above as a continuing listing obligation.

### 5.15 Accounting and auditing standards

A listed corporation must ensure that it complies with the accounting and auditing standards set out in Rules 5.10 and 5.11 above as a continuing listing obligation.

### 5.15A Shareholder approval required to appoint or remove external auditors

A listed corporation must obtain prior shareholder approval in a general meeting to appoint or remove its external auditor.

### 5.16 Information or documents in English

A listed corporation must comply with Rule 5.12 above as a continuing listing obligation.

### 5.17 Information to be disclosed

A listed 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.



**5.18 Distribution of notices, etc.**

A listed corporation must distribute to its shareholders 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. The listed corporation must give sufficient notice to enable its shareholders in Malaysia to comply with the terms of the notice.

**5.19 Announcement of appointment of directors**

Without prejudice to Rule 9.19 on the making of immediate announcements to the Exchange, the announcements made by a listed corporation with regard to the appointment of a director must include the director's principal place of residence.

**5.20 Substantial shareholdings**

- (1) A listed corporation must immediately announce to the Exchange any change in the interest or interests of a substantial shareholder in its voting shares upon notification by the substantial shareholder.
- (2) The listed corporation must state the name of the shareholder and full particulars of the change, including the date of the change, the number of shares involved and the circumstances by reason of which the change occurred.

**5.21 Financial statements**

A listed corporation must ensure that any financial statements announced to the Exchange -

- (a) is prepared on a consolidated basis; and
- (b) complies with the requirements under Rule 5.10 above.

**5.22 Statutory declaration in relation to annual audited financial statements**

- (1) The annual audited financial statements of a listed corporation must be accompanied by a statutory declaration which is signed by the director or person primarily responsible for the financial management of the listed corporation, as the case may be, who satisfies the requirements prescribed in Rule 9.27.
- (2) The signatory referred to in sub-Rule (1) above must state his opinion as to the correctness or otherwise of the annual audited financial statements.

**5.23 Notification of suspension and de-listing**

- (1) A listed corporation 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).

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- (2) If the other stock exchange(s) decide(s) to suspend trading in or de-list the securities of a listed corporation, whether in relation to its request under sub-Rule (1) above or otherwise, it must immediately notify the Exchange in writing.

#### **5.24 Admission and quotation of new issue of securities**

A listed corporation 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).

#### **5.25 Announcement on change of laws**

A listed corporation 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 listed corporation and 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 listed corporation or its foreign principal subsidiaries, their directors and senior management; and
  - (iii) distribution of assets arising from a winding-up or liquidation of the listed corporation or its foreign principal subsidiaries.

#### **5.26 System of internal control**

A listed corporation 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 listed corporation and its subsidiaries are safeguarded against loss from unauthorised 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.

[End of Chapter]

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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 corporation, 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 corporation, the listed corporation 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 becomes unconditional;
  - (b) a “**Specified Subdivision**” has the meaning given in Rule 13.04(3); and
  - (c) a “**Specified Consolidation**” has the meaning given in Rule 13.14.

**PART B – ADMISSION****6.02 Admission**

- (1) The Exchange will exercise discretion over the listing of new issues of securities on its Official List and may return, approve or reject applications for the listing of such new issues of securities, as it deems fit.
- (2) Where the Exchange approves an application for the listing of a new issue of securities, such approval may be unconditional or subject to such conditions, as it deems fit.
- (3) In granting approval for the listing of a new issue of securities by listed corporations, 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 corporation is under consideration for possible de-listing under Chapter 16;

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- (d) the listed corporation has satisfactory corporate governance practices;
  - (e) the listed corporation has addressed all situations of conflict of interest satisfactorily; or
  - (f) the application by the listed corporation undermines public interest.
- (4) A listed corporation must submit a listing application under this Chapter to the Exchange through a Sponsor or an Adviser, as the case may be except for applications in respect of a Specified Bonus Issue of equity securities. For this purpose, the Sponsor or Adviser must be primarily responsible for the application, and if there is more than 1 Sponsor or Adviser appointed, all Sponsors or Advisers are jointly and severally responsible for the application.
- [Cross reference: Guidance Note 19]*
- (5) A listed corporation and its Sponsor or 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: Guidance Note 17]*
- (6) The listed corporation, adviser or other persons accepting responsibility for all or any part of the information and documents submitted to the Exchange, including an abridged prospectus, in relation to any listing application must comply with the equivalent obligations and standards imposed on an applicant, Submitting Party or adviser, as the case may be, under the SC's Guidelines on Submission of Corporate and Capital Market Product Proposals, as if the submission were made to the SC.

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

### **6.02A General application**

Part B above and this Part C apply to all new issues of securities by a listed corporation 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: Guidance Note 17]*

### **6.03 Application of monies from subscription of shares paid into a trust account**

A listed corporation must ensure that all monies received from any persons who have provided consideration for shares pursuant to an issue, offer for subscription or purchase, or an invitation to subscribe for or purchase, the new issue of securities must be applied in accordance with sections 215 or 243 of the CMA, as may be applicable.

### **6.04 General mandate for issue of securities**

- (1) Subject to Rule 6.07 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 corporation 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 corporation, 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.

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- (2) In working out the number of shares or convertible securities that may be issued by a listed corporation, 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 corporation 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 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.

#### **6.05 Issue of new securities under a general mandate**

Subject to Rule 6.06, where issuance of shares or convertible securities is made pursuant to Rule 6.04(1), the listed corporation 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 Rule 6.07); and
  - (ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

#### **6.06 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 Rule 6.05, the listed corporation 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.

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**6.07 Allotment of shares to directors etc.**

- (1) Subject to sub-Rule (1A) below, a listed corporation 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 corporation or a holding company of the listed corporation (“**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) Sub-Rule (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 Rule 6.15; 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 sub-Rule (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 corporation 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 sub-Rule (1) above, a listed corporation 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 corporation or a holding company of the listed corporation) or a person connected with such director, major shareholder or chief executive unless -
- (a) the listed corporation 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 corporation has ensured that the allotment is fair and reasonable to the listed corporation and in the best interests of the listed corporation; and
  - (c) the listed corporation immediately announces the specific allotment to such persons and include the following in the announcement:
    - (i) the information prescribed in sub-Rule (3) above; and
    - (ii) a statement by the board of directors of the listed corporation that the allotment is fair and reasonable to the listed corporation and in the best interests of the listed corporation. 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.

#### **6.08 Announcement to the Exchange**

- (1) A listed corporation 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 corporation is undertaking an issuance and placement of securities in stages over a period of time, the listed corporation must, upon placement of the securities, immediately announce to the Exchange, the number and issue price of the securities.

#### **6.09 Circular**

- (1) A listed corporation 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 for perusal together with a checklist showing compliance with Part A of Appendix 6B.

#### **6.09A Electronic mode of submission and payment**

- (1) In addition to the manual method, a listed corporation 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-Rule (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.

#### **6.10 Allotment of securities, despatch of notices of allotment and quotation application in respect of a public issue.**

Where a listed corporation 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 corporation 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.

#### **6.11 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 corporation 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**

#### **6.12 [Deleted]**

#### **6.13 Placement agent**

The Sponsor or Adviser of the listed corporation, as the case may be, must act as the placement agent for placements of securities.

#### **6.14 Payment for securities**

The listed corporation must issue and allot securities as soon as possible after the price-fixing date. In any event, the listed corporation must ensure payments for the securities are made by the placees to the listed corporation within 5 market days from the price-fixing date. For issues of securities under Rule 6.06, 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.

#### **6.15 Back-to-back placements**

- (1) A listed corporation may undertake a back-to-back placement involving –
- (a) an existing shareholder selling down existing shares of the listed corporation to a placement agent for subsequent placement to placees; and
  - (b) the listed corporation issuing new shares to the said existing shareholder to replace the shares sold earlier to the placement agent.
- (2) A listed corporation which undertakes a back-to-back placement must comply with the following conditions:
- (a) the listed corporation 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 corporation complies with the shareholding spread requirements under Rule 8.02(1) of these Requirements; and
  - (c) the listed corporation 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.

**6.16 Placees' details**

- (1) As soon as practicable after the placement of securities and before the listing of such new issue of securities, the listed corporation's Sponsor or Adviser, as the case may be, 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 Sponsor or Adviser, as the case may be, 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 sub-Rule (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 sub-Rule (1)(a) above need not be submitted for the following types of placees:
  - (a) statutory institutions managing funds belonging to 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 listed corporation's Sponsor or Adviser, as the case may be, confirming to the Exchange that such schemes have been duly authorised, approved or registered.

**6.17 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****6.18 [Deleted]****6.18A Specific requirements for rights issue**

A listed corporation which intends to undertake a rights issue must -

- (a) ensure the 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; and
- (b) register a copy of the abridged prospectus which complies with Rule 6.18B below with the Exchange for the rights issue in sub-Rule (a) above.

**6.18B Abridged prospectus**

- (1) A listed corporation must submit an abridged prospectus to the Exchange for review and registration through a Sponsor or an Adviser. For this purpose, the listed corporation and its Sponsor or Adviser must comply with the procedures for registration and requirements relating to an abridged prospectus as may be prescribed by the Exchange.
- (2) A listed corporation must include the information as set out in Appendix 6B(I) in the abridged prospectus issued pursuant to these Requirements.
- (3) A listed corporation must –
  - (a) subsequently lodge a copy of the duly registered abridged prospectus together with a copy of the rights subscription form, with the Registrar; and
  - (b) announce to the Exchange, that the abridged prospectus has been registered by the Exchange and lodged with the Registrar, at least 1 market day before the commencement of trading of the rights.
- (4) A listed corporation must also comply with Rules 3.12C, 3.12D, 3.12E, 3.12F, 3.12H and 3.12I of these Requirements, where applicable, with the necessary modifications, in the preparation of an abridged prospectus.
- (5) For the avoidance of doubt, Rule 3.12G of these Requirements in relation to liability for prospectus shall also apply to an abridged prospectus.

*[Cross-reference: Guidance Notes 17 and 23]*

**6.19 Underwriting**

- (1) Underwriting arrangements in relation to a rights issue of securities are at the discretion of the listed corporation and its Sponsor or Adviser.
- (2) The Sponsor or Adviser, as the case may be, must be part of the syndicate of underwriters for the securities offered under the rights issue if there is an underwriting arrangement.
- (3) A listed corporation must disclose 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 corporation; 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 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 corporation 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 corporation's Sponsor or Adviser, as the case may be; and
  - (b) the shareholders consider the consequences of the rights issue with regard to the Take-Overs and Mergers Code, if applicable.

**6.20 [Deleted]****6.21 [Deleted]****6.22 Fixing of books closing date for a rights issue**

- (1) A listed corporation 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 sub-Rule (1)(b) above, a listed corporation may fix a books closing date before it obtains the shareholder approval provided that -
- (a) the listed corporation's shareholders holding more than 50% of the total number of voting shares in the listed corporation 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 off 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 corporation has submitted to the Exchange its shareholders' irrevocable undertakings referred to in sub-Rule (a) above; and
  - (c) the listed corporation must ensure that the last day of trading on a cum entitlement basis falls at least 1 market day after the date of the general meeting.

**6.23 Notice of books closing date for a rights issue**

A listed corporation 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.

**6.24 Timetable for a rights issue**

- (1) A listed corporation 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.

**6.25 Announcements of important relevant dates of a rights issue**

- (1) A listed corporation 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 corporation may deem appropriate.
- (2) A listed corporation must undertake due care and diligence when announcing the relevant dates as set out in sub-Rule (1) above. A listed corporation must immediately announce to the Exchange -
- (a) any change to the important relevant dates as announced pursuant to sub-Rule (1) above; or
  - (b) any event that may result in the listed corporation being unable to comply with the important relevant dates as announced pursuant to sub-Rule (1) above, as soon as it becomes aware of such event,
- stating the change and reasons for such change.

**6.26 [Deleted]****6.27 Issue of notices of provisional allotment**

A listed corporation 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.

**6.28 Availability of rights subscription forms**

- (1) Notwithstanding Rule 6.09A, a listed corporation 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]

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**6.29 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 corporation 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****6.30 [Deleted]****6.31 Criteria for bonus issues**

## (1) [Deleted]

(1A) A listed corporation must ensure that its share price adjusted for a bonus issue is not less than RM0.20 based on the daily volume weighted average share price during the 3-month period before the application date.

(2) A listed corporation 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 corporation'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 corporation, such reserves must be verified and confirmed by the external auditors or reporting accountants of the listed corporation. 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]

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**6.32 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 Rule 6.31(2)(a)(ii), a listed corporation 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 corporation announces the bonus issue (if available) or as soon as the valuation report is ready. In any event, the listed corporation must submit the valuation report together with the valuer's undertaking letter to the Exchange at least 1 month before it issues its circular in relation to the bonus issue; and
  - (b) ensure that the date of valuation which forms the basis of the valuation certificate included in the circular is not more than 6 months before the date of the circular issued to shareholders.
- (2) A listed corporation and its valuer must ensure that the valuation report submitted pursuant to sub-Rule (1) above complies with these Requirements and the SC's Asset Valuation Guidelines.
- (3) If the listed corporation or the valuer becomes aware of any circumstances or significant change which has or will have a 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 corporation must cause the valuation report to be updated. If the listed corporation fails to do so, the valuer must withdraw its consent to the inclusion of the valuation report in the circular.
- (4) Notwithstanding sub-Rule (1) above, the Exchange may, at its discretion and whenever it deems appropriate, at the cost of the listed corporation –
  - (a) obtain a second opinion on the valuation report submitted by the listed corporation from another valuer appointed by the Exchange; or
  - (b) require a listed corporation to conduct a valuation on any asset.
- (5) A listed corporation 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 corporation 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 sub-Rules 1(a), (2), (3) and (6) above, a "**valuation report**" includes a valuation certificate.

**6.33 Staggered implementation of a bonus issue**

- (1) A listed corporation may implement a bonus issue in stages over a period of time.
- (2) A listed corporation 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 corporation must subsequently announce each book closing date pursuant to Rule 9.19(1) and in the case of a bonus issue by way of capitalisation, include a statement that the listed corporation has sufficient reserves to cover the capitalisation issue in the announcements.

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**6.34 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.

**6.35 Fixing of books closing date for a bonus issue**

A listed corporation 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.

**6.36 Announcements in relation to a bonus issue of securities**

- (1) A listed corporation must ensure that the period from the date it announces the books closing date for a bonus issue to the books closing date is not less than 10 market days.
- (2) A listed corporation 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 sub-Rule (2)(b) above ("**Relevant Date**") cannot be ascertained at the time of announcement of the books closing date, the listed corporation 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 corporation 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 corporation becoming aware of or ascertaining the Relevant Date, the listed corporation 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****6.37 [Deleted]****6.38 Eligibility and allocation**

- (1) Subject to the provisions set out in sub-Rules (2) and (3) below and Rule 6.45, the board of directors of the listed corporation may determine the eligibility and allocation criteria under a Share Issuance Scheme.
- (2) The listed corporation must ensure that participation in the scheme is restricted to directors and employees of the listed corporation's group.



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- (3) The listed corporation 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 corporation, does not exceed 10% of the total number of shares to be issued under the scheme.
- (4) For the purpose of sub-Rules (2) and (3) above, unless the context otherwise requires -
- (a) “**group**” means the listed corporation 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 Rule 1.01.

### 6.39 Number of shares

- (1) The listed corporation must ensure that the total number of shares to be issued under a Share Issuance Scheme is not more than 30% of its total number of issued shares (excluding treasury shares) at any one time.
- (2) For the purpose of sub-Rule (1) above, where a listed corporation 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 30% threshold in sub-Rule (1) above, no further options can be offered until the total number of shares to be issued under the scheme falls below the said 30% threshold.

### 6.40 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 corporation, 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%.

### 6.41 Duration

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

### 6.42 Adjustments

A listed corporation 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;

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- (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 Sponsor or Adviser, as the case may be, of the listed corporation.

#### **6.43 Bylaws**

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

#### **6.44 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 Rule 6.43;
  - (b) receipt of approval or approval-in-principle, as the case may be, for the issuance and 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 any conditions attached to the above approvals, if any.
- (2) The listed corporation's Sponsor or Adviser, as the case may be, must submit a confirmation to the Exchange of full compliance pursuant to sub-Rule (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.

#### **6.45 Share Issuance Scheme after listing**

- (1) A listed corporation 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 corporation 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 corporation 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.

**6.46 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 corporation must -

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

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

**6.46A Non-application**

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

**6.46B Shareholder's approval**

Where a listed corporation intends to undertake a Dividend Reinvestment Scheme, the listed corporation 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 shareholders' approval for the scheme.

**6.46C Eligibility and election of entitlement**

- (1) Where a listed corporation 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.

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- (2) The listed corporation 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 corporation 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 corporation 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 corporation 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.

#### **6.46D Pricing**

- (1) The listed corporation 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 corporation 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 Rule 9.19(1).

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

#### **6.47 Requirements relating to debt securities**

A listed corporation which intends to list debt securities must also comply with Chapter 4B of Bursa Malaysia Securities Berhad Main Market Listing Requirements, in addition to those set out in Part E of this Chapter, where applicable.

*[Cross reference: Guidance Note 17]*

#### **6.47A Requirements relating to redeemable preference shares**

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

*[Cross reference: Guidance Note 17]*

**6.48 [Deleted]****6.49 Announcement relating to an issue of debt securities**

In addition to the information set out in Part A of Appendix 6A, a listed corporation 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****6.50 Requirements relating to convertible securities**

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

*[Cross reference: Guidance Note 17]*

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

**6.51 Maximum number of new shares allowed from exercise of convertible equity securities**

A listed corporation 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 corporation (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

**6.51A Bonus issue of convertible equity securities**

A listed corporation making a bonus issue of convertible equity securities must also comply with Part F of this Chapter except Rules 6.31, 6.32 and 6.34.

**6.52 Holders of convertible securities**

A listed corporation 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.

**6.53 Announcement relating to an issue of convertible securities**

In addition to the information set out in Part A of Appendix 6A, a listed corporation 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.

**6.54 Circular relating to an issue of convertible securities**

- (1) In addition to the information set out in Part A of Appendix 6B, a listed corporation must ensure that the circular to the securities holders of the listed corporation to obtain the securities holders 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 for perusal together with a checklist showing compliance with Parts A and B of Appendix 6B.

**6.55 Deed poll and trust deed to comply with Requirements**

- (1) A listed corporation must furnish to the Exchange a letter of compliance pursuant to Rule 2.12 together with the deed poll or trust deed, as the case may be.
- (2) A listed corporation 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) Sub-Rule (3) above does not apply to debt securities.

**6.56 Alteration or adjustment to the terms**

A listed corporation 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 Rule 6.55(3) above.

**6.57 Consequential securities**

- (1) Where a listed corporation 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 corporation 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 corporation must submit the additional listing application pursuant to Guidance Note 17.
- (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 corporation need not submit to the Exchange any quotation application for the consequential securities;
  - (ii) when announcing the books closing date, a listed corporation 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 corporation 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 sub-Rule 2(ii) above, if the date of listing and quotation ("**Relevant Date**") cannot be ascertained at this time, the listed corporation must state that the Relevant Date is dependent upon the other corporate proposal being completed or becoming unconditional;
  - (b) sub-Rule 2(iii) above does not apply; and
  - (c) immediately upon the other corporate proposal being completed or becoming unconditional and the listed corporation becoming aware of or ascertaining the Relevant Date, the listed corporation 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.

#### 6.58 Notices of conversion or exercise

A listed corporation 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.

#### 6.59 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 corporation 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 – IMPLEMENTATION OF PROPOSAL**

### **6.60 Implementation deadline**

- (1) Subject to sub-Rule (2) below, a listed corporation 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 corporation 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 corporation 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 corporation.
- (4) If the listed corporation 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.

### **6.61 Extension of implementation time**

- (1) The Exchange may, upon a listed corporation’s application, in exceptional cases grant an extension of time for a listed corporation to complete an Issuance Proposal. The listed corporation must apply for an extension through its Sponsor or Adviser, as the case may be, no later than 14 days before the Exchange’s approval to the listing application expires. The listed corporation must fully justify its application.
- (2) All applications for an extension of time for completion of the Issuance Proposal under this Rule must be accompanied by a confirmation letter by the directors of the listed corporation 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.

### **6.62 Post-implementation obligations**

- (1) A listed corporation and its Sponsor or Adviser, must inform the Exchange the dates of completion for all approved Issuance Proposal.
- (2) The listed corporation and its Sponsor or 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 corporation and its Sponsor or 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**

(Rules 6.08(1), 6.33(2), 6.49 and 6.53)

**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 or 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 Rule 6.31(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 or 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 corporation 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 is to be utilised for –
- (a) the existing business of the listed corporation's group of corporations; or
  - (b) a new business to be acquired or undertaken,
- a description and outlook of the industry where the listed corporation'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 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**

(Rule 6.49)

- (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.

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

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- (5) The rating of the issue.
- (6) A summary of other material terms of issue.

**Part C**

**Additional contents of announcement in relation to an issue of convertible securities**  
(Rule 6.53)

- (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**

(Rules 6.09(1) and 6.54(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 the circular has been reviewed by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) 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 a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.

**INTRODUCTION**

- (4) The purpose of the circular.

**DETAILS OF THE PROPOSALS**

- (5) The particulars, terms and conditions of the issue and date on which the new issue of securities was announced.
- (6) The number and type of securities to be issued.
- (7) The persons to whom the new issue of securities will be allotted or issued.
- (8) The basis of allotment, where applicable.
- (9) The issue price of the new issue of securities, the basis of determining the issue price and justification for the pricing.
- (10) The ranking of the new issue of securities and treatment of any fractions.
- (11) Whether listing will be sought for the new issue of securities.
- (12) 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 corporation; 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**

- 
- (13) 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 a Sponsor or Adviser, as the case may be; and
  - (b) a statement as to the consequences of the subscription for the securities on the listed corporation and its securities holders with regard to the Take-Overs and Mergers Code.
- (14) Where applicable, the minimum level of subscription and the basis of determining the minimum level of subscription. In the event that the minimum level is not achieved, to state the impact on the proposal and alternative plans (if any).
- (15) 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.
- (16) 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 Rule 6.31(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 Rule 6.31(1A);
  - (e) where the bonus issue is to be made in stages over a period of time, relevant details of the same including -
    - (i) the extended implementation period;

Appendix 6B  
Contents of circular for new issue of securities

- 
- (ii) the tentative books closing dates;
  - (iii) the effects of the bonus issue on reserves;
  - (iv) [deleted]
  - (v) a statement drawing securities holders' attention to the staggered implementation of the bonus issue and the potential price effects of the staggered implementation; and
  - (vi) the rationale or justification for the implementation of the bonus issue on a staggered basis; and
- (f) the number of shares before and after the bonus issue.
- (17) 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 or justification.
- (18) 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 corporation 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 corporation 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

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**Contents of circular for new issue of securities**

- 
- (bb) aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them;
  - (g) where the directors of the listed corporations 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.
- (19) In the case of issues of shares or convertible securities on a non-pro rata basis pursuant to Rule 6.06, 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**

- (20) The purpose of the new issue of securities.
- (21) The justifications for embarking on the new issue of securities rather than other available options.
- (22) 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**

- (23) 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.
- (24) Where the proceeds from the new issue of securities is to be utilised for -
- (a) the existing business of the listed corporation's group of corporations; or
  - (b) new business to be acquired or undertaken,
- a description and outlook of the industry where the listed corporation's group of corporations operates or will be operating and the prospects of the business in light of the industry's outlook.
- (25) Where the issuance of securities or proceeds are utilized for 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 and shareholders' approval is required pursuant to Chapter 10.

**EFFECTS OF THE PROPOSAL**

- (26) 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.
- (27) A statement setting out all material commitments and contingent liabilities incurred or known to be incurred by the listed corporation.

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**APPROVALS REQUIRED**

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

**CONDITIONALITY OF THE PROPOSAL**

- (29) 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**

- (30) (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**

- (31) A statement by the board of directors, excluding interested directors, stating whether the issue is in the best interest of the listed corporation. 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.
- (32) 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**

- (33) 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**

- (34) 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.
- (35) Any other information which the securities holders and their Sponsor or Adviser, as the case may be, would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

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**APPENDICES**

- (36) In the case of a Share Issuance Scheme, the bylaws of the scheme.
- (37) 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 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 -
    - (i) that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name or 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 or 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 corporation 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;
  - (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 corporation:
    - (i) the constitution;
    - (ii) the audited financial statements of the listed corporation or group, or both for the past 2 financial years and the latest unaudited results since the last audited financial statements;

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

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

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

(Rule 6.54)(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 corporation.
- (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 corporation.
- (9) The rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the listed corporation.
- (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

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

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

[End of Appendix]

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**APPENDIX 6B(I)****Contents of abridged prospectus**

(Rule 6.18B(2))

- (1) The particulars and information as set out in Division 5 of Part II of the SC's Prospectus Guidelines (Abridged Prospectus) with the following modifications:
  - (a) reference to the SC in the SC's Prospectus Guidelines shall mean a reference to the Exchange; and
  - (b) reference to the Principal Adviser in the SC's Prospectus Guidelines shall mean a reference to the Sponsor or Adviser.
- (2) If the abridged prospectus contains a statement made by any person, or which is based on a statement made by such person, a confirmation that such person has given and has not withdrawn the written consent to –
  - (a) being named in the abridged prospectus; and
  - (b) the inclusion of such statement in the abridged prospectus.

## APPENDIX 6C

Timeline for a rights issue  
(Rule 6.24)

	Timeline for a rights issue	Time limits	Market days*
1	Books closing date (B) to determine persons entitled to participate in the rights issue		B
2	Public release of the abridged prospectus in respect of the rights issue	1 market day before trading of rights commences	B
3	Trading of rights commences	1 market day after books closing date	B+1
4	Listed corporation 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 corporation**  
(Rules 3.07(1)(b), 6.32(1) and 10.04)

To

Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Dear Sirs,

Compliance with ACE 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 ACE Market Listing Requirements ("**Listing Requirements**"), WE .....[name & company no. of the valuer] having a #registered address/place of business at..... irrevocably and unconditionally UNDERTAKE AND AGREE to comply with the Listing Requirements, including any amendment as may be made from time to time and insofar as the same is applicable to us as a valuer.

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

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

Yours faithfully,

.....  
Name:  
Designation:  
Date:

# Delete as appropriate

\*\* Applicable to a foreign valuer only.

[End of Appendix]



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

(Rules 6.43 and 6.45)

- (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 corporation 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**  
(Rule 6.55(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 the convertible securities during the tenure of the securities.

[End of Appendix]

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

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.

**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 the 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.

**PART D – FORFEITURE AND LIEN****7.09 Companies' 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 -

- 
- (a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid;
  - (b) if the shares were acquired under an employee share option scheme, amounts which are owed to the company for acquiring them; and
  - (c) such amounts as the company is required by law to pay, and has paid, in respect of the shares of a holder or deceased former holder.

In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.

#### **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]**

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**PART G – BORROWING****7.14 Scope of directors' borrowing powers**

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

**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 shall be given by advertisement in at least one 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 Rule 7.16 above, a member of a 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, each holder of an ordinary share, and each holder of a preference share who has a right to vote, must be entitled to 1 vote.

**7.19 Voting rights of proxy**

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

**7.20 [Deleted]**

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**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.

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**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.

**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**

The chairman of a board meeting shall not have a casting vote where -

- (a) 2 directors form a quorum and only such a quorum is present at the meeting; or
- (b) only 2 directors are competent to vote on the question at issue.

**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.

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#### **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 Rule 7.36 or its equivalent.

[ 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 corporation, 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 shareholding spread requirement**

- (1) A listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. 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 shares.
- (2) Listed corporations which have shares listed on other stock exchange(s) may have these shares included for the purpose of computing the percentage of shareholding spread referred to in sub-Rule (1) above.
- (3) A listed corporation must immediately announce to the Exchange if it becomes aware that it does not comply with the required shareholding spread referred to in sub-Rule (1) above.
- (4) A listed corporation which fails to maintain the required shareholding spread referred to in sub-Rule (1) may request for an extension of time to rectify the situation in the manner as may be prescribed by the Exchange.
- (5) A listed corporation 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: Guidance Note 13]*

**8.03 Cash Companies**

- (1) A listed corporation 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 corporation should be considered a Cash Company. A listed corporation 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 corporation or de-list it, or both.
- (3) For the purposes of sub-Rule (1) above, the following apply:
  - (a) a listed corporation 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 corporations.
- (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 sub-Rule (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 Exchange; or
- (ii) pro-rata distributions to shareholders pursuant to sub-Rule (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, which is substantially comprehensive and will increase shareholder value, to the Exchange and obtain the Exchange’s approval to implement the proposal, within 12 months from the date it receives the notice referred to in sub-Rule (1) above;
- (ii) appoint a Sponsor within 3 months from the date the listed corporation announces that it is a Cash Company and retain the said Sponsor until it is no longer considered as Cash Company by the Exchange under sub-Rule (8) below; and
- (iii) implement its proposal within 6 months from the date the proposal is approved by the Exchange. However, for cases which involve court proceedings, a Cash Company has up to 12 months from the date the proposal is approved by the Exchange, to complete the implementation of the proposal;
- (b) retain the services of a Sponsor for at least 3 full financial years after it is no longer considered as a Cash Company by the Exchange under sub-Rule (8) below. In this regard, the Sponsor referred to in sub-Rule (a)(ii) above must act as the Sponsor of the Cash Company for at least the first full financial year;
- (c) provide such information as may be prescribed by the Exchange from time to time for public release; and
- (d) do such other acts or things as may be required by the Exchange.

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- (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 sub-Rule (5)(a) above or if its proposal is rejected by the Exchange and the Exchange may de-list such Cash Company.
- (7) Sub-Rules (1) and (2) above are not applicable to the following listed corporations:
- (a) listed corporations 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) infrastructure project corporations which have not completed their infrastructure project(s); and
  - (d) such other category of listed corporations 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 sub-Rule.

- (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 sub-Rule (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 sub-Rule (5)(a) above; or
  - (b) does not intend to maintain its listing at any time after it receives the notice referred to in sub-Rule (1) above.

*[Cross reference: Guidance Notes 2 and 20]*

### **8.03A Level of operations**

- (1) A listed corporation 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 corporation may not have a level of operations that is adequate to warrant continued trading or listing on the Official List:
- (a) the listed corporation 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 corporation's business or major business; or
  - (cc) a court order or judgment obtained against the listed corporation prohibiting the listed corporation from conducting its major operations on grounds of infringement of copyright of products etc; or
- (b) the listed corporation has an insignificant business or operations. This is not applicable to a Sponsored Corporation during the Sponsorship Period.
- (3) Subject to sub-Rules (5) and (6) below, a listed corporation that triggers sub-Rules (2)(a) or (2)(b) above ("**affected listed corporation**") must comply with the following, failing which the Exchange may suspend the trading of listed securities of such listed corporation or de-list the listed corporation, 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 Guidance Note 3, with the necessary modifications;
  - (b) regularise its condition by complying with the requirements set out in Rule 8.04(3) and paragraph 5.0 of Guidance Note 3, 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 corporation pursuant to sub-Rule (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 corporation may appeal against the decision of the Exchange within 30 days from the date of its rejection.
- (5) An affected listed corporation need not comply with the requirements set out in sub-Rule (3) above provided that -
- (a) the affected listed corporation is able to demonstrate to the satisfaction of the Exchange that its remaining business is sustainable and has 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 corporation intending to rely on sub-Rule (5) above must announce the following to the Exchange:
- (a) immediately upon the affected listed corporation triggering sub-Rules (2)(a) or (2)(b) above, a statement to that effect and that it has made an application to the Exchange pursuant to sub-Rule (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 Rule, unless the context otherwise requires –
- (a) in relation to sub-Rule (2)(a) above, "**major**" means such proportion that contributes or generates 70% or more of the listed corporation'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) of the listed corporation ("**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 corporation, its subsidiaries, as well as revenue from the listed corporation's associated companies, calculated on a proportionate basis, based on the listed corporation'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	10,000,000
1 June 2xx1	Issue of 5,000,000 new shares at RM1 each for cash	15,000,000
1 Dec 2xx1	Issue of 3,000,000 new shares at RM1 each for cash	18,000,000

Computation of weighted average:

$$(RM10,000,000 \times 151/365) + (RM15,000,000 \times 183/365) + (RM18,000,000 \times 31/365) \\ = RM13,186,301$$

[Cross reference: Guidance Notes 3 and 20]

#### 8.04 Financial condition

- (1) The financial condition of a listed corporation on a consolidated basis must, in the opinion of the Exchange, warrant continued trading or listing on the Official List.

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- (2) The Exchange may prescribe certain criteria in relation to the financial condition of a listed corporation ("**Prescribed Criteria**"). When a listed corporation triggers any of the Prescribed Criteria ("**GN3 Company**") 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 corporation or de-list it or both.
- (3) A GN3 Company must comply with the following additional requirements:
- (a) regularise its condition in the following manner:
    - (i) submit to the Exchange a regularisation plan and obtain the Exchange's approval to implement the plan within 12 months from the date the listed corporation announces that it is a GN3 Company;
    - (ii) appoint a Sponsor within 3 months from the date the listed corporation announces that it is a GN3 Company and retain the said Sponsor until it is no longer considered as a GN3 Company by the Exchange under sub-Rule (8) below; and
    - (iii) implement the regularisation plan within 6 months from the date the regularisation plan is approved by the Exchange. However, for cases which involve court proceedings, a GN3 Company has up to 12 months from the date the regularisation plan is approved by the Exchange, to complete the implementation of the regularisation plan;
  - (b) provide such information as may be prescribed by the Exchange from time to time for public release;
  - (c) retain the services of a Sponsor for at least 3 full financial years after it is no longer considered as a GN3 Company by the Exchange under sub-Rule (8) below. In this regard, the Sponsor referred to in sub-Rule (a)(ii) above must act as the Sponsor of the GN3 Company for at least the first full financial year; and
  - (d) do such other acts or things as may be required by the Exchange.
- (4) Where the Exchange approves the regularisation plan of a GN3 Company, such approval may be unconditional or subject to such conditions, as it deems fit. If the regularisation plan is rejected by the Exchange, the GN3 Company may appeal against the decision of the Exchange within 30 days from the date of its rejection.
- (5) If a GN3 Company fails to comply with any part of its obligations under sub-Rule (3)(a) above within the timeframes permitted by the Exchange, the Exchange shall –
- (a) suspend the trading of the GN3 Company'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 GN3 Company subject to the latter's right to appeal against the de-listing under sub-Rule (6) below.
- (6) Unless otherwise specified, a GN3 Company which intends to appeal against a de-listing under this Rule 8.04 must submit its appeal to the Exchange within 5 market days from the date of notification of de-listing by the Exchange.

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- (7) Where an appeal against de-listing has been submitted to the Exchange, the Exchange shall stay the de-listing of the GN3 Company concerned pending consideration of the appeal. However, the Exchange shall suspend the trading of the GN3 Company'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 may still be pending.
- (8) For a GN3 Company to be no longer considered a GN3 Company, the GN3 Company 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 GN3 Company, together with all the necessary documentary evidence.

The fact that a GN3 Company 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 GN3 Company for the purpose of this sub-Rule.

*[Cross reference: Guidance Notes 3 and 20]*

#### **8.05 Sponsor during the Sponsorship Period**

- (1) A listed corporation must comply with Rule 3.21 in securing and maintaining the services of a Sponsor.
- (2) The Exchange may at any time suspend the trading in the securities of a listed corporation which fails to comply with sub-Rule (1) above. If the suspension continues for more than 2 months, the Exchange may de-list the listed corporation from its Official List.

#### **8.06 Appointment of Adviser for proposals**

- (1) A listed corporation must engage the services of an Adviser where it undertakes such corporate proposal or activity prescribed by the Exchange to require the services of an Adviser.

*[Cross reference: Guidance Note 19]*

- (2) A listed corporation must ensure that the circular or document in respect of such corporate proposal is prepared and reviewed by its Adviser before it is submitted to the Exchange for perusal.

### **PART C – OPERATIONAL MATTERS**

#### **8.07 Proxy forms**

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

#### **8.08 Audit for transfers and issue of securities**

A listed corporation 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 Rules 6.10, 6.29, 6.46, 6.59 and 8.17, where applicable.



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**8.09 Number of securities**

A listed corporation 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.

**8.10 Paper quality and watermark**

A listed corporation must ensure that the certificates are designed so that forgery and/or alterations are readily detectable. A listed corporation 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 the listed corporation, and such other additional security features as the Exchange may determine from time to time.

**8.11 Size of certificates**

A listed corporation 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.

**8.12 Submission of annual returns**

A listed corporation must submit to the Exchange returns as at 31<sup>st</sup> December of each calendar year within 2 months from the said date, which includes such information as may be prescribed by the Exchange from time to time by way of an electronic template provided by the Exchange.

**8.13 Change in classification**

- (1) Where there are circumstances to signify that a change in the classification of a listed corporation in a specific sector has taken place, the listed corporation 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 corporation into such other sector as it deems fit.
- (2) Notwithstanding the absence of any notification from the listed corporation, the Exchange may, where the circumstances warrant the same, change the classification of a listed corporation to a sector which, in the opinion of the Exchange, is more appropriate for the listed corporation.

*[Cross reference: Guidance Note 1]*

**PART D – SPONSORSHIP OF DEPOSITORY RECEIPTS****8.14 Sponsorship of depository receipts**

A listed corporation 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 corporation'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 corporation;



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- (c) the depository bank must provide to the listed corporation, information in respect of the depository receipts that will enable the listed corporation 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 sub-Rule (b) above.

#### **8.15 Status reports on depository receipts**

- (1) A listed corporation 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 Rule 8.14(b) above is exceeded, the Exchange will forward such report to the Depository, for its further action.

### **PART E – OFFER FOR SALE**

#### **8.16 Renounceable offer for sale**

A listed corporation 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 Rules 6.23, 6.24, 6.25, 6.27, 6.28 and 6.29 as if its offer for sale were the rights issue mentioned under those Rules.

#### **8.17 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 securities holders 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 corporation or 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).

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**PART F – DIRECTORS****8.18 Director's undertaking**

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

*[Cross reference: Annexures GN15-C and GN15-D of Guidance Note 15]*

**PART G – SHARE ISSUANCE SCHEME****8.19 Allocation under a Share Issuance Scheme**

- (1) A listed corporation must disclose to employees the criteria for allocation of options pursuant to a Share Issuance Scheme.
- (2) A listed corporation 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 sub-Rule (1) above, at the end of each financial year.
- (3) [Deleted]

**8.20 Termination of a Share Issuance Scheme**

- (1) A listed corporation may not terminate a Share Issuance Scheme before expiry unless -
  - (a) the bylaws of the scheme contain a provision empowering the listed corporation to do so.
  - (b) [deleted]
  - (c) [deleted]
- (2) [Deleted]
- (3) [Deleted]
- (4) [Deleted]
- (5) A listed corporation 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.

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

A listed corporation 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 Rule 6.39.

## 8.22 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

### 8.23 Material dilution

- (1) A listed corporation 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 corporation's equity interest in such principal subsidiary.
- (2) For the purpose of sub-Rule (1) above, "material dilution" means a percentage reduction amounting to 25% or more.

### 8.24 Material variations

- (1) A listed corporation 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 corporation 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 sub-Rule (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 corporation in relation to such proposal.
- (3) Sub-Rule (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.

### 8.25 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 sub-Rule (2) below, a listed corporation 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 corporation or its subsidiaries;

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- (ii) persons to whom the provision of financial assistance -
- (aa) is necessary to facilitate the ordinary course of business of the listed corporation or its subsidiaries; or
  - (bb) pursuant to the ordinary course of business of the listed corporation 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 corporation, the listed corporation (in the case of the subsidiaries providing the financial assistance) or its immediate holding company which is listed.

For the purpose of this sub-Rule (iii), a “**joint arrangement**” has the meaning given to it under the approved accounting standards.

- (2) Where a listed corporation or its subsidiaries provide financial assistance -
- (a) the board of directors of such listed corporation must ensure -
    - (i) that the provision of the financial assistance referred to in sub-Rule (1) above is fair and reasonable to the listed corporation and is not to the detriment of the listed corporation and its shareholders; and
    - (ii) where a listed corporation or its subsidiary lends or advances money in the ordinary course of business as a moneylender (“**moneylending company**” and “**moneylending operations**”), that the board of directors of the listed corporation 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 corporation, 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 Rule 10.02, the listed corporation complies with the requirements of Rule 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 corporation, 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 corporation must issue a circular to its shareholders and seek shareholder approval in a general meeting, of such provision of financial assistance, unless the listed corporation complies with the requirements in sub-Rule (1)(ii) above, in which case, the requirement to issue a circular and seek shareholder approval is dispensed with;

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- (d) where shareholder approval is required pursuant to sub-Rules (b) or (c) above, the listed corporation 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 corporation 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 corporation 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 requests 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 a 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) Sub-Rules (1), (2) and (3) above do not apply to -
- (a) any provision of financial assistance provided to or in favour of the listed corporation or wholly owned subsidiaries of the listed corporation;
- (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 corporation or its subsidiary not listed on any stock exchange which is a Participating Organisation.

*[Cross reference: Guidance Note 4]*

### **8.26 Listing of subsidiaries**

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

**8.27 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 corporation 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 corporation must not make any subsequent alteration to or revocation of such entitlement or books closing date.

**8.28 Declaration of dividend**

- (1) Once the dividend has been declared or proposed to shareholders, a listed corporation must not make any subsequent alteration to the dividend entitlement.
- (2) A listed corporation must ensure that all dividends 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.

**8.28A Electronic payment of cash distributions**

- (1) A listed corporation 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 corporation's securities holders have provided the relevant contact details to the Depository for the purposes of electronic notifications, the listed corporation must notify them electronically once the listed corporation has paid the cash distributions out of its account.
- (3) For the purpose of this Rule, "**cash distributions**" means cash payments made by a listed corporation 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) capital repayment; and
  - (d) cash payments in lieu of odd lots arising from distributions in specie.

**8.29 Notices of general meetings**

- (1) A listed corporation 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 sub-Rule (1) above, a listed corporation 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.

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**8.30 Notice of maturity**

The listed corporation 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.

**8.31 Securities holder approval**

- (1) 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.
- (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 corporation 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 corporation or its subsidiaries, the shareholder approval must be obtained before an option is exercised.

**8.31A Voting by poll**

- (1) A listed corporation 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 corporation 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 corporation 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.

**8.32 Accounting and other records**

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

**8.33 Lodgement of agreement**

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

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**PART I - SPECIFIC CONTINUING OBLIGATIONS RELATING TO PRICE STABILIZATION MECHANISM****8.34 Responsibilities of a listed corporation for the purposes of stabilizing action**

- (1) A listed corporation 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 corporation must make available the register and all agreements relating to the market stabilization entered into by the listed corporation 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 from the register or the agreements.
- (3) In addition to sub-Rule (1) above, the listed corporation must also 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 corporation is listed both on the Exchange and an exchange outside Malaysia; and
  - (b) it has appointed a stabilizing manager to carry out stabilizing action on a stock market outside Malaysia.
- (4) For the purposes of this Rule, inspection includes making copies and taking extract from the register.

[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**  
(Rule 8.29)

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 corporations;
  - (d) the details of any interest in the securities of the listed corporation and its subsidiaries;
  - (e) the family relationship with any director and/or major shareholder of the listed corporation;
  - (f) any conflict of interest that they have with the listed corporation; 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 Rule 6.04(3) of these Requirements.

[End of Appendix]

Appendix 8B  
Contents of circular to terminate 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**  
(Rule 8.34)

- (1) The name of the corporation 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 corporation 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]

**Appendix 8D**  
**Announcement by moneylending company****APPENDIX 8D****Information to be included in announcement in relation to moneylending company**  
(Rule 8.25(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 corporation group; and
  - (d) to related parties.
- (2) The total borrowings, setting out -
  - (a) the Loans given by any corporation within the listed corporation group to the moneylending company;
  - (b) the borrowings which are secured by any corporation within the listed corporation 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 corporation 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 corporation 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.

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

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- (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;
  - (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 to be furnished to Exchange upon completion of a take-over offer**  
(Rule 8.02(5))

<b>Particulars</b>	<b>No. of shares</b>	<b>No. of shareholders</b>	<b>Percentage %</b>
<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>			

[End of Appendix]

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**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 corporation, 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); and
  - (e) circulars and other requirements (Parts L and L(A)).
- (3) Continuing disclosure is the timely and accurate disclosure of all material information by a listed corporation 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 B – CORPORATE DISCLOSURE POLICY****9.02 Corporate disclosure policy**

- (1) A listed corporation 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 corporation 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).

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**PART C – IMMEDIATE DISCLOSURE OF MATERIAL INFORMATION****9.03 Disclosure of material information**

- (1) A listed corporation must make immediate public disclosure of any material information, except as set out in Rule 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 corporation's securities; or
  - (b) the decision of a holder of securities of the listed corporation or an investor in determining his choice of action.
- (3) Without limiting the generality of sub-Rule (2) 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;
  - (c) relates to any event affecting the present or potential dilution of the rights or interests of the listed corporation'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 corporation:

- (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 the general business direction;
  - (n) a change of intellectual property rights;
  - (o) the entry into a memorandum of understanding;
  - (p) the entry into any call or put option or financial futures contract; or
  - (q) a change in the business plan of the listed corporation that has been previously disclosed.

#### **9.05 Withholding of material information**

- (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. 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 corporation 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 corporation 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 Rule 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 corporation 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 corporation's securities must be closely monitored. The listed corporation 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 corporation's securities which signifies that a "leak" of the information may have occurred;

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- (b) rumours or reports concerning the information have appeared; or
  - (c) where the listed corporation 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 corporation must release material information to the public in a manner designed to obtain its fullest possible public dissemination.
- (2) A listed corporation 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 corporation is undertaking a corporate exercise or to facilitate a due diligence exercise. In such circumstances, the listed corporation must ensure that –
  - (a) the disclosure is restricted to only relevant persons;
  - (b) the strictest confidentiality is maintained; and
  - (c) the requirements in Rule 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 corporation'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 corporation 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 corporation becomes aware of any rumour or report, true or false, that contains material information, the listed corporation must make due enquiry and immediately publicly clarify, confirm or deny the rumour or report.
- (2) For the purpose of sub-Rule (1) above, the listed corporation 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 corporation 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 corporation 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 corporation'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 corporation 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 corporation, the listed corporation must -
- (a) respond promptly to the supposedly factual elements of the rumour or report as required under Rule 9.09 and this Rule 9.10; and
  - (b) include in the announcement, a statement to the effect that the listed corporation 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 corporation must immediately undertake a due enquiry to seek the cause of the unusual market activity in its securities. The listed corporation must consider in particular whether there is any information concerning the listed corporation 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 corporation determines that the unusual market activity results from material information that has already been publicly disclosed pursuant to these Requirements, the listed corporation is generally not required to make further announcement. However, if the unusual market activity indicates that such information may have been misinterpreted, the listed corporation must issue a clarifying announcement to the Exchange.
- (3) If the unusual market activity results from a "leak" of previously undisclosed information, the listed corporation 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 corporation must comply with Rules 9.09 and 9.10 above.

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- (5) If the cause of the unusual market activity cannot be determined, the listed corporation 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 corporation must refrain from any form of promotional disclosure activity which may mislead investors or cause unwarranted price movement and activity in a listed corporation'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 corporation;
  - (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 corporation;
- (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 corporation's securities and are not justified in frequency or scope by the need to disseminate information about actual developments concerning the listed corporation;
- (d) press releases or other public announcements of a one-sided or unbalanced nature; and
- (e) listed corporation's or product advertisements which in effect promote the listed corporation's securities.

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**PART H – INSIDER TRADING****9.14 Prohibitions under the law**

- (1) All listed corporations 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**

- (1) A listed corporation 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 corporation identify an individual or limited group of individuals within the listed corporation 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 director familiar with the matters about which disclosure is to be made.
- (2) During the period where the listed corporation is required to have a Sponsor pursuant to these Requirements, the announcement must be reviewed by the Sponsor, except for announcements made:
  - (a) pursuant to Rules 9.19(9), (10), (12), (13), (14), (15), (18) and (19) below; or
  - (b) by an Adviser appointed by the listed corporation.

**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 corporation 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.

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**PART J – IMMEDIATE DISCLOSURE REQUIREMENTS****9.19 Immediate announcements to the Exchange**

A listed corporation 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 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 the 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 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;
- (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 corporation requires pursuant to Rule 7.16(2) 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 corporation 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 corporation;

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- (9) any change of address or telephone number and/or facsimile number of the registered office of the listed corporation or of any office at which the register of securities of the listed corporation is kept;
- (10) any proposed change of name of the listed corporation;
- (11) any change in the financial year end of the listed corporation together with the reasons for the change;
- (12) any change in the composition of the board of directors of the listed corporation. 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 corporation;
- (13) any change in the composition of the audit committee of the listed corporation. 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 corporation. 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 corporation;
- (14A) any change or proposed change in the chief financial officer of the listed corporation. 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 corporation;
- (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 corporation or its foreign principal subsidiary pursuant to any relevant law applicable to the listed corporation or its foreign principal subsidiary. An announcement to the Exchange must include the information contained in Part B(B) of Appendix 9A;

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- (15) any or change in the company secretary or external auditors of the listed corporation. 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 corporation;
- (15A) any change in the independent adviser appointed by the listed corporation 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 corporation;
- (16) any notice of resignation by or termination of the Sponsor of the listed corporation. The reasons for such resignation or termination must be disclosed;
- (17) any proposed alteration of the constitution of the listed corporation;
- (18) any notice relating to substantial shareholding which the listed corporation has received;
- (19) any notice referred to in section 219(1) of the Companies Act which the listed corporation has received in relation to the listed corporation's securities listed on the Exchange;
- (20) any winding up of the listed corporation, its subsidiary or major associated company as follows:
- (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.

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

- (21) the appointment of, or any change in the following persons over the listed corporation, any of its subsidiaries or major associated companies or any part of the properties of the listed corporation, 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;

- (22) the procurement of a court order restraining proceedings against a listed corporation 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;



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- (23) [deleted]
- (24) [deleted]
- (25) [deleted]
- (26) any acquisition (including subscription) of shares in another listed corporation 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 corporation;
- (27) any disposal of shares in another listed corporation 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 corporation;
- (28) any proposed issue or offer of securities by the listed corporation;
- (29) [deleted]
- (30) any variation of the rights attaching to a class of securities of the listed corporation;
- (31) the level of subscription in relation to an issue or offer of securities by the listed corporation;
- (32) the decision to allocate excess securities in relation to a rights issue by the listed corporation and the basis of such allocation;
- (33) any change to the utilisation of proceeds raised by the listed corporation from the issuance of securities that deviates by 5% or more from the total proceeds raised;
- (34) [deleted]
- (35) 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;
- (36) 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;
- (37) 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 corporation 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 corporation;
- (37A) any shortfall in the actual profit guarantee received by the listed corporation 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;
- (38) 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

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- (c) the timeline for the steps referred to in sub-Rule (b) above;
  - (39) a call of securities for redemption by the listed corporation;
  - (40) any listing of any part of the securities of a listed corporation or any of its subsidiaries on any other stock exchange, stating which stock exchange;
  - (41) 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;
  - (41A) if a material loan or borrowing is announced pursuant to Rule 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 corporation; and
    - (b) the aggregate level of the facilities that may be affected by a breach of such conditions, covenants or restrictions;
  - (42) any change of control in the listed corporation;
  - (43) any agreement to sponsor a depository receipt programme. An announcement must include the information contained in Part G of Appendix 9A;
  - (44) 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;
  - (45) any discovery of mineralisation or hydrocarbons by a listed corporation 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;
  - (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 corporation. The listed corporation must announce the valuation upon the listed corporation's board approving the incorporation of the revaluation surplus or deficit in the financial statements of the listed corporation and must include the information contained in Part H of Appendix 9A in the announcement to the Exchange. The listed corporation must make available a copy each of the valuation reports for inspection at the listed corporation'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;

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- (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 corporation will be pursuing or taking any legal action (where applicable); and
    - (iii) the financial impact (if any) to the listed corporation 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 corporate proposal undertaken by or in relation to a listed corporation, upon 90% or more of the listed shares (excluding treasury shares) of the said listed corporation being held by a shareholder either individually or jointly with associates of the said shareholder. In relation to a take-over offer, the listed corporation must include the information contained in Part J of Appendix 9A in the announcement to the Exchange;
- (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

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- (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 corporation 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 corporation, 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 corporation 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 corporation's securities or the decision of the listed corporation's securities holder or investor in determining his choice of action.
- (2) In circumstances where a listed corporation has negative net assets, the listed corporation must immediately announce any default in payment of either interest, principal sums, or both, in respect of any credit facility or debt securities.
- (3) The listed corporation must include the information contained in Part H(A) of Appendix 9A, in the announcement to the Exchange under sub-Rules (1) or (2) above.
- (4) Where a listed corporation states that it is solvent ("**Solvency Declaration**") in the announcement to the Exchange under sub-Rules (1) or (2) above, the listed corporation 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 corporation is regarded as "**solvent**" if the majority directors have formed the opinion that the listed corporation 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 sub-Rules (1) or (2) above, the listed corporation must announce to the Exchange -
- (a) the current status of the default in payment and the steps taken by the listed corporation 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 corporation becoming aware of the same.

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**9.20 Dealings in quoted securities**

- (1) A listed corporation 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 corporation 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 corporation pursuant to this Rule), being 5% or more of the listed corporation's latest audited consolidated net assets. The listed corporation 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 corporation;
  - (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) Sub-Rule (1) above does not apply to –
  - (a) 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;
  - (b) purchases or sales of quoted securities in an existing subsidiary or associated company of the listed corporation; and
  - (c) a Participating Organisation.

**9.21 Listed corporation to have a website**

- (1) Every listed corporation must have its own website.
- (2) A listed corporation 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 corporation 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 corporation.
- (4) A listed corporation should ensure that its website is current, informative and contains all information which may be relevant to the listed corporation's shareholders including analyst's briefings.

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

- (1) A listed corporation 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 corporation, and in any event not later than 2 months after the end of each quarter of a financial year.
- (2) The listed corporation must include in the quarterly report, the information set out in 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 corporation, such listed corporation must consult the Exchange as to the period to be covered by the quarterly report.

**9.23 Issue of annual report**

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

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

If a listed corporation extends its financial year end to beyond 18 months from the last financial year end, the Exchange may require the listed corporation 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 corporation must set out separately in its annual report, the items set out in 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;
  - (b) the listed corporation publishes such information on its website; and
  - (c) the listed corporation 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 Appendix 9C, the information provided pursuant to 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 corporation.

**9.26 [Deleted]****9.27 Statutory declaration in relation to accounts**

A listed corporation must ensure that the director or person primarily responsible for the financial management of the listed corporation, as the case may be, who signs the statutory declaration pursuant to section 251(1)(b) of the Companies Act (“**signatory**”) satisfies the following requirements:

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- (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 associations of accountants 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: Guidance Note 9]

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

- (1) A listed corporation must comply with the timeframes stated in Rules 9.22 and 9.23 above 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 corporation which intends to request for the extension of time referred to in sub-Rule (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 corporation must immediately announce to the Exchange any extension of time granted in relation to such application.
- (3) If a listed corporation 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 corporation 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.
- (4) The listed corporation must include –
  - (a) in the announcement under sub-Rule (3) above, all information contained in Part I of Appendix 9A; and
  - (b) in the announcement under sub-Rule (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.



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- (5) If a listed corporation 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 in this Part K 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 corporation. 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 corporation 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 corporation.
  - (7) For the purposes of this Rule, “**issue**” means announcing to the Exchange or issuing to shareholders as provided under Rule 9.22 or 9.23, as the case may be.

### 9.29 Memorandum of understanding

A listed corporation must immediately announce to the Exchange on the status of any memorandum of understanding that has been entered into between the listed corporation 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 [Deleted]

#### 9.30A Draft circulars and other documents

- (1) A listed corporation 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 securities holders, within a reasonable time before printing together with a checklist showing compliance with the relevant parts of these Requirements.
- (2) Sub-Rule (1) above does not apply to the following documents:
  - (a) an annual report;
  - (b) any document to be sent to securities holders in relation to a take-over by or in respect of a listed corporation excluding circulars to be issued by a listed corporation, 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 corporation or its advisers on its behalf; and
  - (d) such other document as prescribed by the Exchange subject to such requirements as may be imposed by the Exchange.
- (3) A listed corporation or offeror must not issue any of the documents referred to in sub-Rule (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 corporation or offeror for the preparation and/or submission of the documents referred to in sub-Rule (1) above to the Exchange, such adviser must also comply with sub-Rules (1) and (3) above.



- (5) Where a circular or document is required to be reviewed by an Adviser or Sponsor, the listed corporation must include a statement in the circular or document that the circular or document has been reviewed by the listed corporation's Adviser or Sponsor, as the case may be.

*[Cross reference: Guidance Note 22]*

### **9.30B Quality of draft documents**

A person submitting to the Exchange a draft circular or other draft documents pursuant to Rule 9.30A 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.

### **9.31 [Deleted]**

### **9.32 Issuance of circular or document**

- (1) Where a listed corporation 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 corporation 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 corporation 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 sub-Rule (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 as defined in Rule 10.02 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.

### **9.33 Documents for overseas securities holders**

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

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**9.34 [Deleted]****PART L(A) - STANDARD OF DISCLOSURE FOR ANNOUNCEMENT AND CIRCULAR****9.35 Standard of disclosure for announcement and circular**

- (1) A listed corporation must ensure that each public announcement 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) 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 corporation;
  - (e) avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman; and
  - (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 corporation and not a financial estimate, forecast or projection.

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- (2) A listed corporation 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 sub-Rules (1) and (2) above if the adviser is appointed by the listed corporation to prepare or submit the announcement or circular.
- (4) A listed corporation or its adviser does not commit a breach of sub-Rules (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-Rules (1) or (2) above.
- (5) Where any announcement has been submitted to the Exchange or any circular has been issued and the listed corporation or adviser subsequently becomes aware that the announcement or circular may not fulfil the requirements of sub-Rules (1) or (2) above, the person must immediately notify the Exchange of the same.

[End of Chapter]

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**APPENDIX 9A****Part A****Contents of announcement in relation to the appointment of a director**

(Rule 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 corporations.
- (d) Any family relationship with any director and/or major shareholder of the listed corporation.
- (e) Any conflict of interest that the person has with the listed corporation.
- (f) The details of any interest in the securities of the listed corporation or its subsidiaries.

**Part B****Contents of announcement in relation to the appointment of a chief executive**

(Rule 9.19(14))

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

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

(Rule 9.19(14A))

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

(Rule 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**

(Rule 9.19(20))

- (a) The date of the presentation of the winding-up petition and the date the winding-up petition was served on the listed corporation, 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 corporation, 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 corporation in respect of the winding-up proceedings.

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

(Rule 9.19(21))

- (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.

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- (c) Where the appointment 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.
  - (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 corporation in respect of the aforesaid appointment.

#### Part E

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

(Rule 9.19(21))

- (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 administrators or liquidator.
- (d) The terms of reference of the special administrators 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 corporation.
- (g) The steps taken or proposed to be taken by the listed corporation 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.

#### Part F

##### **Contents of announcement in relation to a restraining order**

(Rule 9.19(22))

- (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.

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**Part G****Contents of announcement in relation to depository receipts**

(Rule 9.19(43))

- (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 corporation 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**

(Rule 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.

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

(Rule 9.19A)

- (a) The date of default in payment.
- (b) The reasons for the default in payment.
- (c) The measures by the listed corporation to address the default in payment.
- (d) The legal implications of the default in payment including the extent of the listed corporation'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 corporation.
- (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 corporation.

- 
- (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 corporation, major subsidiary or major associated company, as the case may be, a statement as to whether the listed corporation 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**

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

**Part J****Contents of announcement in relation to a take-over offer**

(Rule 9.19(48))

- (1) In relation to a take-over offer, whether it is the offeror's intention to maintain the listed corporation's listing status.
- (2) A statement containing either (a) or (b) below.
  - (a) If the offeror's intention is to maintain the listed corporation's listing status –
    - (i) the percentage of public shareholding spread;



- 
- (ii) a statement that the trading of the securities of the listed corporation will be suspended immediately upon the expiry of 30 market days from the date of immediate announcement by the listed corporation. The suspension will only be uplifted by the Exchange upon the listed corporation's full compliance with the public shareholding spread requirements under Rule 8.02(1) or as may be determined by the Exchange;
  - (iii) the steps taken or proposed to be taken by the listed corporation (if any) to increase its public shareholding 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 corporation, that trading in the listed corporation'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****Quarterly report**

(Rule 9.22(2))

- (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 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 will 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.					

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- (15) If the audit report of the listed corporation'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) exceptional items (with details).

If any of the items above is not applicable to the listed corporation, 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 corporation;
  - (b) the investing activities of the listed corporation; and
  - (c) the financing activities of the listed corporation.
- (18) If the listed corporation 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 corporation 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 corporation;
- (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.

[End of Appendix]

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**APPENDIX 9C****Part A****Contents of annual report**

(Rule 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 corporation 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 corporations;
  - (f) any family relationship with any director and/or major shareholder of the listed corporation;
  - (g) any conflict of interest that the person has with the listed corporation;
  - (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 corporation;
  - (d) the details of any interest in the securities of the listed corporation or its subsidiaries;
  - (e) any directorship in public companies and listed corporations;
  - (f) any family relationship with any director and/or major shareholder of the listed corporation;
  - (g) any conflict of interest that the person has with the listed corporation; 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 corporations;
  - (e) any family relationship with any director and/or major shareholder of the listed corporation;
  - (f) any conflict of interest that the person has with the listed corporation; 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 corporation, is the key senior management of the group, and must include a person who is primarily responsible for the business operations of the listed corporation's core business and principal subsidiaries.

- (5) The name of the company secretary.
- (6) The name, address and telephone number of the Sponsor of the listed corporation.
- (7) The audit committee report in respect of the financial year required under Rule 15.15.
- (7A) A statement on the activities of the nominating committee in the discharge of its duties for the financial year required under Rule 15.08A(3).
- (8) 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.
- (9) An overview of the application of the Principles set out in the MCCG in respect of the financial year required under Rule 15.25(1).
- (10) A responsibility statement in respect of the annual audited financial statements required under Rule 15.26(a).
- (11) A statement on risk management and internal control in respect of the financial year required under Rule 15.26(b).
- (12) The remuneration of directors of the listed corporation (including the remuneration for services rendered to the listed corporation as a group) for the financial year on a named basis, stating the amount received or to be received from the listed corporation 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.
- (13) The total number of board meetings held during the financial year.
- (14) Where applicable, a brief explanation of the status of utilisation of proceeds raised from any corporate proposal.
- (15) [Deleted]
- (16) [Deleted]
- (17) [Deleted]
- (18) [Deleted]
- (19) The following particulars in relation to the audit and non-audit services rendered to the listed corporation or its subsidiaries for the financial year:
- (a) amount of audit fees paid or payable to the listed corporation's auditors, stating the amount incurred by the listed corporation and the amount incurred on a group basis respectively; and



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- (b) amount of non-audit fees paid or payable to the listed corporation's auditors, or a firm or corporation affiliated to the auditors' firm, stating the amount incurred by the listed corporation 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.
- (20) [Deleted]
- (21) [Deleted]
- (22) Particulars of material contracts of the listed corporation and its subsidiaries involving the interest 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 corporation 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.
- (23) 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.
- (24) 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 corporation;

- (b) a statement showing the direct and deemed interests in the listed corporation, 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		
	1,001 to 10,000		
	10,001 to 100,000		
	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.
- (25) [Deleted]
- (26) Particulars of each property of the listed corporation or its subsidiaries which net book value is 5% or more of the consolidated total assets of the listed corporation 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 are as follows:
- (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.
- (27) [Deleted]
- (28) 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:

<b>Name of director</b>	<b>Amount of options/ shares granted</b>	<b>Amount of options exercised/shares vested</b>
1.		
2.		
3.		
Total		

- (29) A statement by the board of directors relating to the training attended by directors in respect of the financial year required under Rule 15.08(3).
- (30) A narrative statement of the listed corporation's management of material economic, environmental and social risks and opportunities ("**Sustainability Statement**").

*[Cross-reference: Guidance Note 11]*

- (31) A statement relating to the internal audit function of the listed corporation, 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.

[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 corporation 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) **“assets”** 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 corporation, its subsidiary or holding company; or
  - (ii) a chief executive of the listed corporation, its subsidiary or holding 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 corporation’s assets which may result in the listed corporation 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, a major shareholder of the listed corporation as defined under Rule 1.01 or any other corporation which is its subsidiary or holding company;
- (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 corporation;
  - (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 corporation (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 corporation;
  - (iv) the number of shares issued by the listed corporation 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 corporation (excluding treasury shares);
  - (vi) the total assets which are the subject matter of the transaction compared with the total assets of the listed corporation;
  - (vii) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the listed corporation compared with the total assets of the listed corporation 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 corporation in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net assets of the listed corporation. The value of the transaction should include shareholders' loans and guarantees to be given by the listed corporation; or
  - (viii) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the listed corporation, in the case of a disposal and where the acquisition of the subject matter took place within the last 5 years;
- (h) **“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 corporation or its subsidiaries;
- (i) **“related party transaction”** means a transaction entered into by the listed corporation or its subsidiaries which involves the interest, direct or indirect, of a related party;
- (j) **“transaction”**, in relation to -
- (i) Part D of this Chapter, means the acquisition or disposal of assets by a listed corporation or its subsidiaries and includes any of the following actions undertaken by a listed corporation:
    - (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 corporation'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 corporation or its subsidiaries; and
  - (iii) Parts D and E of this Chapter, excludes transactions entered into between a listed corporation (or any of its wholly-owned subsidiaries) and its wholly owned subsidiary;
  - (k) “**value of the consideration**” includes any liability to be assumed; and
  - (l) “**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 Rule 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 Rule 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;
- (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 corporation or audited consolidated financial statements of the listed corporation, if the listed corporation 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 corporation's external auditors and a copy of the external auditors' review report is furnished to the Exchange;
- (c) the listed corporation 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 corporation's external auditors and a copy of the external auditors' review report is furnished to the Exchange;
- (d) the listed corporation may use the net profits based on the unaudited 12 months results provided that the results have been reviewed by the listed corporation'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 sub-Rule (1) above, be based on -
- (i) the latest published or announced audited financial statements of the listed corporation or audited consolidated financial statements of the listed corporation, if the listed corporation has subsidiaries; or
  - (ii) the latest published or announced interim financial report of the listed corporation provided that the report has been reviewed by the listed corporation'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 corporation 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 corporation, 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 sub-Rule 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 sub-Rule 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 Rule, 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 corporation 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.
- (2) For the purpose of sub-Rule (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 sub-Rules (1) and (2) above, the listed corporation 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 corporation announces the transaction (if available) or as soon as the valuation report is ready. In any event, the listed corporation must submit the valuation report together with the valuer's undertaking letter to the Exchange at least 1 month before it submits its draft circular in relation to the transaction to the Exchange for perusal; 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 corporation and its valuer must ensure that the valuation report submitted pursuant to sub-Rule 3 above complies with these Requirements and the SC's Asset Valuation Guidelines.
  - (5) If the listed corporation or the valuer becomes aware of any circumstances 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 corporation must cause the valuation report to be updated. If the listed corporation fails to do so, the valuer must withdraw its consent to the inclusion of the valuation report in the circular.
  - (6) Notwithstanding sub-Rules (1), (2) and (3) above, the Exchange may at its discretion and whenever it deems appropriate, at the cost of the listed corporation -
    - (a) obtain a second opinion on the valuation report submitted by the listed corporation from another valuer appointed by the Exchange; or
    - (b) require a listed corporation to conduct a valuation on the asset proposed to be acquired or disposed in respect of any transaction other than the transaction referred to in sub-Rules (1) and (2) above.
  - (7) A listed corporation 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 corporation 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 sub-Rules (3)(a), (4), (5) and (8) above, a “**valuation report**” includes a valuation certificate.

## PART D – ACQUISITIONS AND DISPOSALS

### 10.05 Requirements for transactions with percentage ratio below 5%

- (1) Subject to Rule 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 corporation wishes to voluntarily announce the transaction to the Exchange, the listed corporation 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 corporation must immediately announce the transaction in accordance with Rule 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 corporation must announce the transaction to the Exchange as soon as possible after terms of the transaction have been agreed. The listed corporation must include the information set out in Appendix 10A in the announcement.
- (2) The listed corporation must also furnish the Exchange, in a separate letter, the percentage ratios applicable to such transaction.
- (3) Sub-Rules (1) and (2) do not apply to a transaction where the value of the consideration of the transaction is less than RM200,000.

#### **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 Rule 10.06, the listed corporation must -
- (a) appoint a Sponsor or Adviser, as the case may be, before the terms of the transaction are agreed upon;
  - (b) issue a circular which includes the information set out in Appendix 10B to its shareholders; and
  - (c) seek shareholder approval of the transaction in a general meeting.
- (2) The listed corporation's Sponsor or Adviser, as the case may be, must submit a copy of the draft circular to the Exchange for perusal together with a checklist showing compliance with Appendix 10B.
- (3) Sub-Rules (1) and (2) do not apply to a transaction where the value of the consideration of the transaction is less than RM200,000.

### **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 corporation 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 RM200,000; or
  - (b) it is a Recurrent Related Party Transaction.

The listed corporation must include the information set out in Appendices 10A and 10C in the announcement.

- 
- (2) Subject to the provisions of sub-Rules (9) and (10) below, where any one of the percentage ratios of a related party transaction is 5% or more, in addition to sub-Rule (1), a listed corporation must -
- (a) (i) engage the services of a Sponsor or Adviser, as the case may be; and
  - (ii) appoint an independent adviser,  
before the terms of the transaction are agreed upon;
  - (b) send a circular which includes the information set out in Appendix 10B and Appendix 10D to the shareholders; and
  - (c) obtain its shareholder approval of the transaction in a general meeting.
- (3) (a) The independent adviser referred to in sub-Rule 2(a)(ii) above must -
- (i) be a person who is permitted to carry on the regulated activity of advising on corporate finance under the CMSA; and
  - (ii) if appointed during the Sponsorship Period, be a person other than the listed corporation's Sponsor.
- (b) The independent adviser must, in relation to the transaction -
- (i) comment as to -
    - (aa) whether the transaction is fair and reasonable so far as the shareholders are concerned; and
    - (bb) whether the transaction is to the detriment of minority shareholders; andsuch opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
  - (ii) advise minority shareholders on whether they should vote in favour of the transaction; and
  - (iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in sub-Rules (i) and (ii) above.
- (4) It is the duty and responsibility of the Sponsor or Adviser referred to in sub-Rule 2(a)(i) above to -
- (a) advise the listed corporation whether such transaction is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the listed corporation;
  - (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;

- 
- (c) submit a copy of the draft circular to the Exchange for perusal together with a checklist showing compliance with Appendix 10B and Appendix 10D; and
  - (d) 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 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 a director or major shareholder 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 a director or major shareholder, such director or major shareholder must not vote on the resolution in respect of the related party transaction.
- (7A) [Deleted]
- (8) An interested director in a related party transaction, must inform the board of directors of the listed corporation or its subsidiary, as the case may be, 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 corporation 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 corporation 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 corporation or the holding company of the listed corporation) ("**said director**" or "**said major shareholder**"); or
  - (b) a person connected with the said director or said major shareholder;
- the listed corporation is exempted from -
- (i) appointing an independent adviser or engaging the services of a Sponsor or Adviser;
  - (ii) issuing a circular to shareholders; and
  - (iii) obtaining shareholder approval of the transaction in general meeting,
- provided that the board of directors of the listed corporation -

- 
- (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 corporation, and is in the best interests of the listed corporation.
- (10) Sub-Rules (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 RM200,000.
- (11) The following transactions are not normally regarded as related party transactions:
- (a) the issue of securities by the listed corporation for cash (subject to Rule 6.07), 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 corporation 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 corporation; and
    - (ii) no other interest such as commission or other kinds of benefits received from the listed corporation or any of its subsidiaries or the other person in relation to the said transaction;
  - (d) an acquisition or disposal by the listed corporation 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 corporation;
  - (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 corporation 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.

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For the purposes of this sub-Rule -

- (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 corporation 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 corporation or its subsidiary provided that the listed corporation immediately announces the contract to the Exchange and includes the information set out in Appendices 10A and 10C in the announcement;
- (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 corporation 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 corporation;
    - (bb) majority of the directors and members of the audit committees of the listed corporations (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 corporation or any of its subsidiaries and another person which involves the sharing of services or facilities provided by one of 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;



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- (l) a transaction between the listed corporation 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 corporation;
- (m) a transaction between the listed corporation 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 corporation;
  - (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 corporation 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 sub-Rule, "**insurance fund**" has the meaning given in section 2 of the Financial Services Act 2013;
- (n) a transaction between the listed corporation 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 corporation or person connected with such director or major shareholder having an interest in the transaction;
- (o) a transaction between a subsidiary of a listed corporation ("**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 corporation (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;

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- (p) subscription to or acquisition by a listed corporation 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 corporation 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 corporation), 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 corporation or its subsidiaries (as the case may be) at the time of the disposal.

For the purpose of this sub-Rule (q), a “**disposal**” includes a disposal by a listed corporation 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 sub-Rule (q)(ii) above will not be applicable in such instances.

#### 10.09 Recurrent Related Party Transactions

- (1) Notwithstanding Rule 10.08(1)(b) above, a listed corporation must immediately announce a Recurrent Related Party Transaction as follows:
  - (a) in relation to a listed corporation 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 corporation 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 corporation 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;

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- (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 sub-Rule (1) above;
  - (c) the listed corporation'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 for perusal together with a checklist showing compliance with such information;
  - (d) in a meeting to obtain a shareholder mandate, the relevant related party must comply with the requirements set out in Rule 10.08(7) above; and
  - (e) the listed corporation immediately announces to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the listed corporation, 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: Guidance Note 8]*

- (3) Where a listed corporation has procured a shareholder mandate pursuant to sub-Rule (2) above, the provisions of Rule 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, the listed corporation and its Sponsor or Adviser, as the case may be, 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 corporation**

- (1) Where a transaction will result in a significant change in the business direction or policy of the listed corporation, the listed corporation and its Sponsor or Adviser, as the case may be, must include -
  - (a) in the announcement of the transaction to the Exchange, the additional information set out in Part H of Appendix 10A; and
  - (b) in the circular issued to the shareholders, the information set out in Appendix 2A of the SC's Equity Guidelines.

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**PART F(A) – MAJOR DISPOSAL OF ASSETS RESULTING IN LISTED CORPORATIONS NO LONGER SUITABLE FOR LISTING****10.11A Major Disposal**

- (1) A listed corporation which intends to undertake a Major Disposal must:
- (a) appoint a Sponsor or Adviser, as the case may be, to be the main adviser, before the terms of the Major Disposal are agreed upon;
  - (b) appoint an independent adviser;
  - (bA) ensure that a valuation is conducted on all its material real estate, if the total net book value of all the listed corporation's real estate contributes 50% or more to the total assets of the listed corporation on a consolidated basis;
  - (c) include additional information set out in Part I of Appendix 10A and Appendix 10B respectively, in the announcement of the Major Disposal to the Exchange, and the circular issued to the shareholders; and
  - (d) convene a general meeting and obtain shareholder approval of at least 75% of the total number of issued shares held by the shareholders 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) (a) The independent adviser referred to in sub-Rule 1(b) above must -
- (i) be a person who is appropriate to give competent independent advice under the Take-Overs and Mergers Code; and
  - (ii) if appointed during the Sponsorship Period, be a person other than the listed corporation's Sponsor.
- (b) The independent adviser must, in relation to the Major Disposal –
- (i) comment as to whether the Major Disposal and its related proposals (if any) are fair and reasonable in so far as the shareholders 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;
  - (ii) advise the shareholders on whether they should vote in favour of the Major Disposal and its related proposals (if any); and

- 
- (iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in sub-Rules (i) and (ii) 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 sub-Rule (1)(bA) above, the listed corporation or its valuer, or both, as the case may be, must comply with Rules 10.04(3) to 10.04(8), where applicable.
  - (6) The listed corporation, adviser or other persons accepting responsibility for all or any part of the information and documents submitted to the Exchange in relation to a Major Disposal must comply with the equivalent obligations and standards imposed on an applicant, Submitting Party or adviser, as the case may be, under the SC's Guidelines on Submission of Corporate and Capital Market Product Proposals, as if the submission were made to the SC.

## **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 sub-Rule (1) above, transactions which may be aggregated in accordance with that sub-Rule 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: Guidance Note 7]*

### **10.13 Diversification in operations carried on by a listed corporation**

- (1) A listed corporation 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 corporation to an operation which differs widely from those operations previously carried on by the listed corporation; or
  - (b) the contribution from such an operation of 25% or more of the net profits of the listed corporation.

In assessing the extent of the diversification or the amount of contribution to net profits, consideration should be taken of any associated transactions or loans affected or intended and of contingent liabilities or commitments.

- (2) For the purpose of sub-Rule (1) above, the Exchange may aggregate separate transactions and treat such transactions as if they were one transaction if the terms of the transaction were agreed upon within a period of 12 months and the total percentage ratio of assets allocated for the diversification is 25% or more.

[End of Chapter]

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**APPENDIX 10A****Contents of announcement in relation to transactions**

(Rules 10.06(1), 10.08(1) and 10.08(11)(i) and (j), and 10.11A(1)(c))

**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 corporation -
    - (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;

**Appendix 10A**  
**Contents of announcement for transactions**

- 
- (d) particulars of all liabilities, including contingent liabilities and guarantees to be assumed by the listed corporation, arising from the transaction; and
  - (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 corporation, together with the details and justification for such arrangements; and
    - (ii) any guarantees given by the listed corporation to the purchaser or target company; and
  - (e) if the disposal is expected to result in the listed corporation becoming a Cash Company or a GN3 Company, a statement to that effect.



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**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.
- (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 corporation’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 corporation 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 corporation, 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 corporation, in tabular form.
- (12) In the case of a disposal, the expected gains or losses to the group.

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**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 Rule 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.

**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 corporation. 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 and oil and gas businesses, information on the reserves, extraction rates and returns; and
  - (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.

**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.

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**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 and 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;
  - (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.

**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 or licensor.
- (3) 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 of the transaction is 25% or more**

- (1) The financial and other relevant information pertaining to the corporations 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 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.

**Part G****Additional specific information to be included in relation to very substantial transactions**

(Rule 10.10)

- (1) 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 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 corporation 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 corporation;
  - (b) the expected date on which the profit contribution will accrue to the listed corporation; and
  - (c) the expected returns to be derived,

together with the appropriate assumptions used. Information provided should be verified and confirmed by independent experts.

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**Part H****Additional specific information to be included in relation to significant change in business direction or policy of a listed corporation**

(Rule 10.11(1))

- (1) The following additional audited financial information 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:
  - (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 corporation on completion of the acquisition or restructuring exercise.
- (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 corporation, the expected date on which profit contribution will accrue to the listed corporation 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 corporation, a statement to that effect and the following information in respect of the new shareholder:
  - (a) the name;
  - (b) the date and place of incorporation;
  - (c) the names of directors and substantial shareholders and their respective shareholdings; 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:

**Appendix 10A**  
**Contents of announcement for transactions**

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- (a) name and nationality; and
  - (b) occupation and qualification.
- (6) Background of the vendors who are substantial shareholders of the assets or interests to be acquired:
- (a) name;
  - (b) date and place of incorporation;
  - (c) principal activities;
  - (d) substantial shareholders and directors and their respective shareholdings.

**Part I****Additional specific information to be included in relation to Major Disposals**

(Rule 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.
- (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**

(Rules 10.07(1), 10.08(2)(b) and 10.11A(1)(c))

**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 the circular has been reviewed by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) 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 a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.

**INTRODUCTION**

- (4) The purpose of the circular.

**DETAILS OF THE TRANSACTION**

- (5) 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) description of the corporation or assets to be acquired or disposed of, as the case may be.
- (6) 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.

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- 
- (7) 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 corporation -
    - (i) the number and type of securities to be issued;
    - (ii) the ranking of the securities;
    - (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 corporation 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.
- (8) 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

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- 
- (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;
  - (d) particulars of -
    - (i) any liabilities including contingent liabilities, in relation to the disposal which remain with the listed corporation, together with the details and justification of such arrangements; and
    - (ii) any guarantees given by the listed corporation to the purchaser or target company; and
  - (e) if the disposal is expected to result in the listed corporation becoming a Cash Company or GN3 Company, a statement to that effect.
- (9) 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**

- (10) 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.
- (11) 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 corporation’s right of recourse in the event the profit guarantee is not met.

**RATIONALE AND BENEFITS OF THE TRANSACTION**

- (12) The rationale for the transaction including any benefit which is expected to accrue to the listed corporation from the business, financial and operational perspective.

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**UTILISATION OF PROCEEDS**

- (13) 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**

- (14) 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 corporation'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**

- (15) 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 corporation and the mitigating factors.

**EFFECTS OF THE TRANSACTION**

- (16) 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;

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- 
- (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.
- (17) 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**

- (18) 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 Rule 10.02(g) of these Requirements; and
  - (b) in the case of approval from the relevant government authorities, the conditions imposed and status of compliance.

**CONDITIONALITY OF TRANSACTION**

- (19) 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**

- (20) 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**

- (21) A statement by the board of directors, excluding interested directors, stating whether the transaction is in the best interests of the listed corporation. 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.
- (22) A recommendation from the directors, excluding interested directors, as to the voting action shareholders should take, and the basis of such recommendation.

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**TENTATIVE TIMETABLE FOR IMPLEMENTATION**

(23) The tentative timetable for the implementation of the transaction.

**FURTHER / ADDITIONAL INFORMATION**

(24) 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.

(25) 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.

(26) For depleting or specialised businesses such as timber concessions and oil and gas businesses, information on the breakdown of assets/inventories, reserves, extraction rates and returns.

**APPENDICES**

(27) The salient features of the agreement relating to the transaction.

(28) 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;

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- (e) a brief history of the corporation or business for the past 3 years or since inception, where applicable, 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;
  - (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;

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- (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 is involved in, as well as the effects of such policies on the determination of income or financial position; and
  - (iii) any audit qualification of 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).
- (29) Where the percentage ratio is 50% or more, a directors' report on the unlisted corporation to be acquired.
- (30) 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 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) details of material commitments and contingent liabilities incurred or known to be incurred by the listed corporation;
  - (c) where a person is named in the circular as having advised the listed corporation 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
    - (iii) 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.



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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 corporation 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 / asset 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 corporation including those pending or threatened against such corporations. The following information 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;
- (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 corporation, 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 corporation, where applicable, may be inspected at the registered office of the listed corporation:
- (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.
- (31) 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:
  - (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.

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**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 approximate age of the buildings;
  - (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;
  - (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, the 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.

**Appendix 10B**  
**Contents of circular for transactions**

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- (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 gross development value;
  - (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.

**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 acquiree corporation or persons connected with them in respect of current and past projects undertaken/ completed.

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**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) act/regulation under which the concession/license is granted.
- (2) The nature of relationship with concession giver/licensor.
- (3) The details of construction risk.
- (4) The dependence on concession giver/licensor.
- (5) 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 the percentage ratios of the transaction 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

(Rule 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 corporation'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.
- (3) An accountant's report on the unlisted corporation to be acquired 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 Rule 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 corporation;
  - (b) the expected date on which the profit contribution will accrue to the listed corporation; and
  - (c) the expected returns to be derived,

together with the appropriate assumptions used. The listed corporation must ensure that information provided is verified and confirmed by independent experts.

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- (5) In the case of a disposal, a statement of the listed corporation's future activities and direction after the disposal of the asset.

## Part H

[Deleted]

## Part I

### Additional specific information to be included in relation to Major Disposals

(Rule 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 corporation, 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 corporation;
  - (b) whether it is the listed corporation'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 Guidance Note 2, 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 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 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 corporation has its core or major business activities;
  - (b) the prospects of the listed corporation 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

**Appendix 10B  
Contents of circular for transactions**

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- (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 corporation's intention to deal with its treasury shares and the impact of such dealing on the shareholders' 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**

(Rules 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 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 will abstain from deliberating and voting on the relevant resolution at the board meeting.
- (2) If the listed corporation 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 corporation is of the view that the transaction is -
    - (i) in the best interest of the listed corporation;
    - (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 Rule 10.08(9), a statement by the board of directors of the listed corporation 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 corporation;
    - (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 “**the Statement**”);

**Appendix 10C  
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**  
(Rule 10.08(2)(b))

- (1) The interested parties' direct and indirect shareholdings in the listed corporation.
- (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 corporation is of the view that the transaction is -
  - (a) in the best interest of the listed corporation;
  - (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 & 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 in respect of the purchase of the listed corporation's own shares.

**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 -

- (a) during the Sponsorship Period; and
- (b) unless its shareholders have, by ordinary resolution passed at a general meeting, given an authorisation to its directors to make such purchase(s) and –
  - (i) where it is incorporated under the Companies Act, it complies with sections 112, 113 and 127 of the Companies Act; or
  - (ii) 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 Rule 12.25(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 Rule 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 corporation 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 Rule 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 Rule 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.

**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, or both, 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, or both, 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.

### PART G – REQUIREMENTS RELATING TO BUY BACK OF ODD LOT SHARES

#### 12.25 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 Rule 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.

[End of Chapter]

**Appendix 12A**  
**Contents of Share Buy-back Statement****APPENDIX 12A****Contents of Share Buy-back Statement**

(Rule 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 or letter (where applicable), or both 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:

**Appendix 12A**  
**Contents of Share Buy-back Statement**

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- (i) its constitution;
  - (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**

(Rule 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 or cancelled, or both.

[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**  
(Rule 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**  
(Rule 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
  - (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.

**Contents of announcement for purchase, resale, transfer or cancellation of shares**

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- (6) Total number of treasury shares held after the resale or transfer.

**Part C**

**Contents of announcement in relation to cancellation of shares**

(Rule 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 for perusal 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: Guidance Note 17]*

- (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 becomes 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 return, 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) Sub-Rule (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**  
(Rule 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**

(Rule 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 the explanatory statement/circular has been reviewed by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) 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 explanatory statement/circular. In relation to an explanatory statement/circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (4) The purpose of the document.
- (5) The date of the restraining order (where applicable).
- (6) The duration of the restraining order (where applicable).
- (7) A list of the corporations (listed corporation and its subsidiaries) which are involved in the proposed Scheme.
- (8) The details of the proposed Scheme.
- (9) All steps proposed to be taken for the completion of the proposed Scheme.
- (10) 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.
- (11) The approvals required from the relevant authorities and the conditions imposed by such authorities (if any).
- (12) The details of the interests of the directors, major shareholders and/or persons connected with them in the proposed Scheme.
- (13) Where applicable, the details of the transferee corporation which must include but not be limited to -
  - (a) the history and business of the operation;
  - (b) the share capital;

## Contents of explanatory statement/circular for the proposed Scheme

- 
- (c) the information on directors, substantial shareholders and their shareholdings in the transferee;
  - (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.
- (14) A statement by the board of the directors as to whether the proposed Scheme is in the best interests of the listed corporation.
- (15) Where voting is required, a recommendation from the board of directors as to the voting action that securities holders should take.
- (16) 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 of 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) 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 the 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 position, valuations and statements by any expert, any part of which is extracted or referred to in the explanatory statement/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.
- (17) 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 ]

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**APPENDIX 13C****PART A****Contents of an application for consolidation of shares**  
(Rule 13.16(1))

- (1) Title Page showing -
  - (a) the name of the listed corporation;
  - (b) the full title or designation of the listed corporation'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;
  - (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 corporation 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 corporation or its business since the latest annual report of the listed corporation. 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
  - (b) the estimated timeframe for completion of the other corporate proposals.

**Appendix 13C**  
**Contents of application for consolidation of shares**

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**Part B****Additional contents of an application for consolidation of shares which is a Specified Consolidation**

(Rule 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 corporation 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**

(Rule 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 corporation 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.
- (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 a proposed consolidation of shares**

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**APPENDIX 13D****Contents of announcement in relation to a proposed consolidation of shares**  
(Rule 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 a proposed consolidation of shares**

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**APPENDIX 13E****Contents of circular in relation to a proposed consolidation of shares**

(Rule 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 the circular has been reviewed by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) 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. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (4) The purpose of the circular.
- (5) The reasons for and purposes of the proposed consolidation of shares.
- (6) The details of the proposed consolidation and date on which the proposed consolidation of shares was announced.
- (7) The number and type of the existing and proposed consolidated shares.
- (8) The listed corporation's share price adjusted for the consolidation.
- (9) The ranking of the proposed consolidated shares and treatment of any fractions.
- (10) The details of any other intended corporate exercise/scheme which have been announced but not yet completed before the printing of the circular.
- (11) 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.
- (12) The expected timeframe for completion of the proposed consolidation.
- (13) 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.
- (14) The approvals required for the proposed consolidation of shares and dates on which such approvals were obtained and conditions of the approvals.

**Appendix 13E**  
**Contents of circular for a proposed consolidation of shares**

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- (15) A statement by the board of directors stating whether the exercise is in the best interest of the listed corporation.
- (16) A recommendation from the board of directors as to the voting action that shareholders should take.
- (17) 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 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;
  - (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 corporation:
    - (i) the constitution of the listed corporation;
    - (ii) the audited financial statements of the listed corporation and/or group for the past 2 financial years (if applicable) 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 (17)(b) above.
- (18) 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 corporation, 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 Rule 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 to the Exchange of a listed corporation’s quarterly results, up to the date of the announcement of the quarterly results;
- (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 corporations”** in relation to an affected person, means listed corporations other than the affected person’s own listed corporation;
- (g) **“own listed corporation”** in relation to an affected person, means the listed corporation 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 in relation to a listed corporation or its major subsidiary, the chief executive who is not a director, chief financial officer or any other employee of the listed corporation or its major subsidiary respectively who has access or is privy to price-sensitive information in relation to the listed corporation.

## PART C – APPLICATION

### 14.03 Application

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 of the listed corporation or its major subsidiary; and
- (b) a principal officer of the listed corporation or its major subsidiary,

as the case may be.

## PART D – RESTRICTIONS

### 14.04 Prohibition on dealings when in possession of price-sensitive information

An affected person must not deal in the listed securities of his own listed corporation or of other listed corporations as long as he is in possession of price-sensitive information relating to such listed securities.

### 14.05 General restriction on dealings when not in possession of price-sensitive information

An affected person who is not in possession of price-sensitive information relating to listed securities may engage in dealings with such listed securities –

- (a) during a closed period provided that he complies with the procedures set out in Rule 14.08 below; or
- (b) outside a closed period provided that he complies with the procedures set out in Rule 14.09 below.

## PART E – EXEMPTIONS

### 14.06 Exemptions

The following categories of dealings are exempted from the restrictions or requirements of Rules 14.04 and 14.05 respectively:

- 
- (a) the acceptance or exercise of options or rights under 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 corporation'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 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 Rule 14.06 are not exempted from the restrictions in Rules 14.04 and 14.05.

### PART F – PROCEDURES FOR DEALINGS

#### 14.08 Procedures for dealings during closed periods

Subject to Part D above, an affected person who wishes to deal in the listed securities of his own listed corporation ("**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 sub-Rule (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 corporation must maintain a proper record of all notices received by it pursuant to sub-Rule (d) above; and
  - (f) the company secretary of a listed corporation must, at each meeting of the board of directors, table a summary of dealings notified to the listed corporation since the last board meeting.

#### **14.09 Procedures for dealings outside closed periods**

Subject to Part D above, 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 Rule 14.08(d) in the notice and announcement;
- (b) the listed corporation must maintain a proper record of all notices received by it pursuant to sub-Rule(a) above; and
- (c) the company secretary of the listed corporation must, at each meeting of the board of directors, table a summary of dealings notified to the listed corporation 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 corporation and its directors with regard to corporate governance.

**PART B – DIRECTORS****15.01A Fit and proper policy**

A listed corporation must –

- (a) have a fit and proper policy for the appointment and re-election of directors of the listed corporation and its subsidiaries;
- (b) ensure the policy addresses board quality and integrity and will aid the listed corporation to comply with Rule 2.20A of these Requirements; and
- (c) make available the policy on its website.

**15.02 Composition of the board of directors**

- (1) A listed corporation must ensure that at least 2 directors or 1/3 of the board of directors of a listed corporation, whichever is the higher, are independent directors.
- (2) If the number of directors of the listed corporation 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 the non-compliance with sub-Rule (1) above, a listed corporation must fill the vacancy within 3 months.

**15.03 Undertaking and letter by directors**

- (1) A person who is appointed as a director of a listed corporation must give to the Exchange immediately after his appointment and in any event not later than 14 days after that, an undertaking in the form as may be prescribed by the Exchange in respect of that listed corporation.

*[Cross reference: Annexure GN15-C of Guidance Note 15]*

- (2) A person who is appointed as an independent director must give to the Exchange immediately after his appointment 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 GN15-D of Guidance Note 15]*

**15.03A Provision of information by directors**

Where a listed corporation 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 corporation 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 corporation 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 corporation 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 corporation;
- (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 corporation must ensure that no person is appointed or allowed to act as a director of the corporation or be involved whether directly or indirectly in the management of the corporation, including acting in an advisory capacity in relation to the corporation, 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 corporation'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 sub-Rules (1)(a), (b) or (c) above.
- (4) For purposes of sub-Rule (3)(c) above, if a director is appointed after the commencement of a financial year, then only the remaining board of directors' meetings held after his appointment will be taken into account.

- 
- (5) Where a director is removed from office, the listed corporation 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 corporation 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 corporation must not hold more than 5 directorships in listed issuers.
- (2) For the purposes of this Rule, “**listed issuers**” has the meaning given in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

#### 15.07 [Deleted]

#### 15.08 Directors’ training

- (1) A director of a listed corporation 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 corporations as important to enable the directors to effectively discharge their duties. In this respect, the board of directors of a listed corporation 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 corporation, 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: Guidance Note 10]*

### PART B(A) – NOMINATING COMMITTEE

#### 15.08A Nominating committee

- (1) A listed corporation 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 corporation’s website.
- (3) The listed corporation 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 Rule 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 corporation;
  - (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 corporation must appoint an audit committee from amongst its directors which fulfils the following requirements:
  - (a) the audit committee must be composed of no 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 corporation must ensure that no alternate director is appointed as a member of the audit committee.

*[Cross reference: Guidance Note 9]*

### **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 corporation's website.

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**15.12 Functions of the audit committee**

Without limiting the generality of Rule 15.11 above, a listed corporation must ensure an audit committee must, amongst others, discharges the following functions:

- (1) review the following and report the same to the board of directors of the listed corporation:
  - (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 corporation 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 corporation 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 corporation; and
  - (j) whether there is reason (supported by grounds) to believe that the listed corporation'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 corporation 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 corporation must ensure that its board of directors prepares an audit committee report at the end of each financial year that complies with sub-Rules (2) and (3) below.
- (2) The audit committee report must be clearly set out in the annual report of the listed corporation.
- (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 corporation 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 corporation 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 corporation 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 corporation -

- (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 corporation;
- (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 corporation, 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 Rules 15.09(1) and 15.10 above, a listed corporation must fill the vacancy within 3 months.

#### **15.20 Review of the audit committee**

The nominating committee of a listed corporation 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 auditors**

In appointing an external auditor, a listed corporation 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 corporation'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 corporation of their desire to resign as external auditors of listed corporation, the listed corporation 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 corporation must ensure that the external auditors review a statement made by the board of directors of a listed corporation pursuant to Rule 15.26(b) below, with regard to the state of risk management and internal control of the listed corporation and report the results thereof to the board of directors of the listed corporation.

**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.

**PART E – CORPORATE GOVERNANCE DISCLOSURE****15.25 Disclosure of corporate governance related information**

- (1) A listed corporation 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 corporation 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 corporation must state in its annual report, the designated website link or address where such disclosure may be downloaded.

*[Cross reference: Guidance Note 11]*

**15.26 Additional statements by the board of directors**

A listed corporation 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 corporation as a group.

*[Cross reference: Guidance Note 11]*

**PART F – INTERNAL AUDIT****15.27 Internal audit**

- (1) A listed corporation must establish an internal audit function which is independent of the activities it audits.
- (2) A listed corporation must ensure its internal audit function reports directly to the audit committee.

**PART G – ANTI-CORRUPTION AND WHISTLE-BLOWING****15.28 Anti-corruption and whistle-blowing**

- (1) A listed corporation and its board of directors must ensure that -
  - (a) the following are established and maintained for the listed corporation 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 sub-Rule (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 corporation 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 corporation in respect of voluntary suspension and withdrawal by the listed corporation from the Official List; and
  - (b) the powers of the Exchange with regard to -
    - (i) trading halt, suspension and de-listing of a listed corporation 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 corporation including a scheme of arrangement, compromise, amalgamation or selective capital reduction;
  - (b) 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;
  - (c) in any circumstances as provided in these Requirements;
  - (d) in the event of any breach of these Requirements by a listed corporation;
  - (e) upon notice by the SC to the Exchange that in its opinion a listed corporation 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;
  - (f) in the event of maturity of a listed debt security or convertible security;
  - (g) upon the suspension of the trading of such securities listed on another stock exchange;
  - (h) upon the commencement of a voluntary winding-up of a listed corporation in accordance with the Companies Act; or
  - (i) where the Exchange deems it appropriate for some other reason.

- 
- (2) Subject to sub-Rule (3) below, where the public shareholding spread of a listed corporation is 10% or less of its total listed shares (excluding treasury shares), the Exchange shall suspend trading of the securities of the listed corporation upon expiry of 30 market days from the date of immediate announcement by the listed corporation pursuant to -
- (a) Rule 8.02(3); or
  - (b) Rule 9.19(48) where the listed corporation has announced that the offeror intends to maintain the listed corporation's listing status.

In this regard, the suspension will only be uplifted upon the listed corporation's full compliance with the public shareholding spread requirements under Rule 8.02(1) or as may be determined by the Exchange.

- (3) The Exchange shall suspend trading of the securities of the listed corporation 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 corporation has made an announcement that the offeror does not intend to maintain the listed corporation's listing status pursuant to Rule 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 corporation pursuant to sub-Rules (1)(b), (d) or (g) above.

*[Cross reference: Guidance Notes 2 and 3]*

### **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 corporation.

*[Cross reference: Guidance Note 12]*

### **16.04 Trading Halt**

Without prejudice to the powers of the Exchange under Rule 16.02, the Exchange may at any time, halt the trading of any listed securities upon –

- (a) the listed corporation releasing a material announcement; or
- (b) the Exchange being notified that the trading of the securities is halted or suspended on the securities exchange where it is quoted.

*[Cross reference: Guidance Note 14]*

## **PART C – WITHDRAWAL OF LISTING AND DE-LISTING BY THE EXCHANGE.**

### **16.05 Withdrawal of listing**

- (1) The Exchange may grant a listed corporation'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.

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**16.06 Request for withdrawal**

- (1) Subject to Rule 16.07, a listed corporation may not request to withdraw its listing from the Official List, unless -
- (a) the listed corporation convenes a general meeting to obtain its shareholder 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 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 for perusal 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 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 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 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 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 corporation appoints an independent adviser to advise and make recommendations for the consideration of the shareholders 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.
- (2) The independent adviser referred to in sub-Rule (1)(d) above must be a person who is appropriate to give competent independent advice under the Take-Overs and Mergers Code and approved by the independent directors. Such independent adviser 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 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 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 sub-Rules (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 a corporate proposal**

Notwithstanding Rule 16.06, a listed corporation may withdraw its listing from the Official List in the following circumstances:

- (a) in relation to a take-over offer pursuant to 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) being held by a shareholder either individually or jointly with associates of the said shareholder; or
- (b) in relation to a corporate proposal undertaken by or in relation to the listed corporation, upon 100% of the listed shares of the listed corporation being held by a shareholder either individually or jointly with associates of the said shareholder,

and the listed corporation has announced the offeror's intention not to maintain the listed corporation's listing status.

#### **16.08 Application for withdrawal**

A listed corporation 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 corporation from listing on the Official List.

#### **16.10 Withdrawal of other securities**

Where a listed corporation 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 corporation and listed on the Official List.

#### **16.11 De-listing by the Exchange**

- (1) The Exchange may at any time de-list a listed corporation or listed securities from the Official List in any of the following circumstances:
- (a) where the listed corporation fails to comply with these Requirements, subject to consultation with the SC;
- (b) in other circumstances as provided under Rules 8.03, 8.03A, 8.04, 8.05, 9.28 and paragraph 2.0 of Guidance Note 20, upon which the Exchange will notify the SC of the same;
- [Cross reference: Guidance Note 20]*
- (c) upon the de-listing of the listed corporation or the de-listing of such securities on another stock exchange;
- (d) in circumstances provided under Rule 4.19(5), subject to consultation with the SC; or



- 
- (e) where in the opinion of the Exchange, circumstances exist which do not warrant the continued listing of a listed corporation or any class of its listed securities, subject to consultation with the SC where applicable.
- (2) The Exchange shall de-list a listed corporation 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) upon the commencement of a voluntary winding-up of a listed corporation in accordance with the Companies Act; or
  - (d) upon a winding-up order being made against a listed corporation.
- (3) For the purpose of sub-Rule 1(a) above, failure to comply with these Requirements will exclude failure to comply with Rules 8.03, 8.04, 8.05 and 9.28.

*[Cross reference: Guidance Notes 2 and 3]*

## **PART D – ENFORCEMENT**

### **16.12 Breach by subsidiaries**

A breach of these Requirements by any one of the subsidiaries of a listed corporation will be deemed a breach of these Requirements by the listed corporation.

### **16.13 Breach by directors**

A director of a listed corporation must not -

- (a) cause, aid or abet a breach of these Requirements by such listed corporation; or
- (b) permit, either knowingly or where he had reasonable means of obtaining such knowledge, such listed corporation 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 corporation, its promoters, specified shareholders, directors, officers, employees, 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 corporation to ensure compliance

Where a direction is issued or an obligation is placed on an officer or other employee of an applicant or a listed corporation under these Requirements, such applicant or listed corporation 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 corporation or its promoters, specified shareholders, directors, officers, 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 Rule 16.19 below, 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 and listed corporation -
- (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 corporation 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 corporation's securities;
  - (ix) suspension of trading of the listed securities;
  - (x) de-listing of any listed securities;
  - (xi) de-listing of a listed corporation or any class of its listed securities; or

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- (xii) mandating education, training or such other types of programs as may be determined by the Exchange to be undertaken or implemented by the corporation 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 promoters, specified shareholders, directors or officers of an applicant or a listed corporation, a Controlling Person as defined in Rule 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 corporation's and/or other listed securities by the relevant promoters, specified shareholders, 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);
  - (viii) in the case of an Adviser or Sponsor, suspension of any or all rights attaching to registration on the Register of Sponsors on such terms and for such period as the Exchange thinks fit;
  - (ix) removal of the Adviser or Sponsor from the Register of Sponsors; or

- 
- (x) any other action which the Exchange may deem appropriate, subject to consultation with the SC.
- (2) Where an applicant, a listed corporation or its promoters, specified shareholders, 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 sub-Rule (1) above, the Exchange may impose additional actions or penalties as specified in sub-Rule (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 corporation.

#### **16.20 Cumulative actions or penalties**

If an applicant, a listed corporation or its promoters, specified shareholders, 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 Rule 16.19, the Exchange has the power to commence enforcement proceedings against such applicant, listed corporation or its promoters, specified shareholders, directors, officers, advisers or any other person to whom the Requirements are directed, and take or impose one or more actions or penalties as provided under Rule 16.19.

#### **16.21 Other rights**

The exercise of the powers in Rules 16.18 and 16.19 does not in any way prejudice the other rights of the Exchange against an applicant, a listed corporation, a promoter, specified shareholder a director or officer of a listed corporation, an adviser or a person to whom the 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, return or rejection by the Exchange**

- (1) 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 corporation, its advisers, or both in the event of any failure by such listed corporation, its advisers, or both to comply with these Requirements pertaining to the form and content of the said document.
- (2) A rejection or return by the Exchange of any application, proposal, statement, information or document presented, submitted or disclosed pursuant to these Requirements will not preclude the Exchange from taking enforcement action against an applicant, a listed corporation, or its promoter, specified shareholder, director or officer, adviser or a person to whom these Requirements are directed in the event of any failure by such person to comply with these Requirements.

#### **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 corporation, or its promoters, specified shareholders, 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.

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**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 Rules 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: Guidance Note 21]*

**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: Guidance Note 21]*

- (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 Rule 16.26, proceed with a full enforcement proceeding.

*[Cross reference: Guidance Note 21]*

**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 and application for withdrawal of listing**

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**APPENDIX 16A****Part A****Contents of circular in relation to withdrawal of listing**

(Rule 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 advisers.
- (2) A statement that the circular has been reviewed by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) 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. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (4) The reasons and facts concerning the withdrawal of securities of the listed corporation.
- (5) The opinion of the board of directors in respect of the withdrawal.
- (6) A letter of opinion of the independent adviser in connection with the withdrawal of the securities of the listed corporation as well as the fairness and reasonableness of the exit offer by way of an appendix.
- (7) 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) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the listed corporation 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;

**Appendix 16A**  
**Contents of circular and application for withdrawal of listing**

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- (d) a statement of all material litigation, claims or arbitration involving the listed corporation 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 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 corporation:
- (i) the constitution;
  - (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;
  - (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.
- (8) 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**

(Rule 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 corporation has obtained approval of its shareholders and the holders of any other class of listed securities, if applicable, in accordance with Rule 16.06.

**Appendix 16A**  
**Contents of circular and application for withdrawal of listing**

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- (5) Any other information or explanation as may be required by the Exchange.

[End of Appendix]



**Schedule of Fees (subject to change from time to time)**

[Deleted]

## BURSA MALAYSIA SECURITIES BERHAD

## GUIDANCE NOTE 1

## CLASSIFICATION OF APPLICANTS OR LISTED CORPORATIONS

Details		Cross References
Effective date:	8 May 2006	Rule 8.13
Revision date:	3 August 2009, 3 June 2019	

**1.0 Introduction**

- 1.1 The Exchange classifies all applicants seeking admission on the Official List as well as listed corporations into homogenous group (“**Sectors**”) of a similar industry based on the applicants’ or listed corporations’ core business.
- 1.2 Pursuant to Bursa Malaysia Securities Berhad ACE Market Listing Requirements (“**Listing Requirements**”), an applicant is required to propose its classification into any one of the Sectors (“**Classification**”) and a listed corporation 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 corporation shall be subject to the approval of the Exchange. The Exchange reserves the right to classify an applicant or listed corporation into a Sector which in the opinion of the Exchange is more appropriate for the applicant or listed corporation.
- 1.4 This Guidance 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 corporation is to inform or notify the Exchange of its proposed Classification or proposal for change in Classification, as the case may be.

**2.0 Sectors prescribed by the Exchange**

- 2.1 The Exchange will prescribe the Sectors for all listed corporations, from time to time. The list of Sectors can be obtained from the Exchange’s official website.

**Guidance Note 1**  
**Classification of Applicants or Listed Corporations**

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- 2.2 The Exchange reserves the right to vary the list of Sectors or the criteria when determining the Classification of a listed corporation and in that event, a listed corporation would be notified of its new Classification accordingly.

**3.0 Classification of listed corporations**

- 3.1 An applicant or a listed corporation 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.
- 3.2 In determining the Classification of the applicant or listed corporation into any one of the Sectors, an applicant or a listed corporation must examine the amount of contribution made by its various business activities for the past 2 years. A listed corporation 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 corporation. The Classification will also be determined based on either the immediate end use of the product or the industry processes used.
- 3.3 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 corporation's business is to earn interest or incur interest, or interest expenses are central to its business, then such interest shall be taken into account in determining the listed corporation's business.
- 3.4 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.

**4.0 Exchange's power to require additional information or instruct change in Classification**

- 4.1 The Exchange may, at its discretion, require an applicant or a listed corporation to provide additional information to the Exchange.
- 4.2 The Exchange may, where the circumstances warrant the same but without assigning any reasons, classify an applicant or change the Classification of a listed corporation into a Sector which, in the opinion of the Exchange, is more appropriate for the applicant or listed corporation.

**5.0 Changes to listed corporation's Classification**

- 5.1 Where there is a significant change in the business direction or policy in a listed corporation, the listed corporation 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.

**Guidance Note 1  
Classification of Applicants or Listed Corporations**

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- 5.2 Where the Classification does not accurately reflect its current core business, the listed corporation 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.
- 5.3 A listed corporation's Classification may also be reviewed by the Exchange either at its discretion, at the request of the listed corporation pursuant to paragraphs 5.1 and 5.2 above, or of the advisers acting on its behalf.

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**BURSA MALAYSIA SECURITIES BERHAD**
**GUIDANCE NOTE 2****CASH COMPANIES**

Details		Cross References
Effective date:	8 May 2006	Rules 8.03, 16.02 and 16.11
Revision date:	3 August 2009	

**1.0 Introduction**

- 1.1 Rule 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 Guidance Note sets out the disclosure obligations of a Cash Company.

**2.0 Disclosure obligations of a Cash Company**

- 2.1 A Cash Company must comply with the following disclosure requirements. 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 corporation is a Cash Company;
  - (ii) the obligations of a Cash Company pursuant to this Guidance 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) 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 Rule 8.03(5) of the Listing Requirements ("**Monthly Announcement**"). The Cash Company must make the Monthly Announcement simultaneously with the announcement of its quarterly report pursuant to Rule 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) its compliance or non-compliance with a particular obligation imposed pursuant to this Guidance Note on an immediate basis;
  - (d) 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 Sponsor.

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.

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**BURSA MALAYSIA SECURITIES BERHAD**
**GUIDANCE NOTE 3****CRITERIA AND OBLIGATIONS OF GN3 COMPANIES**

Details		Cross References
Effective date:	8 May 2006	Rules 8.03A, 8.04, 16.02 and 16.11
Revision date:	3 August 2009, 16 October 2013, 27 January 2015, 3 May 2016, 31 December 2016, 2 January 2018, 13 August 2020	

**1.0 Introduction**

1.1 This Guidance Note sets out, amongst others, the following:

- (a) the criteria in relation to the financial condition of a listed corporation, which if triggered, will give rise to an obligation for a listed corporation to comply with the provisions of this Guidance Note; and
- (b) the requirements that must be complied with by a GN3 Company.

**2.0 Criteria**

2.1 Pursuant to Rule 8.04(2) of the Listing Requirements, where a listed corporation triggers any one or more of the following Prescribed Criteria, it must comply with the provisions of Rule 8.04 and this Guidance Note:

- (a) the shareholders' equity of the listed corporation is 25% or less of the share capital of the listed corporation;
- (b) where the listed corporation has incurred loss in any 1 full financial year commencing on or after its listing, which equal to or exceed the amount of its shareholders' equity at the end of the said financial year and the shareholders' equity is equal to or less than 50% of the share capital of the listed corporation at the end of the said financial year;
- (c) where the listed corporation has incurred aggregated losses in any 2 consecutive full financial years commencing on or after its listing ("**said financial period**") –
  - (i) which exceed the amount of its shareholders' equity at the end of the said financial period;

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**Criteria and Obligations of GN3 Companies**

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- (ii) the loss incurred in the second full financial year of the said financial period is 50% or more of the loss incurred in the first full financial year of the said financial period; and
- (iii) the shareholders' equity is equal to or less than 50% of the share capital of the listed corporation at the end of the said financial period;
- (d) receivers or managers, or judicial managers have been appointed over the asset of the listed corporation, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed corporation;
- (e) a winding up of a listed corporation's subsidiary or associated company which accounts for at least 50% of the total assets employed of the listed corporation;
- (f) the auditors have expressed an adverse or disclaimer opinion in the listed corporation's latest audited financial statements;
- (g) the auditors have highlighted a material uncertainty related to going concern or expressed a qualification on the listed corporation's ability to continue as a going concern in the listed corporation's latest audited financial statements and the shareholders' equity of the listed corporation is 50% or less of the share capital of the listed corporation; or
- (h) a default in payment by a listed corporation, its major subsidiary or major associated company, as the case may be, as announced by a listed corporation pursuant to Rule 9.19A of the Listing Requirements and the listed corporation is unable to provide a solvency declaration to the Exchange.
- (i) [deleted]
- (j) [deleted]

2.2 For the purposes of this Guidance Note unless the context otherwise requires -

- (a) **"shareholders' equity"** refers to the equity attributable to the equity holders of the listed corporation;
- (b) [deleted]
- (c) [deleted]
- (d) **"issued and paid-up capital"** excludes treasury shares;
- (e) the determination of whether any one or more of the Prescribed Criteria is fulfilled must be based on the latest audited or unaudited consolidated financial statements of the listed corporation; and
- (f) in relation to subparagraphs 2.1(b) and (c) above, **"loss"** or **"losses"** refers to the loss or losses attributable to ordinary shareholders of the listed corporation.



2.3 The following example illustrates the application of subparagraph 2.1(b) above:

Example 1

A Bhd

	Financial Year Ended (FYE) 31 December 2xx1 (FYE 1)
Losses (RM'million)	(4)
Shareholders' equity (RM'million)	3
Issued and Paid-up Capital (RM' million)	6

In Example 1 above, listed corporation A Bhd incurs losses amounting to RM4 million in FYE 1. The shareholders' equity for FYE 1 amounts to RM3 million. The issued and paid-up capital of A Bhd as at FYE 1 is RM 6 million.

Since the amount of losses has exceeded the amount of the shareholders' equity, and the shareholders' equity is equal to 50% of the issued and paid-up capital of A Bhd, A Bhd has triggered the criteria set out in subparagraph 2.1 (b) above and must therefore comply with the requirements of Rule 8.04 and this Guidance Note.

2.4 The following example illustrates the application of subparagraph 2.1(c) above:

Example 2

B Bhd

	FYE 31 December 2xx1 (FYE 1)	FYE 31 December 2xx2 (FYE 2)
Losses (RM'million)	(2)	(3)
Shareholders' equity (RM'million)	7	4
Issued and paid- up capital (RM'million)	9	9

In Example 2 above, listed corporation B Bhd incurs losses amounting to RM2 million in FYE 1. The shareholders' equity for FYE 1 amounts to RM7 million.

In the following financial year, FYE 2, B Bhd incurs losses amounting to RM3 million, whilst the shareholders' equity amounts to RM4 million.

The issued and paid-up capital for both FYE1 and FYE 2 of B Bhd is RM 9 million.

The aggregated losses incurred by B Bhd in both FYE 1 and FYE 2 amount to RM5 million, which in absolute terms exceed the amount of the shareholders' equity for FYE 2 of RM4 million. In addition, the amount of losses incurred in FYE 2 is 50% more than the amount of losses incurred in FYE 1 and the shareholders' equity is less than 50% of the issued and paid-up capital of B Bhd as at FYE 2.

As such, B Bhd has triggered the criteria set out in subparagraph 2.1 (c) above and must therefore comply with the requirements of Rule 8.04 and this Guidance Note.

### 3.0 [Deleted]

## 4.0 Disclosure obligations of the GN3 Company

4.1 Pursuant to Rule 8.04(3)(b) of the Listing Requirements, a GN3 Company must announce to the Exchange –

- (a) on an immediate basis (“**First Announcement**”) upon the GN3 Company triggering one or more of the Prescribed Criteria –
  - (i) that the listed corporation is a GN3 Company pursuant to this Guidance Note;
  - (ii) the listed corporation’s obligations pursuant to this Guidance Note;
  - (iii) the consequences of non-compliance with such obligations; and
  - (iv) the status of the listed corporation’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) the status of its regularisation plan and the number of months to the end of the relevant timeframes referred to in Rule 8.04(3) of the Listing Requirements on a monthly basis (“**Monthly Announcement**”) until further notice from the Exchange;
- (c) its compliance or non-compliance with a particular obligation imposed pursuant to this Guidance Note, on an immediate basis;
- (d) details of the regularisation plan which announcement must fulfill the requirements set out in paragraph 4.2 below (“**Requisite Announcement**”); and
- (e) where the GN3 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.

4.2 The Requisite Announcement must -

- (a) contain details of the regularisation plan and sufficient information to demonstrate that the GN3 Company is able to comply with all the requirements set out in paragraph 5.2 below after the implementation of the regularisation plan;
- (b) include a timeline for the complete implementation of the regularisation plan; and
- (c) be announced by the GN3 Company’s Sponsor.

4.3 Before a GN3 Company 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 GN3 Company's creditors, the GN3 Company 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 Pursuant to Rule 8.04(3)(a)(i) of the Listing Requirements, a GN3 Company must submit to the Exchange a regularisation plan and obtain the Exchange's approval to implement the plan within 12 months from the date of the First Announcement.

5.2 The GN3 Company and its Sponsor must ensure that the regularisation plan referred to in paragraph 5.1 above -

- (a) is sufficiently comprehensive and capable of resolving all problems, financial or otherwise that had caused the GN3 Company to trigger the Prescribed Criteria;
- (b) enables the GN3 Company to regularise its financial condition such that the GN3 Company no longer triggers any of the Prescribed Criteria; and
- (c) is fair and reasonable to the GN3 Company and its shareholders and will increase shareholder value.

5.3 In complying with the requirements under paragraph 5.2 above, the GN3 Company and its Sponsor must demonstrate to the satisfaction of the Exchange, the following:

- (a) the regularisation plan is able to strengthen the financial position of the GN3 Company including its shareholders' 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 GN3 Company to trigger the Prescribed Criteria, such that the GN3 Company 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 GN3 Company post-implementation of the regularisation plan is sustainable and has prospects to warrant continued trading or listing on the Official List. In this respect, the GN3 Company must comply with the requirements set out in paragraph 3.1 of Guidance Note 18, with the necessary modifications, and provide sufficient information in support of its regularisation plan.

5.4 A GN3 Company and its Sponsor must review the GN3 Company'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.

5.5 A GN3 Company must ensure that the submission to the Exchange under paragraph 5.1 above is accompanied by the following:

**Guidance Note 3  
Criteria and Obligations of GN3 Companies**

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- (a) a cover letter signed by 2 authorised signatories of the Sponsor, containing details of the proposals, any approvals, clearance or waivers sought, and such other information as may be prescribed by the Exchange from time to time;
- (b) a draft circular to shareholders 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 GN3-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 GN3-A**

**Additional contents of circular for regularisation plan undertaken by a GN3 Company**

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**ANNEXURE GN3-A**

**Additional contents of circular for regularisation plan undertaken by a GN3 Company**  
(paragraph 5.5(b))

- (1) The historical financial information of the GN3 Company 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;
  - (e) the borrowings; and
  - (f) the key ratios such as gross profit margin and gearing.
- (2) A commentary on the performance of the GN3 Company 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 prospects of the GN3 Company having regards to the requirements set out in paragraph 3.1 of Guidance Note 18, with the necessary modifications.
- (4) An analysis of the business post implementation of the regularisation plan including –
  - (a) the nature and operational environment of the GN3 Company'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 GN3 Company;
  - (b) industry overview and description of the growth prospects of the GN3 Company's business in light of the industry outlook;
  - (c) the risk factors affecting the GN3 Company and its business, together with the mitigating factors.
- (5) The reasons or issues which caused the GN3 Company 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 shareholders; and

**Annexure GN3-A**

**Additional contents of circular for regularisation plan undertaken by a GN3 Company**

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- (b) in relation to the GN3 Company -
  - (i) name, qualification and experience of the proposed new directors to the board; and
  - (ii) details of the proposed new substantial shareholders.
- (7) A statement by the directors as to whether, in their opinion, the working capital available to the GN3 Company 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.
- (8) 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.
- (9) The results of the risk management and internal control review together with the action plans to address the weaknesses identified.

[End of Annexure]

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**BURSA MALAYSIA SECURITIES BERHAD**
**GUIDANCE NOTE 4****PROVISION OF FINANCIAL ASSISTANCE**

Details		Cross References
Effective date:	22 May 2006	Rule 8.25
Revision date:	3 August 2009, 27 January 2015, 13 July 2015	

**1.0 Introduction**

1.1 Rule 8.25 of the Listing Requirements provides that a listed corporation 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 Rule 8.25(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 corporation or its subsidiaries; or

(bb) pursuant to the ordinary course of business of the listed corporation 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 Guidance Note sets out the following:

(a) clarification of certain requirements under Rule 8.25 of the Listing Requirements ("**Requirements**"); and

(b) the disclosure obligations of a listed corporation in providing financial assistance pursuant to Rule 8.25(1)(ii) of the Listing Requirements.

1.3 This Guidance Note must be read in conjunction with Rule 8.25 of the Listing Requirements.

**2.0 Clarification on Requirements**

2.1 The following clarifications apply for the purpose of Rule 8.25(1)(ii) of the Listing Requirements:

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### 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 corporation and its subsidiaries given the particular business the listed corporation and its subsidiaries are involved in. The fact that the transaction is envisaged in the memorandum of association of the listed corporation and its subsidiaries is not a conclusive factor of determination.

As an example, in respect of a listed corporation 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 corporation must take into account whether the provision of financial assistance is essential to the listed corporation 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 corporation 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 is 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 corporation to secure work as a sub-contractor; and
- (b) provision of advances or collateral to or in favour of sub-contractors of the listed corporation to enable them to commence and/or complete the work for the listed corporation.

- 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 corporation or its subsidiaries not listed on any stock exchange, are not considered as provision of financial assistance within Rule 8.25 of the Listing Requirements. However, where such subscription or acquisition is a related party transaction, the listed corporation must comply with Rule 10.08 of the Listing Requirements.



**3.0 Disclosure obligations**

- 3.1 A listed corporation must announce the financial assistance rendered or made by the said listed corporation or its subsidiaries not listed on any stock exchange pursuant to Rule 8.25(1)(ii) of the Listing Requirements for each quarter of its financial year, if any, simultaneously with its quarterly report pursuant to Rule 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 corporation must include in its announcement the information set out in Annexure GN4-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 corporation 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 corporation and/or its subsidiary lends or advances money in the ordinary course of its business as a moneylender pursuant to Rule 8.25(1)(ii) of the Listing Requirements, the listed corporation must include in its announcement referred to in paragraph 3.1 above the information prescribed under Appendix 8D of the Listing Requirements.

Annexure GN4-A  
Contents of announcement for provision of financial assistance

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**ANNEXURE GN4-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 corporation as a group.

[End of Annexure]

**BURSA MALAYSIA SECURITIES BERHAD**

**GUIDANCE NOTE 5  
DEFAULT IN PAYMENT**

[Deleted]

**BURSA MALAYSIA SECURITIES BERHAD**

**GUIDANCE NOTE NO 6/2006**

**RESEARCH REPORT**

[Deleted]

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**BURSA MALAYSIA SECURITIES BERHAD**
**GUIDANCE NOTE 7****PRINCIPLE OF AGGREGATION FOR TRANSACTIONS**

Details		Cross References
Effective date:	3 July 2006	Rule 10.12
Revision date:	3 August 2009	

**1.0 Introduction**

- 1.1 Pursuant to Rule 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 Guidance Note sets out the consideration 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.

**Guidance Note 7**  
**Principle of Aggregation for Transactions**

**Illustration 1:****Facts:**

Listed corporation, Z Bhd started to conduct business with a non-related party, Mr B in 2005. The transactions entered into between Z Bhd and Mr B during the year are as follows:

<b>Transactions</b>	<b>Date of Transactions</b>	<b>Relevant Percentage Ratio</b>
Transaction 1	January 2005	1%
Transaction 2	February 2005	4%
Transaction 3	Early March 2005	1%
Transaction 4	End March 2005	5%
Transaction 5	April 2005	6%
Transaction 6	November 2005	10%

Based on the above facts, the application of the principles set out in subparagraphs (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 Rule 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 the 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
- (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

**Guidance Note 7**  
**Principle of Aggregation for Transactions**

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an announcement. As the aggregate percentage ratio for Transactions 1 to 6 is 27%, shareholders' 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 2005. In this case, shareholder approval had been sought for Transaction 6 in November 2005.

Based on the above facts and the application of the principles set out in subparagraph (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 corporation A Bhd entered into the following transactions with a related party, Mdm Y in 2005:

Transactions	Date of Transactions	Relevant Percentage Ratio
Transaction 1	February 2005	3%
Transaction 2	April 2005	2%

Based on the above and applying the principles set out in subparagraphs (a) and (b), Transaction 2 will be aggregated with Transaction 1 thus requiring Transaction 2 to comply with Rule 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 2005	3%

In this case, the parties subsequently entered into Transaction 3 in October 2005. 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 Rule 10.08(1) of the Listing Requirements.

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**BURSA MALAYSIA SECURITIES BERHAD**
**GUIDANCE NOTE 8****RECURRENT RELATED PARTY TRANSACTIONS**

Details	Cross References
Effective date:	3 July 2006
Revision date:	Rules 10.08 and 10.09
	3 August 2009, 22 September 2011, 3 January 2012, 27 January 2015, 13 July 2015, 2 January 2018

**1.0 Introduction**

- 1.1 Rule 10.08 of the Listing Requirements stipulates the obligations that a listed corporation must comply with in relation to a related party transaction.
- 1.2 Rule 10.08 must be read together with Rule 10.09 of the Listing Requirements which is in relation to a Recurrent Related Party Transaction.
- 1.3 This Guidance Note sets out the following:
- (a) clarification of the disclosure obligations in relation to Recurrent Related Party Transactions;
  - (b) clarification of the application of Rules 10.08 and 10.09 of the Listing Requirements to Recurrent Related Party Transactions ("**Requirements**"); and
  - (c) the additional information required for the circular and announcement referred to under Rules 10.09(2)(c) and 10.09(2)(e) of the Listing Requirements respectively.
- 1.4 This Guidance Note must be read in conjunction with the Listing Requirements.
- 1.5 For the purpose of this Guidance Note, a "**listed corporation**" includes the listed corporation's subsidiaries.

**2.0 Application of Rules 10.08 and 10.09 of the Listing Requirements to Recurrent Related Party Transactions**

- 2.1 In addition to the obligation to immediately announce a related party transaction, Rule 10.08(2) of the Listing Requirements states that where any one of the percentage ratios of a related party transaction is 5% or more, a listed corporation must engage the services of a Sponsor or Adviser, as the case may be, appoint an independent adviser, issue a circular to its shareholders and obtain specific shareholder approval of the transaction.



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- 2.2 However, pursuant to Rule 10.09 of the Listing Requirements, a listed corporation is allowed to obtain a mandate from its shareholders in respect of Recurrent Related Party Transactions (“Mandate”).
- 2.3 Where a listed corporation has obtained a Mandate in respect of any Recurrent Related Party Transactions, the requirements of Rule 10.08 of the Listing Requirements will not apply to the Recurrent Related Party Transactions which are comprised in the Mandate. This means, during the period of validity of the Mandate, the disclosure obligation as set out in Rule 10.09(1) of the Listing Requirements, as well as the obligation to procure shareholder approval as set out under Rule 10.08 of the Listing Requirements will not apply to the Recurrent Related Party Transactions which are comprised in the Mandate.
- 2.4 However, pursuant to Rule 10.09(2)(e) of the Listing Requirements, a listed corporation is required to immediately announce to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the listed corporation 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 corporation that wishes to obtain a Mandate must comply with all the requirements as set out under Rule 10.09 of the Listing Requirements. This paragraph sets out the clarification in relation to the following requirements stipulated under Rule 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 corporation 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 corporation. As an example, in the case of an information technology corporation, the following transactions, which are by no means exhaustive, are considered to be of a revenue nature:

- (a) the purchase and sale of computer peripherals, accessories and components such as data storage products (e.g. micro floppy discs, audio and videotape) and optical data storage media (e.g. compact discs);
- (b) the appointment of third parties to sell its products;
- (c) the purchase of insurance policies for its properties, assets and employees;
- (d) the purchase of office supplies; and
- (e) the provision of storage and other infrastructure facilities.

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### 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 corporation given the type of business the listed corporation is involved in.

The fact that the transaction is envisaged in the memorandum of association of the listed corporation will not be a conclusive factor of determination. As an example, in respect of a listed corporation involved in activities relating to information technology, the following transactions, which are by no means exhaustive, are considered to be in the ordinary course of business of the listed corporation:

- (a) the purchase of raw materials and supplies for its business;
- (b) rental of office space for its operations;
- (c) payment of insurance premium for coverage of corporation assets, staff and projects;
- (d) the purchase and maintenance of computers for corporation or project use; and
- (e) the requisition of management, secretarial, internal audit and other support services for its 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 corporation 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 corporation's annual report, a listed corporation 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:

**Guidance Note 8  
Recurrent Related Party Transactions**

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- (a) the type of the Recurrent Related Party Transactions made; and
  - (b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the listed corporation.
- 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 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 instalments);
  - (d) the provision of financial assistance pursuant to Rule 8.25 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 subparagraphs (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 of this Guidance Note -
- (a) a listed corporation 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 corporation under Rule 9.20(2)(a) 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 Rule 10.09 of the Listing Requirements and the other provisions of this Guidance Note, a listed corporation may obtain a Mandate in respect of the following Recurrent Related Party Transactions:
- (a) the pooling of funds within the listed corporation's group of companies via a centralised treasury management function or such similar arrangements which entails the provision of financial assistance by the listed corporation, its subsidiaries not listed on any stock exchange or both, on a short or medium term basis provided that -

**Guidance Note 8  
Recurrent Related Party Transactions**

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- (i) the listed corporation in seeking such a mandate in accordance with Rules 8.25 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 Rule 10.09(2)(e) of the Listing Requirements, if the actual amount of financial assistance provided or rendered exceeds the Estimate, the listed corporation 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 corporation must comply with Rule 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 corporation and the listed corporation'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 corporation 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 corporation or its subsidiaries not listed on any stock exchange; or
  - (ii) share financing or share margin financing carried out by a listed corporation 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 corporation must include such information as set out in Annexure GN8-A and Annexure GN8-B respectively in the circular and announcement required under Rule 10.09(2)(c) and (e) of the Listing Requirements.

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**ANNEXURE GN8-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 circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (3) The principal business activity of the listed corporation 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 corporation 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 corporation or its subsidiary transacting with the related party.
- (5) The listed corporation'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 corporation;
- (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 will 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 corporation 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 GN8-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 corporation'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 corporation 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 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 corporation 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 corporation to recover the outstanding amount due; and
  - (c) the listed corporation's board of directors' opinion on any outstanding amount long overdue including comments on its recoverability.

Annexure GN8-A  
Contents of circular for shareholder mandate

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- (17) A recommendation from the board of directors (other than the interested directors) as to the voting action that shareholders should take.
- (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 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 or letter (where applicable), or both, 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 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 corporation 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' or 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 corporation:
    - (i) the constitution;
    - (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;

**Annexure GN8-A**  
**Contents of circular for shareholder mandate**

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- (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 material litigation referred to in subparagraph (d) above.
- (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 GN8-B  
Contents of announcement for a Recurrent Related Party Transaction

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ANNEXURE GN8-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

### GUIDANCE NOTE 9

#### REQUIREMENTS FOR DIRECTORS AND SIGNATORY OF STATUTORY DECLARATION FOR ACCOUNTS

Details	Cross References
Effective date:	3 July 2006
Revision date:	Rules 1.01, 9.27, 15.06, 15.07 and 15.09
	3 August 2009, 1 June 2013, 13 July 2015, 2 January 2018, 1 October 2020, 1 January 2022

#### 1.0 Introduction

1.1 A director who is appointed to act as an “independent director” of an applicant or a listed corporation must satisfy the definition of “independent director” set out in Rule 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 listed corporation. Without limiting the generality of the foregoing, an independent director is one who -*

- (a) *is not an executive director of the applicant, listed corporation or any related corporation of such applicant or listed corporation (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 of 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*

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**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 the listed corporation) 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 Rule 9.27 of the Listing Requirements, the director or person primarily responsible for the financial management of the listed corporation, 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 section (“**requisite qualifications**”).

1.3 Further, Rule 15.09 of the Listing Requirements also states that at least 1 member of the audit committee must satisfy the requisite qualifications (“**said audit committee member**”).

1.4 [Deleted].

1.5 [Deleted].

1.6 This Guidance 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 corporation must still apply the test of whether the said director is able to exercise independent judgement and act in the best interests of the applicant or listed corporation as set out in the said definition.

2.2 Paragraphs 3.0 to 5.0 of this Guidance 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.

**Guidance Note 9**  
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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 specified shareholder 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 corporations).

#### **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 which is 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.

#### **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

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- (b) is presently a partner, director, a major shareholder, of an Entity (other than subsidiaries of the applicant or listed corporation) 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;
- (b) where the transaction is entered into by the said Director personally or by an Entity which is 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.

**Guidance Note 9**  
**Requirements for Directors and Signatory of**  
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**II. REQUISITE QUALIFICATIONS FOR THE SIGNATORY AND THE SAID AUDIT COMMITTEE MEMBER**

**6.0 General**

6.1 Paragraph 7.0 of this Guidance Note must be read in conjunction with Rules 9.27 and 15.09 of the Listing Requirements.

**7.0 Requisite qualifications**

7.1 For the purposes of Rules 9.27(c) and 15.09(1)(c)(iii) of the Listing Requirements, it is prescribed that 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 organisation 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].

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**BURSA MALAYSIA SECURITIES BERHAD**
**GUIDANCE NOTE 10**  
**TRAINING FOR DIRECTORS**

Details		Cross References
Effective date:	3 July 2006	Rule 15.08
Revision date:	3 August 2009, 1 January 2022	

**1.0 Introduction**

- 1.1 This Guidance Note prescribes the requirements of the Exchange in relation to training programmes that must be attended by directors of a listed corporation or an applicant seeking listing on the Official List of the Exchange ("**Directors**") in compliance with the Listing Requirements.
- 1.2 Pursuant to Rule 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 Rule 15.08 of the Listing Requirements.

**2.0 Mandatory Accreditation Programme ("MAP")**

- 2.1 The MAP is 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 corporation	Within 4 months from the date of appointment
(ii)	A Director of an applicant seeking listing on the Official List of the Exchange	Prior to the date of listing of the applicant.

- (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 corporations**
- 3.1 Listed corporations must notify their directors of the requirement to attend the MAP.



## BURSA MALAYSIA SECURITIES BERHAD

### GUIDANCE NOTE 11

#### RISK MANAGEMENT AND INTERNAL CONTROL, CORPORATE GOVERNANCE AND SUSTAINABILITY STATEMENT

Details	Cross References
Effective date:	3 July 2006
Revision date:	Rules 15.25, 15.26 and paragraph 30 of Appendix 9C
	3 August 2009, 29
	November 2012, 3
	May 2016, 31
	December 2016, 31
	December 2017, 31
	December 2018, 19
	January 2022

#### 1.0 Introduction

1.1 Rule 15.25 of the Listing Requirements states that a listed corporation must make the following corporate governance disclosures:

- (a) an overview of the application of the Principles set out in the MCCG ("**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 MCCG ("**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 corporation must state in its annual report, the designated website link or address where the CG Report may be downloaded.

1.2 Rule 15.26(b) of the Listing Requirements requires a listed corporation to ensure that its board of directors make a statement in its annual report about the state of risk management and internal control of the listed corporation as a group ("**Risk Management and Internal Control Statement**").

1.2A Paragraph 30 of Appendix 9C of the Listing Requirements provides that a listed corporation must include in its annual report, a narrative statement of the listed corporation's management of material economic, environmental and social risks and opportunities ("**Sustainability Statement**").

1.3 This Guidance Note clarifies the obligation of the listed corporations in making the CG Overview Statement, the CG Report, the Risk Management and Internal Control Statement and the Sustainability Statement.

**Guidance Note 11**  
**Risk Management And**  
**Internal Control and Corporate Governance 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 corporation need not repeat the disclosure in the annual report.

2.3 A listed corporation 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 corporation.

**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 corporation 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 corporation 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 corporation must provide specific disclosures on its application of each Practice in the CG Report. The listed corporation 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 corporation must provide meaningful explanation on how it has applied the Practice. If the listed corporation 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**").

**Guidance Note 11**  
**Risk Management And**  
**Internal Control and Corporate Governance Statement**

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- 3.2B In explaining the departure from a Practice as required under paragraph 3.2A(a) above, a listed corporation must not merely state that it has complied with the requirements under the Listing Requirements as the reason for the departure. The listed corporation 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.
- 3.3 In making the disclosures in the CG Report, a listed corporation must carefully consider and be closely guided by the Guidance set out in the MCCG (“**Guidance**”).
- 3.4 A listed corporation 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 corporation 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 corporation 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 corporation 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 corporation 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 corporation 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.
- (c) Report how the Practices have been applied, having regard to the listed corporation’s particular circumstances and business. The listed corporation must avoid -
- (i) reporting in form over substance; or
  - (ii) vague or general statements without any real connection to the listed corporation’s situation.

**Guidance Note 11**  
**Risk Management And**  
**Internal Control and Corporate Governance Statement**

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- (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 corporation'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 corporation'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 corporation is required to address Part II of Principle B, Intended Outcome 10.0, Practices 10.1 and 10.2 read together with Guidance 10.1 and 10.2 as set out in the MCCG which relate to risk management and internal control framework.
- 4.2 The listed corporation 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 corporation 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 corporations 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 corporation should consider the themes set out in the Sustainability Reporting Guide.

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**BURSA MALAYSIA SECURITIES BERHAD**
**GUIDANCE NOTE 12**  
**REQUESTS FOR SUSPENSION**

Details		Cross References
Effective date:	3 July 2006	Rule 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 Rules 16.02 and 16.03 of the Listing Requirements.
- 1.2 Suspensions may be effected at the request of the listed corporation or imposed by the Exchange independently of any such request subject to the relevant requirements set out in this Guidance Note.
- 1.3 This Guidance Note clarifies the operational procedures in respect of a request for suspension made by listed corporations.

**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 GN12-A. In the addition, a listed corporation 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 corporation’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 corporation.
- 2.3 The Exchange will only consider a request for suspension where the information requested pursuant to paragraph 2.1 above has been fully and completely provided.

**3.0 Situations which may warrant suspension**

- 3.1 The Exchange may approve a listed corporation’s request for suspension where -
- (a) the listed corporation 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) where the listed corporation 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 Rule 10.02(j) 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 corporation which the public has no prior knowledge of; or
  - (e) any other corporate exercise.
- 3.3 A listed corporation 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 above, 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.

## 5.0 Announcements

- 5.1 If a suspension is granted by the Exchange under paragraph 3.1(a), the listed corporation 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 above.
- 5.2 If a suspension is granted by the Exchange under paragraph 3.1(b), the listed corporation 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 corporation 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 corporation 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 corporation; and
- (b) the Exchange may at its discretion, require a listed corporation 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 GN12-A  
Request for suspension form**

(v)	any other corporate exercise.	
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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 paragraphs 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 GN12-A  
Request 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

Annexure GN 12-A  
Past 12 months' record of suspension

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

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**BURSA MALAYSIA SECURITIES BERHAD**
**GUIDANCE NOTE 13****PUBLIC SHAREHOLDING SPREAD**

Details		Cross References
Effective date:	2 July 2007	Rules 3.10, 8.02, 16.02
Revision date:	3 August 2009, 2 January 2018, 1 March 2021	

**1.0 Introduction**

1.1 This Guidance Note sets out the following:

- (a) in relation to an application for a lower percentage of public shareholding spread pursuant to Rules 3.10(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 corporation must provide in its application;
- (b) in relation to compliance with the public shareholding spread –
  - (i) the notification requirements applicable to a listed corporation approved with a lower public shareholding spread;
  - (ii) the Exchange's right to review its decision on lower public shareholding spread granted to a listed corporation;
  - (iii) the disclosure requirements in the event a listed corporation fails to comply with the required public shareholding spread; and
  - (iv) the information that a listed corporation must include in an application to the Exchange for an extension of time to rectify non-compliance with the public shareholding spread; and
- (c) the disclosure requirements that a listed corporation must comply with if it triggers a suspension pursuant to Rules 16.02(1) and (2) of the Listing Requirements.

**2.0 Application for acceptance of a lower percentage of public shareholding spread**

2.1 Rules 3.10(1) and 8.02(1) of the Listing Requirements provide that an applicant or listed corporation must comply with the following public shareholding spread (“**Required Public Spread**”):

- (a) an applicant must have at least 25% of the total number of shares for which listing is sought, or such lower percentage as may be allowed by the Exchange, in the hands of a minimum number of 200 public shareholders holding not less than 100 shares each; and
- (b) a listed corporation must, on a continuing basis, ensure that at least 25% of its total listed shares (excluding treasury shares) or such lower percentage as may be allowed by the Exchange are in the hands of public shareholders.

2.2 The Exchange may, on the application by an applicant or a listed corporation, accept a percentage lower than the 25% threshold (“**Lower Public Spread**”) provided that all the conditions below are met:

- (a) The applicant or listed corporation 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 corporation’s average market capitalisation based on the daily closing price of its shares 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 shares of the applicant or listed corporation;
  - (ii) there is, or will be, orderly and fair trading in the shares of the applicant or listed corporation;
  - (iii) the applicant or listed corporation 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 corporation.

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 corporation which proposes to apply for a Lower Public Spread, it must include the following information in its application:

- (a) its share capital and number of issued shares;
- (b) the number of public shareholders;
- (c) the percentage of public shareholding spread;
- (d) a statement as to whether the public shareholding spread includes a substantial shareholder who is deemed as "public" pursuant to Rule 1.01 of the Listing Requirements ("**Shareholder**") and if yes, the following details in relation to such Shareholder:
  - (i) name; and
  - (ii) shareholdings in the listed corporation;
- (e) the average market capitalisation based on the daily closing price of the listed corporation's shares during the last 12-month period;
- (f) the percentage of listed shares (excluding treasury shares) held by the top 30 shareholders, the names and shareholdings of each of these shareholders;
- (g) the percentage of public shareholding spread over the last 2 years;
- (h) any enforcement action taken, or investigation or enforcement proceedings commenced, against the listed corporation 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 corporation 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 capital;

- (b) any decrease in its public shareholding 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 corporation 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 Rule 8.02(3) of the Listing Requirements provides that a listed corporation 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 corporation must include the following information in its Non-Compliance Announcement:
- (a) a statement that the listed corporation does not comply with the public shareholding spread requirement set out in Rule 8.02(1) of the Listing Requirements;
  - (b) the percentage of public shareholding spread;
  - (c) steps taken or proposed to be taken by the listed corporation 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 corporation has not formulated a Rectification Plan, the status of the listed corporation'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 corporation which does not comply with the Required Public Spread must announce the status of its efforts to comply with the Required Shareholding Spread ("**Status Announcement**"). The listed corporation must make the Status Announcement 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 corporation must include the following information in the Status Announcement:
- (a) the information prescribed in paragraph 3.2 above; and

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- (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; and
    - (ii) the expiry date of the extension.

3.5 For the avoidance of doubt, upon compliance with the Required Public Spread by the Exchange, the listed corporation is no longer required to make any Status Announcement.

#### **4.0 Applications for extensions of time for compliance and related disclosure requirements**

4.1 Pursuant to Rule 8.02(4) of the Listing Requirements, a listed corporation which does not comply with the Required Public Spread may apply to the Exchange for an extension of time to rectify its public shareholding spread.

4.2 In this respect, a listed corporation must include the following information in the application for extension of time:

- (a) the share capital and number of issued shares;
- (b) the percentage of public shareholding spread;
- (c) the number of public shareholders;
- (d) whether the public shareholding spread includes a Shareholder. If yes, the following details in relation to such Shareholder:
  - (i) name; and
  - (ii) shareholdings in the listed corporation;
- (e) the average market capitalisation based on the daily closing price of the listed corporation's shares 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) held by the top 30 shareholders, the names and shareholdings of each of these shareholders;
- (h) if there is a Rectification Plan, an elaboration of the same and its status;
- (i) where the listed corporation has not formulated a Rectification Plan, the status of the listed corporation'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 corporation must also explain the reason for the lack of progress;
- (k) the reason for failure to rectify the public shareholding spread within the previous extension of time, if any; and
- (l) justification for the extension of time sought.



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- 4.3 Where an extension of time to rectify the public shareholding spread has been granted by the Exchange, the listed corporation must immediately announce to the Exchange, the extension of time granted. The listed corporation 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 corporation must immediately announce the decision of the Exchange. The listed corporation 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 Rule 8.02(1) of the Listing Requirements any type of action or penalty pursuant to Rule 16.19 of the Listing Requirements; and
    - (ii) suspend trading in its securities pursuant to Rule 16.02 of the Listing Requirements.
- 5.0 Suspension where the public shareholding spread is 10% or less and related disclosure requirements**
- 5.1 Pursuant to Rule 16.02(2) of the Listing Requirements, where the public shareholding spread of a listed corporation is 10% or less of the total number of listed shares (excluding treasury shares) ("**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 corporation becomes aware, either in conjunction with the preparation of its annual returns or otherwise, that its public shareholding spread triggers the Threshold, the listed corporation must immediately announce this to the Exchange.
- 5.4 The listed corporation must include the following information in the above announcement:
- (a) the public shareholding spread;

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- (b) a statement that pursuant to Rule 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 shareholding spread of the listed corporation is 10% or below of the total number of listed shares (excluding treasury shares);
- (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 Rule 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 corporation (if any) to increase its public shareholding 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 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**
**GUIDANCE NOTE 14****TRADING HALT**

Details	Cross References
Effective date:	3 September 2007      Rule 16.04
Revision date:	3 August 2009, 3 May 2016, 2 January 2018

**1.0 Introduction**

- 1.1 Pursuant to Rule 16.04 of the Listing Requirements, a trading halt may be imposed on the listed corporation's securities by the Exchange upon release of a material announcement by the listed corporation 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 Guidance 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 Guidance Note will be read to restrict the powers of the Exchange to suspend the trading of the listed corporation's securities pursuant to Rule 16.02 of the Listing Requirements.

**2.0 Material announcement which may warrant trading halt**

- 2.1 For the purpose of Rule 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 report;
  - (b) a bonus issue or other fund raising exercise;
  - (c) a subdivision of shares or consolidation by the listed corporation;
  - (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 of the listed corporation;
- (g) a notice of take-over being served on a listed corporation;
- (h) winding-up of the listed corporation or any of its subsidiaries or major associated companies as announced under Rule 9.19(20) 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 corporation 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 Rule 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 10.00 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 p.m.	From the time the material announcement is released until 12.30 p.m.
(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, the Exchange may, at its discretion, suspend the trading of the listed corporation'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 Guidance Note are not applicable to the securities of a listed corporation suspended pursuant to a request for suspension under Rule 16.03 of the Listing Requirements and Guidance Note 12. Hence, the securities of a listed corporation which are suspended will not be requoted on the same day of the release of the relevant announcement.

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**BURSA MALAYSIA SECURITIES BERHAD**
**GUIDANCE NOTE 15****LISTING PROCEDURES FOR INITIAL ADMISSION AND PROSPECTUS  
REGISTRATION**

	<b>Details</b>	<b>Cross References</b>
Effective date:	3 August 2009	Rules 3.02, 3.12A(2)(a), 3.12D(2)(a), 3.12I(1), 4.06A, 5.02, 8.18 and 15.03
Revision date:	22 September 2011, 3 January 2012, 1 April 2015, 13 July 2015, 2 January 2018, 13 March 2019, 1 January 2022	

**1.0 Introduction**

1.1 This Guidance Note sets out the following requirements:

- (a) in relation to a pre-admission consultation under Rule 4.06A of the Listing Requirements and an application for admission under Rule 3.02 of the Listing Requirements:
  - (i) the procedures for admission;
  - (ii) the documents and information as may be specified by the Exchange for purposes of the pre-admission consultation ("**pre-admission consultation pack**");
  - (iii) the listing application form and supporting documents;
  - (iv) the undertakings and confirmation by an applicant, its promoters, chief executive and directors; and
  - (v) other relevant requirements.
- (b) in relation to a registration of prospectus under Rule 3.12A of the Listing Requirements:
  - (i) general requirements regarding the prospectus;
  - (ii) the procedures and documents required for submission of prospectus for registration together with the initial listing application ("**Stage 1**");
  - (iii) the requirements for prospectus exposure;

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- (iv) the procedures and documents required for submission of prospectus for registration once the approval for the listing and admission to the Official List and the approval in principle for registration of the prospectus are obtained (“**Stage 2**”);
  - (v) the procedures and documents required for submission of supplementary prospectus and replacement prospectus for registration; and
  - (vi) the documents required for post registration of prospectus.
- 1.2 The requirements set out in this Guidance Note also apply to a listed corporation that undertakes a corporate proposal which will result in a significant change in the business direction or policy of a listed corporation. However, when such a listed corporation issues new securities, the listed corporation must also comply with the requirements under Guidance Note 17, where applicable.

## PART I – APPLICATION PROCESS AND PROCEDURES

### 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 files with the Exchange a listing application together with supporting documents;
  - (b) applicant files with the Exchange the final copy of its prospectus together with supporting documents;
  - (c) Exchange grants approval for the admission of securities and approval-in-principle for the registration of prospectus;
  - (cA) Exchange registers the prospectus;
  - (d) applicant -
    - (i) issues its prospectus and the offer period opens, if the listing entails an offer of securities to the public;
    - (ii) advertises its 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 to the Exchange the indicative timetable of the initial public offering containing the information set out in paragraph 8.1 below;
  - (e) if the listing entails an offer of securities to the public, the applicant announces the level of subscription and the basis of allocation;
  - (f) applicant issues the securities and notices of allotment;
  - (g) applicant announces to the Exchange the relevant information in accordance with paragraph 8.2 below; and

- 
- (h) the securities are admitted to the Official List and quoted on the Exchange.

## **2A.0 Pre-admission consultation pack**

- 2A.1 An applicant must submit to the Exchange a pre-admission consultation pack at least 1 month prior to the filing of the listing application. The pre-admission consultation pack must be prepared in accordance with the form and content as specified by the Exchange which is made available on the Exchange's official website.
- 2A.2 An applicant must submit a new pre-admission consultation pack if a listing application has not been filed with the Exchange within 3 months from the date of submission of the pre-admission consultation pack under paragraph 2A.1 above.
- 2A.3 The submission of the pre-admission consultation pack under paragraphs 2A.1 and 2A.2 above must be accompanied with the relevant prescribed fee. This amount shall form part of the prescribed fees for the listing application.

## **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) an application, in the form of Part A of Annexure GN15-A; and
  - (b) the supporting documents specified in Part B of Annexure GN15-A.
- 3.2 An applicant which is a property investment and property development corporation must submit 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 of the Listing Requirements at least 1 month before filing of the listing application.
- 3.3 An applicant must file with the Exchange a new listing application if 6 months have lapsed from the date of filing the listing application under paragraph 3.1 above and the applicant intends to proceed with the proposal.
- 3.4 The Exchange may return any listing application which quality is deemed unsatisfactory or does not comply with the Listing Requirements.

## **4.0 Undertakings and confirmation**

- 4.1 An applicant must give the Exchange an undertaking in the form of Annexure GN15-B, together with a certified true extract of the applicant's board of directors' resolution authorising the signatory.
- 4.2 An applicant must ensure that -
- (a) every one of its directors, its promoters and its chief executive gives the Exchange an undertaking in the form of Annexure GN15-C; and
  - (a) every director who is or has been appointed as an independent director gives the Exchange a letter in the form of Annexure GN15-D.



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4.3 The undertakings and confirmation in paragraphs 4.1 and 4.2 above as well as undertakings from the advisers (other than the Sponsor) involved in the application for admission and preparation of prospectus must be submitted to the Exchange together with the submission of the pre-admission consultation pack under paragraph 2A.0 above.

**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:

(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

(ii) 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 may be prescribed by the Exchange from time to time, for the advertisement charges incurred or to be incurred by the Exchange pursuant to section 14(2) of the 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

(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.

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6.4 An applicant must submit an application for quotation for such reserved amount for which approval has been granted pursuant to paragraph 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, if any;
- (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 upon receipt of the relevant confirmation from the Depository that the shares 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 and ISIN code; and
- (d) sector and market under which the securities will be listed.

## **PART II – PROSPECTUS REGISTRATION PROCESS AND PROCEDURES**

### **9.0 General requirements**

9.1 An applicant must ensure the following when it makes an application to register a prospectus:

- (a) the information in the prospectus must be substantially complete except in relation to information that by its nature can only be finalised and incorporated after the relevant authorities' approvals for the corporate proposal have been obtained;

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- (b) the prospectus and all accompanying documents submitted to the Exchange must include an electronic copy of such documents in a text-searchable format, be easily identifiable and complete;
  - (c) all reports and letters contained in the prospectus must be dated and signed within a reasonable time, which generally should not be earlier than the latest practicable date; and
  - (d) all accompanying documents which are in a language other than Bahasa Malaysia or English, must be accompanied by a Bahasa Malaysia or English translation confirmed by the applicant or the Sponsor as being an accurate translation of the original documents.
- 9.2 An applicant must also ensure compliance with the general operational requirements as follows:
- (a) where any document is amended after submission of the prospectus, marked-up copies (including deletions of information) together with the corresponding electronic copy must be submitted to the Exchange;
  - (b) the name and designation of the person who has signed the document must be stated below his signature;
  - (c) where a written consent, a letter or report submitted to the Exchange, is issued by a business or professional firm, the signature appearing on such documents must be in the name of the firm and in the personal name of the signatory; and
  - (d) where a copy of the audited interim financial report is not available –
    - (i) the submission of the prospectus for purposes of registration at Stage 1 to the Exchange must not be later than 9 months after the end of the most recent financial year referred to in the prospectus; and
    - (ii) where the prospectus for registration at Stage 1 is submitted to the Exchange more than 6 months after the end of the most recent financial year referred to in the prospectus –
      - (aa) a copy of the unaudited interim financial report with the relevant management's discussion and analysis must be submitted to the Exchange; and
      - (bb) the end of the interim period must be within 3 months prior to the submission of prospectus to the Exchange.
- 9.3 The Exchange may return the prospectus if in its opinion –
- (a) the disclosure in the prospectus is incomplete or inadequate;
  - (b) the prospectus is not in its final or complete form; or
  - (c) the prospectus is not accompanied by all relevant materials or documents.

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**10.0 Application for waiver or modification**

- 10.1 An applicant which intends to apply for a waiver or modification of compliance with the required disclosure requirements of a prospectus, must submit to the Exchange –
- (a) an application for such waiver or modification at least 14 market days prior to the intended date of filing of the listing application; and
  - (b) the relevant supporting documents together with the prescribed fee.
- 10.2 An applicant and its Sponsor may consult the Exchange on any waivers or modifications of compliance with the required disclosure requirements of a prospectus, at any time prior to making the application in paragraph 10.1 above.
- 10.3 If an applicant intends to seek a waiver or modification from disclosing certain clauses of a material contract to be made available for public inspection, the applicant must provide specific justification for each clause of the material contract proposed to be redacted.
- 10.4 In granting the waiver or modification, the Exchange considers, among others, whether -
- (a) compliance with the requirements is unnecessary for the protection of persons who may normally be expected to deal in those securities and would reasonably be expected to understand the risks involved;
  - (b) compliance with the requirements would impose an unreasonable burden on the applicant;
  - (c) such waiver or modification is contrary to the intended purpose of the relevant requirement in the Listing Requirements; or
  - (d) there are mitigating factors which justify the said waiver or modification.

**11.0 Procedures relating to submission of prospectus for registration at Stage 1**

- 11.1 An applicant must submit to the Exchange, 3 copies of the prospectus together with the supporting documents specified in Part C of Annexure GN15-A, at the same time the listing application is filed with the Exchange.

**12.0 Prospectus Exposure**

- 12.1 An applicant must submit an electronic copy of the prospectus for prospectus exposure, at the same time the prospectus is filed with the Exchange under paragraph 11.1 above.
- 12.2 An applicant must ensure that the following statement is prominently displayed on the cover page of the prospectus in bold and a contrasting colour:

**“This document has not been registered by Bursa Malaysia Securities Berhad (“the Exchange”). The information in this document may be subject to further amendments before being registered by the Exchange. Under no circumstances shall this document constitute an offer for subscription or purchase of, or an invitation to subscribe for or purchase securities.”**

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- 12.3 For the purpose of prospectus exposure -
- (a) the following information disclosed in the electronic copy of the prospectus may be redacted:
    - (i) pricing of securities and related disclosures such as amount for utilisation of proceeds and pro forma effects of the issuance of the securities;
    - (ii) indicative timetable for the listing; and
    - (iii) salient terms of agreements relating to underwriting and cornerstone investors, if any; and
  - (b) the accountants' report and the pro forma letter need not be signed and dated.

### **13.0 Procedures relating to submission of prospectus for registration at Stage 2**

- 13.1 Upon receiving all relevant approvals required for the corporate proposal including the Exchange's approval for admission to the Official List and the approval-in-principle for the prospectus, an applicant must file with the Exchange, the documents specified in Part C of Annexure GN15-A before 12.30 pm at least 7 market days prior to the intended date of registration.
- 13.2 Notwithstanding paragraph 13.1 above, an applicant must submit a revised prospectus to the Exchange at least 14 market days prior to the intended date of registration, if the financial information in the prospectus has been updated after submission was made to the Exchange at Stage 1 under paragraph 11.1 above.
- 13.3 An applicant must submit a copy of the prospectus in Bahasa Malaysia and English, and where applicable, in any other language, for registration by the Exchange.

### **14.0 Registration of supplementary and replacement prospectus**

- 14.1 An applicant must submit the following to the Exchange before 12.30 pm within the specified timeframe:
- (a) a supplementary prospectus at least 3 market days prior to the intended date of registration; or
  - (b) a replacement prospectus at least 7 market days prior to the intended date of registration.
- 14.2 An applicant must include the documents under Part C of Annexure 15-A, where applicable, as part of the submission in paragraph 14.1 above.
- 14.3 If the submission is in relation to a registration of a supplementary or replacement prospectus, an applicant must, in addition to paragraph 14.2 above, also provide a list highlighting the original statements from the previously registered prospectus and the amended statements.

**15.0 Post registration of prospectus**

- 15.1 On the date of issuance of the prospectus, an applicant must provide the Exchange with a confirmation that –
- (a) the printed prospectus is the same as the prospectus registered by the Exchange; and
  - (b) where applicable, the electronic copy of the prospectus complies with the requirements under Rule 3.121 of the Listing Requirements.

## ANNEXURE GN15-A

## PART A

## Listing application for admission of securities

(paragraph 3.1(a); paragraph 3.1(a) of Guidance Note 16; Rule 5.02(5) 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	2.1 Initial Public Offerings ("IPO") <input type="checkbox"/>
		2.2 Proposals resulting in a significant change in business direction or policy of the listed corporation ("RTO") <input type="checkbox"/>
	Details of proposals which form part of the IPO/ RTO proposals	
	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"/>

<b>4.</b>	<b>INITIAL PUBLIC OFFERINGS (“IPO”)</b>		
<b>4A</b>	<b>Proforma public shareholdings spread</b>	<p>(a) <b><u>ORDINARY SHARES</u></b></p> <p>[ ]% and [ ] public shareholders</p> <p>(b) <b><u>CONVERTIBLE SECURITIES/ PREFERENCE SHARES</u></b></p> <p>[ ] Holders</p>	
<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>	<p>(a) Option 1:</p> <p>(b) Option 2:</p> <p>(c) Option 3:</p>	
<b>4D</b>	<b>Confirmation of chain listing</b>	<p>(a) Our Company is a subsidiary or holding company of a corporation currently listed on the Main Market or ACE Market of Bursa Malaysia Securities Berhad (“Exchange”)</p> <p>(b) All requirements relating to chain listing pursuant to Rule 3.03 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements (“LR”) have been complied with</p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>
<b>4E</b>	<b>Other confirmations</b>	<p>We confirm that:</p> <p>(a) The core business of the applicant is not the holding of investments in other listed corporations (Rule 3.04 of the LR)</p> <p>(b) The applicant has sufficient working capital available for its present requirements and for at least 12 months from the date of its prospectus for an IPO (Rule 3.05 of the LR)</p> <p>(c) The applicant complies with the requirement on management continuity pursuant to Rule 3.06 of the LR</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 Rule 3.10 of the LR.</p> <p>(e) The relevant laws, regulations, rules and requirements governing conduct of the business of the applicant and its group have been complied with.</p>	



**Annexure GN15-A**  
**Listing application for admission**

		(f) The submissions of tax returns and settlement of tax liabilities of the applicant, its subsidiaries and proposed subsidiaries, with the tax authorities, are up-to-date.
<b>4F</b>	<b>Undertakings</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 prior to 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 Rule 3.10 of the LR;</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 GN15-A, will be furnished to the Exchange on the first day of listing;</p> <p>(f) the following information on the moratorium on the sale of securities will be submitted to Depository prior to 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; and</p> <p style="padding-left: 40px;">(iii) the dates(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 prior to the listing and quotation of the securities will be met;</p> <p>(h) all allotment information of new securities will be submitted to Depository for the crediting of securities into the respective securities holders' accounts;</p> <p>(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;</p> <p>(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 above undertakings referred to in paragraphs (a) to (h) or of any circumstances or facts referred to in paragraph (i) above;</p>

**Annexure GN15-A**  
**Listing application for admission**

		(k) to announce to the Exchange the relevant information in accordance with paragraphs 8.1 and 8.2 of Guidance Note 15; and  (l) to announce the latest quarterly results, where applicable, at least 2 market days prior to the date of listing.
<b>5.</b>	<b>PROPOSALS RESULTING IN SIGNIFICANT CHANGE IN BUSINESS DIRECTION OR POLICY OF THE LISTED CORPORATION ("RTO")</b>	
<b>5A</b>	<b>Confirmation of Guidance Note 2</b>	(a) Our Company is a Cash Company Yes <input type="checkbox"/> No <input type="checkbox"/>  (b) The proposal(s) in item (2) #is/are a regularisation proposal as referred in Rule 8.03(5) of the LR Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>5B</b>	<b>Confirmation of Guidance Note 3 ("GN3")</b>	(a) Our Company is a GN3 Company Yes <input type="checkbox"/> No <input type="checkbox"/>  (b) The proposal(s) in item (2) #is/are a regularisation plan as referred in Rule 8.04(3) of the LR Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>5C</b>	<b>Confirmation of chain listing</b>	(a) Our Company is a subsidiary or holding company of a corporation currently listed on the Main Market or ACE Market of the Exchange Yes <input type="checkbox"/> No <input type="checkbox"/>  (b) All requirements relating to chain listing pursuant to Rule 3.03 of the LR have been complied with Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>5D</b>	<b>Ranking of the new securities</b>	The new securities #will/will not be listed and quoted as the existing listed securities of the same class.  If the new securities will be separately quoted on listing date, details of the non-entitlement(s):  _____  _____
<b>5E</b>	<b>Conditionality of proposals/ pricing</b>	(a) The issue price #is/ is not conditional upon any other proposal.  (b) This proposal #is/is not conditional upon any other proposal.

		<p>If in the affirmative, to provide details of the other corporate exercises, including the estimated time frame for completion:</p> <p>_____</p>
5F	Proforma public shareholdings spread	<p>(a) <b><u>ORDINARY SHARES</u></b></p> <p>[ ]% and [ ] public shareholders</p> <p>(b) <b><u>CONVERTIBLE SECURITIES/ PREFERENCE SHARES</u></b></p> <p>[ ] Holders</p>
5G	Other confirmations	<p>We confirm that:</p> <p>(a) The core business of the applicant is not the holding of investments in other listed corporations (Rule 3.04 of the LR)</p> <p>(b) The applicant has sufficient working capital available for its present requirements and -</p> <p>(i) in the case of an IPO, for at least 12 months from the date of its prospectus for an IPO; or</p> <p>(ii) in the case of an RTO, for at least 12 months from the date of its circular to shareholders seeking their approval to undertake the RTO.</p> <p>(c) The applicant complies with the requirement on management continuity pursuant to Rule 3.06 of the LR</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 Rule 3.10 of the LR.</p> <p>(e) The relevant laws, regulations, rules and requirements governing conduct of the business of the applicant and its group have been complied with.</p> <p>(f) The submissions of tax returns and settlement of tax liabilities of the applicant, its subsidiaries and proposed subsidiaries, with the tax authorities, are up-to-date.</p>
5H	Undertakings for RTO proposal	<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>

**Annexure GN15-A**  
**Listing application for admission**

		<p>(b) all notices of allotment will be issued and despatched to the entitled holders as expeditiously as possible and in any event, no 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 prior to 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 corporation 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 12.2 of Guidance Note 17, where applicable.</p>				
<b>6.</b>	<b>SHARE ISSUANCE SCHEME (AS PART OF AN IPO PROPOSAL)</b>					
<b>6A</b>	<b>Confirmation</b>	We confirm that the Share Issuance Scheme is in full compliance with Part G, Chapter 6 of the LR.				
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>_____ [Senior Officer or Authorised signatory (if Senior Officer is a committee) of the Sponsor]</p> <p>Name: Designation: Date:</p> </td> <td style="width: 50%; vertical-align: top;"> <p>_____ [Authorised signatory of the Sponsored Corporation]</p> <p>Name: Designation: Date:</p> </td> </tr> <tr> <td colspan="2" style="vertical-align: top;"> <p>_____ [Qualified Person of the Sponsor]</p> <p>Name : Designation: Date:</p> </td> </tr> </table>			<p>_____ [Senior Officer or Authorised signatory (if Senior Officer is a committee) of the Sponsor]</p> <p>Name: Designation: Date:</p>	<p>_____ [Authorised signatory of the Sponsored Corporation]</p> <p>Name: Designation: Date:</p>	<p>_____ [Qualified Person of the Sponsor]</p> <p>Name : Designation: Date:</p>	
<p>_____ [Senior Officer or Authorised signatory (if Senior Officer is a committee) of the Sponsor]</p> <p>Name: Designation: Date:</p>	<p>_____ [Authorised signatory of the Sponsored Corporation]</p> <p>Name: Designation: Date:</p>					
<p>_____ [Qualified Person of the Sponsor]</p> <p>Name : Designation: Date:</p>						

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**PART B****Documents to be filed with a listing application**

(paragraph 3.1(b); paragraph 3.1(b) of Guidance Note 16; Rule 5.02(5) of the Listing Requirements)

- (1) An applicant must file the following documents together with the submission of a listing application:
- (a) Cover letter signed by the authorised signatory of the Sponsor. The cover letter must specify the following:
    - (i) approval for the initial public offering and approval-in-principle for registration of prospectus being sought;
    - (ii) particulars of other required approvals obtained or pending in relation to the proposal, where applicable;
    - (iii) details of any departure from these Requirements, together with the relevant justification and waiver sought for such departure. Where waiver has been obtained, to provide details of such waiver;
    - (iv) information on previous proposals submitted to the Exchange, if any, by the applicant or any corporation in the group. If the applicant or any corporation in the group is or used to be a listed corporation, the information may be limited to the following:
      - (aa) major corporate proposals submitted to the Exchange. Examples of major corporate proposals include initial public offerings, chain listings, acquisitions resulting in a significant change in the business direction or policy of a listed corporation and corporate bonds or sukuk issuances; and
      - (bb) proposals submitted to the Exchange where the conditions imposed by the Exchange have yet to be fully complied with as at the date of the initial public offering proposal application to the Exchange;
    - (v) where applicable, information on any submission of previous material corporate proposals by the applicant or any corporation in the group to a stock exchange or securities regulator outside Malaysia since incorporation;
    - (vi) information on all material terms and conditions imposed by the relevant authorities on the applicant or the asset being acquired, and the extent to which these terms and conditions have been complied with. The Exchange may reject the proposals or impose appropriate conditions in the event of non-compliance with these terms and conditions; and
    - (vii) the name of the person who is responsible for submission of the application to the Exchange; and
  - (b) Pre-admission consultation pack and if there is any revision made to the pre-admission consultation pack after submission to the Exchange pursuant to paragraph 2A.0 above, an updated pre-admission consultation pack with a summary of the material changes.

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- (c) a certified true copy each of the constitution or constituent document including all amendments to-date, and a certified true 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 Rule 2.12 of the Listing Requirements and a checklist showing compliance with the relevant provisions of Chapter 7 of the Listing Requirements;
- (d) [deleted]
- (e) 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);
- (f) 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:

Particulars	No of shares	No of shareholders	Percentage %
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			

- 
- (g) list of existing and proposed substantial shareholders of the applicant and each of its existing or proposed subsidiary and associated companies, including–
- (i) their shareholdings in the corporation and the ultimate beneficial ownership of shares held under nominees or corporations;
  - (ii) any changes in substantial shareholders and their shareholdings in the corporation over the past three years or since the date of incorporation, if less than three years;
  - (iii) for individuals, their NRIC or passport numbers, ages, nationalities and current addresses; and
  - (iv) for corporations, their registration numbers, country of incorporation and current addresses;
- (h) a letter of undertaking duly executed by the following persons that they will comply with the moratorium requirements for the periods set out in Rule 3.19 or Rule 3.19A of the Listing Requirements, as the case may be:
- (i) in the case of an IPO -
    - (aa) each specified shareholder of the applicant, or where the specified shareholder is an unlisted corporation, all the direct and indirect shareholders of the specified shareholder (whether individuals or other unlisted corporations) up to the ultimate individual shareholders; and
    - (bb) each investor of the applicant who is not a specified shareholder and who has acquired the securities of the applicant within 12 months from the date of the submission of the listing application and at a price lower than the issue price offered to the general public in conjunction with the IPO; or
  - (ii) in the case of an RTO, the vendor of the assets, or where the vendor is an unlisted corporation, all the direct and indirect shareholders of the vendor (whether individuals or other unlisted corporations) up to the ultimate individual shareholders;
- (i) a letter from the applicant's Sponsor, confirming all approvals of relevant authorities have been obtained;
- (j) a copy each of all letters of approval from the relevant authorities;
- (k) a proposal as to classification of the applicant in a specific sector in the prescribed form;
- (l) [deleted];
- (m) a copy of the independent market research report prepared by an independent expert, if any, containing information about the industry and market in which the applicant operates that will aid investors' understanding about the applicant's business. The report must cover, amongst others, the background of the independent expert, an overview of the industry, commentary on the industry's size, outlook, prospects and competitive landscape, as well as an overview and appraisal of the applicant's business vis-à-vis the industry;

- 
- (n) details of conflict of interests situation (if any) as follows:
- (i) nature and extent of the conflict of interests or potential conflict of interests;
  - (ii) the parties to the conflicts; and
  - (iii) measures taken for resolving, eliminating or mitigating the situations of conflict of interests;
- (o) a declaration by the applicant and its controlling shareholder or where it is an RTO, a declaration by the vendor of the assets and its controlling shareholder and a declaration by the controlling shareholder of the listed corporation that -
- (i) in the last 10 years, it has not been charged or convicted in a criminal proceeding nor is it named subject of a pending criminal proceeding;
  - (ii) in the last 10 years, no judgment was entered against it, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on its part, involving a breach of law or regulatory requirement that relates to the capital market;
  - (iii) in the last 10 years, it was not subject to any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on its part that relates to the capital market;
  - (iv) it was not the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining it from engaging in any type of business practice or activity;
  - (v) it is not subject to any current investigation or disciplinary proceeding, or in the last 10 years, it has not been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency;
  - (vi) no unsatisfied judgment was made against it;
  - (vii) in the last 10 years, there was –
    - (aa) no petition under any insolvency laws filed (and not struck out) against it (for the applicant, vendor or controlling shareholder which is a corporation); or
    - (bb) no petition under any bankruptcy or insolvency laws filed (and not struck out) against the person or any partnership in which the person was a partner or any corporation of which the person was a director or member of key senior management (for the vendor or controlling shareholder who is an individual); and
  - (viii) it has not been disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation (for the controlling shareholder if it is an individual).



- 
- (p) declaration by directors and proposed directors of the applicant, or where it is an RTO, declaration by directors and proposed directors of the listed corporation, directors of the acquiree corporation and directors of the vendor of the assets that–
- (i) in the last 10 years, there was no petition under any bankruptcy or insolvency laws filed (and not struck out) against them or any partnership in which they were partners or any corporation of which they were directors or members of key senior management;
  - (ii) they have not been disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
  - (iii) in the last 10 years, they have not been charged or convicted in a criminal proceeding nor are they named subject of a pending criminal proceeding;
  - (iv) in the last 10 years, no judgment was entered against them, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on their part, involving a breach of law or regulatory requirement that relates to the capital market;
  - (v) in the last 10 years, they were not subject to any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on their part that relates to the capital market;
  - (vi) they were not the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining them from engaging in any type of business practice or activity;
  - (vii) they are not subject to any current investigation or disciplinary proceeding, or in the last 10 years, they have not been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
  - (viii) no unsatisfied judgments were made against them.
- (q) [deleted];
- (r) the NRIC/passport number, current address and nationality of the directors, chief executive and key management of the applicant and its subsidiaries;
- (s) confirmations by the Sponsor that –
- (i) the Sponsor has exercised due care and diligence in carrying out its functions in relation to the proposal;
  - (ii) reasonable steps have been taken by the Sponsor to satisfy itself that the applicant and the directors of the applicant understand that they must fully apprise themselves of their obligations in relation to the proposal including their obligations and liabilities under the securities laws, the relevant SC's guidelines, and these Requirements;

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- 
- (iii) after having made enquiries as were reasonable in the circumstances, the Sponsor has reasonable grounds to believe and does believe that –
    - (aa) the application complies with these Requirements;
    - (bb) the information in the application is not false or misleading and contains no material omission;
    - (cc) the prospectus contains all particulars and information that investors and where applicable, their professional advisers would reasonably require, and reasonably expect to find in the prospectus to make an informed assessment of the applicant, the proposal and where applicable, the securities being offered; and
    - (dd) all material issues bearing on the application and all matters known to the Sponsor which the Sponsor reasonably believes is necessary to be disclosed to the Exchange to enable the Exchange to consider:
      - (1) the application; and
      - (2) whether the proposal would be detrimental to the investors' interests, have been disclosed prominently in the application;
  - (iv) it has complied with Guidance Note 18 (together with a checklist showing compliance with Guidance Note 18), and
  - (v) the applicant has complied with Rule 2.20A of these Requirements.
  - (t) a letter of notification issued by the applicant for the appointment of stabilizing manager which 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

- 
- (u) 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.

## PART C

### Documents to be filed for registration of prospectus

(paragraph 11.1; paragraph 13.1; Rule 3.12A of the Listing Requirements)

- (1) An applicant must file the following documents together with the submission of prospectus for purposes of registration at Stage 1:
- (a) Cover letter signed by the authorised signatory of the Sponsor. The cover letter must specify the following:
    - (i) application to register the prospectus together with a checklist of compliance with Part B(A) of Chapter 3 of the Listing Requirements;
    - (ii) a confirmation that the prospectus complies with the disclosure requirements as set out in Part B(A) of Chapter 3 of the Listing Requirements;
    - (iii) a confirmation that the accompanying documents in the application are complete, duly signed and dated; and
    - (iv) a confirmation that the electronic copy of documents is the same as the physical copy of documents filed with the Exchange.
  - (b) a cheque drawn to the order of Bursa Malaysia Securities Berhad or such other proof of payment acceptable to the Exchange for the prospectus registration fees as may be prescribed by the Exchange from time to time;
  - (c) directors' and promoters' responsibility statement for the prospectus and, where applicable, the offerors' responsibility statement;
  - (d) certified true copy of the duly dated and signed letter of consent in the form specified in Annexure GN15-E from any person who has made a statement included in the prospectus or on which a statement made in the prospectus is based. A letter of consent is not required for a statement made in a prospectus that has been extracted from an official statement by:
    - (i) Malaysian and foreign governments including federal government, state government, province, county or municipality, a statutory or regulatory authority, or any agency or body carrying out a regulatory function; and
    - (ii) United Nations and its organisations;

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- 
- (e) certified true copies of all material contracts (regardless whether the contracts are in the applicant's ordinary course of business or not) or documents, referred to in the prospectus. For contracts not reduced into writing, a memorandum which gives full particulars of the contracts which must be verified by the due diligence legal adviser;
  - (f) certified true copies of the audited financial statements of the applicant for each financial year and period, where applicable, where the audited financial statements of the applicant have been included in the prospectus;
  - (g) certified true copy of any adviser's or expert's report referred to in the prospectus and if the prospectus contains a summary of such report, a certified true copy of the corresponding full report; and
  - (h) certified true copy of each existing or proposed service contract, which provide for benefits upon termination of employment, referred to in the prospectus.
- (2) An applicant must file the following documents together with the submission of prospectus for registration at Stage 2:
- (a) cover letter signed by the authorised signatory of the Sponsor. The cover letter must specify the following:
    - (i) a confirmation that all relevant conditions of approval, to be complied with before issuance of the prospectus, have been met;
    - (ii) a confirmation that all requisite approvals from other relevant authorities have been obtained;
    - (iii) a confirmation that the electronic copy of documents is the same as the physical copy of documents filed with the Exchange;
    - (iv) a confirmation that the consents from any person who has made a statement included in the prospectus or on which a statement made in the prospectus is based have not been withdrawn; and
    - (v) where a prospectus is in a language other than Bahasa Malaysia or English, a confirmation by the applicant or the Sponsor that such prospectus is an accurate translation of the Bahasa Malaysia or English prospectus;
  - (b) certified true copy of any material contract (regardless whether the contracts are in the applicant's ordinary course of business or not), report or document, referred to in the prospectus, which was entered into or updated after submission was made to the Exchange at Stage 1 under paragraph 11.1 above;
  - (c) where the financial information has been updated after submission was made to the Exchange at Stage 1 under paragraph 11.1 above, certified true copies of the audited financial statements of the applicant for the updated financial year or period, where applicable;
  - (d) where the applicant is a holding corporation, certified true copies of the audited financial statements of its subsidiaries for each financial year, in electronic form only; and

- (e) for any revision to the prospectus that was cleared by the Exchange at Stage 1 under paragraph 11.1, the following documents:
  - (i) marked-up copy of the revised prospectus; and
  - (ii) a confirmation from the Sponsor that –
    - (aa) the Sponsor has seen and confirmed the revisions made to the prospectus; and
    - (bb) the prospectus complies with the disclosure requirements as set out in Part B(A) of Chapter 3 of the Listing Requirements.

[End of Annexure]

## ANNEXURE GN15-B

**Undertaking by an applicant**

(paragraph 4.1; paragraph 4.1 of Guidance Note 16)

To  
Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Dear Sirs,

Compliance with ACE Market Listing Requirements and Rules of Bursa Malaysia Securities Berhad ("**Bursa Securities**")

In consideration of Bursa Securities accepting the submission of information and documents relating to the #proposed admission of ..... ("**Corporation**") to the Official List of Bursa Securities ("**Official List**") and proposed quotation of securities described in the Corporation's listing application / #corporate proposal which will result in a significant change in the business direction or policy of .... ("**Corporation**"), WE irrevocably and unconditionally UNDERTAKE AND AGREE to comply with Bursa Securities ACE Market Listing Requirements and the Rules of Bursa Securities, including any amendment as may be made from time to time, insofar as the same apply to the Corporation.

Further, in consideration of Bursa Securities approving the #application for admission of the Corporation to the Official List and for official quotation of the securities described in the Corporation's listing application / #corporate proposal which will result in a significant change in the business direction or policy of the Corporation, WE –

- (a) ACKNOWLEDGE that the Corporation shall remain on the Official List, and official quotation of any of the Corporation's securities shall continue only at the pleasure of Bursa Securities; and
- (b) irrevocably and unconditionally UNDERTAKE AND AGREE to comply with Bursa Securities ACE Market Listing Requirements and the Rules of Bursa Securities, including any amendment as may be made from time to time, insofar as the same 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 the authority granted to me by the resolution of the Board of Directors of the Corporation on....

Date:

Signature:

Name:

# Delete as appropriate

\*\* Applicable to a foreign applicant only.

[ End of Annexure]

## ANNEXURE GN15-C

**Undertaking by a director / promoter / chief executive of an applicant/listed corporation**

(paragraph 4.2(a); paragraph 4.2(a) of Guidance Note 16; Rule 8.18 and Rule 15.03(1) of the Listing Requirements)

To  
Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

## Compliance with ACE Market Listing Requirements

I, .....[name of director/promoter/chief executive], am a #director / #promoter / #chief executive of ..... [name (s) of applicant/listed corporation(s)] ("**Corporation(s)**") which #has/have submitted the information and documents to Bursa Malaysia Securities Berhad ("**Bursa Securities**") in relation to the proposed admission of the Corporation(s) to the Official List of the Bursa Securities ("**Official List**") / #is/are listed on the Official List of Bursa Securities ("**Official List**").

In consideration of Bursa Securities –

- (a) accepting the submission of information and documents relating to the proposed admission of the Corporation(s) to the Official List; or
- (b) #approving the Corporation(s)' application for admission to the Official List / allowing the continued listing of the Corporation(s) on the Official List,

I irrevocably and unconditionally UNDERTAKE AND AGREE to comply with Bursa Securities ACE Market Listing Requirements, including any amendment as may be made from time to time, insofar as the same apply to me as a #director / promoter / chief executive 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.

\*\* Passport No. & Country of Issuance

Designation:

Date:

# Delete as appropriate.

\*\* Applicable to a foreign director only

[ End of Annexure]

Annexure GN15-D  
Confirmation by an independent director

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ANNEXURE GN15-D

**Letter of confirmation by an independent director of an applicant/a listed corporation**

(paragraph 4.2(b); paragraph 4.2(b) of Guidance Note 16; Rule 8.18 and Rule 15.03(2) of the Listing Requirements)

To  
Bursa Malaysia Securities Berhad  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Confirmation of "independence" pursuant to ACE 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 the Bursa Securities / #is/are listed on the Official List of the Bursa Securities.

I CONFIRM AND DECLARE that I am an independent director as defined under Rule 1.01 of Bursa Securities ACE 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.

\*\* Passport No. & Country of Issuance

Designation:

Date:

Note:

# Delete as appropriate

\*\* Applicable to a foreign independent director only.

[ End of Annexure ]



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**ANNEXURE GN15-E****Letter of consent**

(paragraph 11.1; paragraph 13.1; paragraph (1)(e) in Part C of Annexure GN15-A, Rule 3.12A of the Listing Requirements)

[Date]

Board of Directors, [name of applicant]

Dear Sir,

[Name of applicant] – [identify the prospectus submitted to the Exchange] in relation to the [provide brief description of the proposal] (the “Proposal”)

We, [insert name of expert/adviser], named as [state capacity of expert/adviser in relation to the prospectus] in the [identify the prospectus submitted to the Exchange] in relation to the Proposal, do hereby consent to act in that capacity in relation to the [identify the prospectus submitted to the Exchange].

We have given and have not subsequently withdrawn our written consent before the date of issue of the [identify the prospectus submitted to the Exchange] with the inclusion of the following:

- (i) our name and all references thereto; and
- (ii) [in the case of a report or letter, insert the title of the report or letter],

in the form and context in which they are included in the [identify the prospectus submitted to the Exchange].

Yours faithfully,

[signature]

[insert name of firm and the authorised persons of the firm, or of the individual expert/adviser, as the case may be]

[ End of Annexure ]

**BURSA MALAYSIA SECURITIES BERHAD****GUIDANCE NOTE 16****LISTING PROCEDURES FOR FOREIGN LISTING AND PROSPECTUS  
REGISTRATION**

Details		Cross References
Effective date:	3 August 2009	Rule 5.02
Revision date:	2 January 2018, 1 January 2022	

**1.0 Introduction**

1.1 This Guidance Note sets out the following requirements in relation to a listing application and prospectus registration by a foreign corporation seeking a primary listing on the ACE Market under Rule 5.02:

- (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, its promoters, chief executive and directors;
- (cA) the requirements and procedures for registration of prospectus; and
- (d) other relevant requirements.

**2.0 Procedures relating to a primary listing of foreign corporation**

2.1 The procedures relating to admission set out in paragraph 2.0 of Guidance Note 15 apply to the listing of a foreign corporation seeking a primary listing on the ACE Market.

**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 GN15-A; and
- (b) the supporting documents specified in Part B of Annexure GN15-A and Annexure GN16-A.

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3.2 The Exchange may return any listing application which quality is deemed unsatisfactory or does not comply with the Listing Requirements.

#### **4.0 Undertaking**

4.1 An applicant must give the Exchange an undertaking in the form of Annexure GN15-B, together with a certified true extract of the applicant's board of directors' resolution authorising the signatory.

4.2 An applicant must ensure that -

(a) every one of its directors, its promoters and its chief executive gives the Exchange an undertaking in the form of Annexure GN15-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 GN15-D.

4.3 The undertakings and confirmation in paragraphs 4.1 and 4.2 above as well as undertakings from the advisers (other than the Sponsor) involved in the application for admission and preparation of prospectus must be submitted to the Exchange together with the submission of the pre-admission consultation pack under paragraph 2A.0 of Guidance Note 15.

#### **5.0 Prospectus registration requirements and procedures**

5.1 The requirements and procedures relating to prospectus registration as set out in Part II of Guidance Note 15 apply, with the necessary modifications, to the registration of prospectus by a foreign corporation seeking a primary listing on the ACE Market.

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**Annexure GN16-A**  
**Documents to be filed with a listing application**

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**ANNEXURE GN16-A**

**Documents to be filed with a listing application**  
(paragraph 3.1(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, a copy of the applicant's certificate of registration issued by the Registrar under Division 1 of Part V of the Companies Act; and
  - (d) a comparison of the standards of laws and regulations of the jurisdiction in which the applicant is incorporated and those provided in Malaysia, together with the proposed variations to its constituent documents, in cases where the jurisdiction of incorporation does not have the requisite standards.
- (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.

[ End of Annexure ]

## BURSA MALAYSIA SECURITIES BERHAD

### GUIDANCE NOTE 17

#### LISTING PROCEDURES FOR NEW ISSUES OF SECURITIES AND SUBDIVISION OF SHARES

Details	Cross References
Effective date:	3 August 2009
Revision date:	3 January 2012, 26 September 2012, 27 January 2015, 1 April 2015, 13 July 2015, 2 January 2018, 13 August 2020, 1 January 2022
	Rules 6.02, 6.02A, 6.12, 6.18B 6.47, 6.50 and 13.04

#### 1.0 Introduction

1.1 This Guidance 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 Requirement:

- (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;
- (bA) the requirements and procedures for registration of an abridged prospectus in respect of a rights issue; 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 corporation, the listed corporation must comply with the requirements under Guidance Note 15, where applicable, as if it were an applicant seeking admission to the Official List. However, when such a listed corporation issues new securities, the listed corporation must also comply with the requirements under this Guidance 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 a new issue of securities by a listed corporation, which do not fall within paragraphs 3.0 or 4.0 below, with the necessary modifications, as may be applicable -

**Listing Procedures for New Issues of Securities and Subdivision of Shares**

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- (a) listed corporation immediately announces the new issue of securities to the Exchange upon the approval of the board of directors of the listed corporation;
- (b) listed corporation 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;
- (bA) listed corporation files with the Exchange the draft copy of the abridged prospectus together with supporting documents (in the case of a rights issue);
- (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 abridged prospectus and draft circular;
- (d) listed corporation obtains shareholder approval, if required;
- (e) listed corporation fixes relevant books closing and entitlement dates, where applicable and immediately announces such dates to the Exchange;
- (eA) Exchange registers the abridged prospectus;
- (f) listed corporation issues and allots the securities;
- (g) listed corporation 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 bonus issue**

3.1 The following procedures apply to the listing of -

- (a) a bonus issue of securities by a listed corporation; 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 corporation immediately announces the bonus issue to the Exchange upon the approval of the board of directors of the listed corporation;
- (ii) listed corporation 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 corporation obtains shareholder approval;

**Listing Procedures for New Issues of Securities and Subdivision of Shares**

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- (v) listed corporation 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 Rule 6.36 of the Listing Requirements;
- (vi) listed corporation issues and allots the securities. Where the bonus issue is a Specified Bonus Issue, the listed corporation must issue and allot the securities on the books closing date;
- (vii) listed corporation 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 above are as follows:

- (a) listed corporation immediately announces the new issue of securities to the Exchange upon the approval of the board of directors of the listed corporation being given;
- (b) listed corporation 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 corporation obtains its shareholder approval, if required;
- (e) listed corporation fixes relevant books closing and entitlement dates, where applicable and immediately announces such dates to the Exchange;
- (f) listed corporation issues and allots the additional securities;
- (g) listed corporation announces listing of the additional securities in accordance with paragraph 12.2 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 to form part of 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.

#### **4A.0 Procedures relating to a subdivision of shares**

4A.1 A listed corporation 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 GN17-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 corporation 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 GN17-B; and
- (b) the supporting documents specified in Part B of Annexure GN17-B.

6.2 Subject to paragraph 6.3 below, a listed corporation 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 GN17-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.

6.4 The Exchange may return any application which quality is deemed unsatisfactory or does not comply with the Listing Requirements.

#### **7.0 Listing and quotation application form for redeemable preference securities**

7.1 For a listing application for redeemable preference shares, in addition to the documents set out in paragraph 6.1 above, a listed corporation must also include the following:

- (a) the information set out in Part D of Annexure GN17-B, subject to the necessary adaptations; and
- (b) the supporting documents specified in Part E of Annexure GN17-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 corporation must also file with the Exchange together with the listing application, the supporting documents specified in Part F of Annexure GN17-B.



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**PART I(A) – REGISTRATION OF ABRIDGED PROSPECTUS****8A.0 General**

8A.1 In addition to the relevant requirements in Part I above, a listed corporation undertaking a rights issue must also comply with this Part I(A) in relation to the registration of an abridged prospectus.

8A.2 A listed corporation must comply with paragraphs 9.0 and 10.0 in Part II of Guidance Note 15, with the necessary modifications, when it makes an application to register an abridged prospectus. For this purpose, reference to prospectus in the said paragraphs shall mean the abridged prospectus.

**8B.0 Procedures relating to registration of abridged prospectus for a rights issue**

8B.1 A listed corporation undertaking a rights issue must do the following:

- (a) notify the Exchange of the intention to submit the abridged prospectus for registration on the day the book closing date is announced on the Exchange and include the information as set out in Part G of Annexure GN17-B; and
- (b) submit the abridged prospectus in English to the Exchange before 12:30 p.m. at least 3 market days prior to the ex-rights date together with the supporting documents as set out in Part G(A) of Annexure GN17-B.

8B.2 If a supplementary or replacement abridged prospectus is issued, a listed corporation must submit the supplementary or replacement abridged prospectus to the Exchange before 12:30 p.m. at least 3 market days prior to the intended date of registration, accompanied by the following:

- (a) the documents required under Part G(A) of Annexure GN17-B; and
- (b) if the submission is in relation to a registration of a supplementary or replacement abridged prospectus, a list highlighting the original statements from the previously registered abridged prospectus and the amended statements.

8B.3 Apart from paragraphs 11.0, 12.0, 13.1, 13.2, 14.0 of Guidance Note 15, the prospectus registration process and procedures set out in Part II of Guidance Note 15 apply, with necessary modifications, to the registration of an abridged prospectus in respect of a rights issue.

8B.4 After registration of the abridged prospectus, a listed corporation must -

- (a) on the date of issuance of the abridged prospectus, provide the Exchange with the confirmations as set out in paragraph 15.1 of Guidance Note 15 and 2 copies of the printed abridged prospectus; and
- (b) within 2 market days before the listing of the rights shares, submit to the Exchange the summary of information as set out in Part G(B) of Annexure GN17-B in the manner prescribed by the Exchange.

**PART II – OTHER RELEVANT REQUIREMENTS****9.0 Listing of issued and unissued securities**

9.1 A listed corporation must comply with paragraph 6.0 of Guidance Note 15 as if it were the applicant, with the necessary modifications. For this purpose, the “**approval**” referred to in paragraph 6.0 of Guidance Note 15 includes an “**approval-in-principle**”.

**10.0 Crediting of securities**

10.1 Subject to paragraph 10.3 below, a listed corporation 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.

10.2 For the above purpose, the listed corporation 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.

10.3 Paragraph 10.1 above does not apply where a listed corporation is specifically exempted from compliance with section 38 of the Securities Industry (Central Depositories) Act 1991.

**11.0 Issue or allotment of securities**

11.1 A listed corporation 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.

**12.0 Announcement in relation to a new issue of securities or subdivision of shares**

12.1 If a listed corporation fails to make an application to 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.

12.2 Where the additional securities are listed in accordance with the procedures set out in paragraph 4.0 above, a listed corporation 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 corporation after the proposal indicating the number of shares (in unit and RM).

## ANNEXURE GN17-A

Summary of listing procedures  
(paragraph 5.0)

No.	Proposals	Procedures Applicable (paragraph of Guidance Note 17)	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 GN17-A**  
**Summary of listing procedures**

No.	Proposals	Procedures Applicable (paragraph of Guidance Note 17)	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

**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 Rule 6.36(3) of the Listing Requirements.
- (e) “**Specified Bonus Issue**” has the meaning given to it in Rule 6.01(4) of the Listing Requirements.

[End of Annexure]

**Annexure GN17-B**  
**Listing application for new issue of securities or subdivision of shares**

**ANNEXURE GN17-B**

**Part A**

**Listing application in relation to a new issue of securities or subdivision of shares**  
 (paragraphs 6.1(a), 7.1 and 8.1)

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 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 _____ .....% _____

## Listing application for new issue of securities or subdivision of shares

3.	<b>Confirmation by listed corporation</b>	<p>We, the listed corporation, 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 (“Exchange”) ACE Market Listing Requirements (“LR”) or the Rules of Bursa Malaysia Securities Berhad (“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>
4.	<b>Confirmation by directors of listed corporation</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 five 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>
5.	<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>
6.	<b>Confirmation of Guidance Note 2</b>	<p>(a) Our Company is a Cash Company Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(b) The proposal(s) in item (2) #is/are a proposal to regularise the Cash Company’s condition as referred to in Rule 8.03(5) of the LR Yes <input type="checkbox"/> No <input type="checkbox"/></p>
7.	<b>Confirmation of Guidance Note 3 (“GN3”)</b>	<p>(a) Our Company is a GN3 Company Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(b) The proposal(s) in item (2) #is/are a proposal to regularize the GN3 Company’s condition as referred to in Rule 8.04(3) of the LR Yes <input type="checkbox"/> No <input type="checkbox"/></p>

Annexure GN17-B  
Listing application for 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	Additional information for redeemable preference shares as set out in Part D, Annexure GN17-B is attached <input type="checkbox"/>
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 corporations 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>

## Listing application for new issue of securities or subdivision of shares

13.	<b>Issuance of securities on non-pro rata basis</b>	<p>Where the new issuance of securities is on a non-pro rata basis - <input type="checkbox"/></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.</p> <p>Note: Where the identified placees are nominee corporations or funds, the names of the ultimate beneficiaries must be disclosed.</p>
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 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 Rule 8.02(1) of the LR, details of the public shareholdings as per Part B(1)(d) of Annexure GN15-A 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 Rule 6.31 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 Rule 6.31(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 Rule 6.31(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>



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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>
17C	<b>Conditionality</b>	<p>(i) The bonus issue/subdivision of shares is not conditional upon another corporate proposal <input type="checkbox"/></p> <p>(ii) The bonus issue is conditional upon a concurrent subdivision or consolidation <input type="checkbox"/></p> <p>(iii) 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>
17D	<b>Undertakings for bonus issue/subdivision of shares</b>	<p>We undertake the following:</p> <p>(i) 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>(ii) 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>(iii) the new securities will be listed and quoted as the existing listed securities of the same class;</p> <p>(iv) 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>(v) 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>(vi) to immediately inform the Exchange upon becoming aware, after submission of the listing application, that the listed corporation has failed to meet any of the above undertakings referred to in paragraphs (i) to (iv) or of any circumstances or facts referred to in paragraph (v) above.</p>

## Listing application for 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 Sponsor or Adviser, as the case may be</b>	<p>We confirm that –</p> <p>(i) Rule 6.04 of the LR has been complied with <input type="checkbox"/></p> <p>(ii) Rule 6.05 of the LR has been complied with <input type="checkbox"/></p>
<b>19.</b>	<b>CORPORATE PROPOSALS WHICH FALL UNDER PARAGRAPHS 4.1 AND 4.2 OF GUIDANCE NOTE 17</b>	
<b>19A</b>	<b>Undertakings for corporate proposal which applies 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 corporation 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 12.2 of Guidance Note 17.</p>
<p>_____          [Authorised signatory of the Sponsor/Adviser]          Name:          Designation:          Date:</p>		<p>_____          [Authorised signatory of the listed corporation]          Name:          Designation:          Date:</p>

**Annexure GN17-B**

**Listing application for 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 and 8.1)

- (1) A listed corporation 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 and circular;
  - (b) a certified true copy of the relevant resolution passed by securities holders in general meeting;
  - (c) a letter from the listed corporation's Sponsor or Adviser, as the case may be, 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 corporation 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 Rule 6.31(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 Guidance Note 17, 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 corporation 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 corporation instead of the Sponsor or Adviser, as the case maybe, 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
  - (c) a Specified Bonus Issue of equity securities.

**Annexure GN17-B**

**Listing application for new issue of securities or subdivision of shares**

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**Part C****Documents to be filed with a quotation application for a new issue of securities**  
(paragraph 6.2)

- (1) A listed corporation must file the following documents in support of quotation application for a new issue of securities:
  - (a) a confirmation from the listed corporation 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 corporation 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 listed corporation's Sponsor or Adviser, as the case may be, 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 listed corporation's Sponsor or Adviser, as the case may be, 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 listed corporation's Sponsor or Adviser, as the case may be, 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 GN17-B.
  
- (2) The relevant confirmations in subparagraphs (1)(e), (f) or (g) above may be provided by the listed corporation instead of the Sponsor or Adviser, as the case may be, 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.

**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 corporation must file a copy of its constitution in support of a listing application for redeemable preference shares.

**Part F****Additional supporting documents to be filed with a listing application for convertible securities**  
(paragraph 8.1)

- (1) A listed corporation 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 corporation must submit a separate exhibit explaining why such document is not applicable.

**Part G****Information to be included in the notification of intention to submit an abridged prospectus**  
(paragraph 8B.1(a))

- (1) Registration number of the listed corporation.
- (2) Name, national registration identity card or passport number and nationality of each director and substantial shareholder of the listed corporation.
- (3) Name and signatory of each expert, and licence number or registration number, where applicable.

**Annexure GN17-B**

**Listing application for new issue of securities or subdivision of shares**

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**Part G(A)****Documents to be submitted for registration of abridged prospectus**  
(paragraphs 8B.1(b) and 8B.2(a))

Cover letter signed by the authorised signatory of the Sponsor or Adviser executing the listing application. The cover letter must specify the following:

- (a) application to register the abridged prospectus together with a checklist of compliance with Rules 6.18A, 6.18B of the Listing Requirements and Guidance Note 23;
- (b) a confirmation that the abridged prospectus complies with the disclosure requirements as set out in Rules 6.18B of the Listing Requirements and Guidance Note 23;
- (c) a confirmation that the accompanying documents in the application are complete, duly signed and dated;
- (d) a confirmation that all relevant conditions of approval, to be complied with before issuance of the abridged prospectus, have been met;
- (e) a confirmation that all requisite approvals from other relevant authorities have been obtained;
- (f) a confirmation that the electronic copy of documents is the same as the physical copy of documents submitted to the Exchange;
- (g) where an abridged prospectus is in any other language in addition to English, a confirmation by the listed corporation or the Sponsor or Adviser that such abridged prospectus is an accurate translation of the English abridged prospectus;
- (h) a cheque drawn to the order of Bursa Malaysia Securities Berhad or such other proof of payment acceptable to the Exchange for the abridged prospectus registration fees as may be prescribed by the Exchange from time to time;
- (i) a letter of undertaking duly executed by any adviser appointed to prepare the abridged prospectus and chief executive of the listed corporation that they will comply with the standard and duty of disclosure in prospectus as prescribed in Rule 3.12C of the Listing Requirements;
- (j) directors' responsibility statement for the abridged prospectus;
- (k) certified true copy of the letter of consent in the form specified in Annexure GN15-E from any person who has made a statement included in the abridged prospectus or on which a statement made in the abridged prospectus is based. A letter of consent is not required for a statement made in the abridged prospectus that has been extracted from an official statement by:
  - (i) Malaysian and foreign governments including federal government, state government, province, county or municipality, a statutory or regulatory authority, or any agency or body carrying out a regulatory function; and
  - (ii) United Nations and its organisations;
- (l) certified true copies of all material contracts disclosed or documents referred to in the abridged prospectus. For contracts not reduced into writing, a memorandum which gives full particulars of the contracts which must be verified by a due diligence legal adviser;
- (m) certified true copy of any adviser's or expert' report referred to in the abridged prospectus and if the abridged prospectus contains a summary of such report, a certified true copy of the corresponding full report;

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**Listing application for new issue of securities or subdivision of shares**

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- (n) certified true copy of the underwriting agreement; and
- (o) a copy of the circular to shareholders.

**Part G(B)**

**Summary information to be submitted after registration of the abridged prospectus**  
(paragraph 8B.4(b))

- (1) Name of shareholder and its shareholding as at the entitlement date.
- (2) Total number of excess securities available for allocation.
- (3) Number of excess rights securities applied for.
- (4) Total number of applicants and list of the successful applicants for the application of excess rights securities.
- (5) Number of excess securities allotted in each round.
- (6) The basis of allotment, underlying formula and explanations on the applied formula in respect of the application of excess rights securities.

[End of Annexure]

**BURSA MALAYSIA SECURITIES BERHAD****GUIDANCE NOTE 18****ROLES AND RESPONSIBILITIES OF SPONSORS**

Details		Cross References
Effective date:	3 August 2009	Rules 3.02(4), 4.05A, 4.06, 4.07 and 6.02(4)
Revision date:	3 August 2009, 13 July 2015, 2 January 2018, 1 January 2022	

**1.0 Introduction**

1.1 Rule 3.02(4) of the Listing Requirements provides that the Sponsor appointed by an applicant is responsible to assess the suitability of the applicant seeking admission to the Official List.

1.1A Rule 4.05A of the Listing Requirements provides as follows:

“(1) A Sponsor appointed to submit a Specific Proposal must –

- (a) be primarily responsible for the Specific Proposal, and if there is more than 1 Sponsor for the Specific Proposal, all Sponsors are jointly and severally responsible for the Specific Proposal;
- (b) assign and identify at least a Qualified Person and Senior Officer for each Specific Proposal;
- (c) have clear and effective reporting lines so that decisions on critical matters are made by the Senior Officer, its management committee or board of directors in accordance with its policies and procedures; and
- (d) notify the Exchange if there is any change to the Qualified Person or Senior Officer before completion of the Specific Proposal.

(2) A Sponsor, its Qualified Person and Senior Officer must comply with the Listing Requirements when submitting a Specific Proposal to the Exchange. The submission must include an undertaking by the Qualified Person and Senior Officer (including subsequently those who were appointed in the event of a change under sub-Rule (1)(d) above) in the form of Appendix 4B, to comply with the Listing Requirements.”

1.2 Rule 4.06 of the Listing Requirements provides that before sponsoring an applicant, a Sponsor must have a sound understanding and updated knowledge of the applicant, its business, operations, the industry it operates in and any other issues that might affect the business, operations and industry of the applicant.



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- 1.3 Rule 4.07 of the Listing Requirements provides as follows:
- “(1) A Sponsor must assess the suitability of an applicant seeking admission to the Official List.*
  - (2) In assessing whether an applicant is suitable for listing, a Sponsor must make due and careful enquiries and consider all relevant matters, including the following:*
    - (a) the prospects of an applicant’s business;*
    - (b) the applicant’s corporate governance record;*
    - (c) the suitability, efficacy and past corporate conduct of the board of directors and key management;*
    - (d) the nature and extent of conflict of interests or potential conflict of interests, if any;*
    - (e) whether the applicant has sufficient systems, procedures, policies, controls and resources to comply with these Requirements and that its directors understand their obligations under these Requirements;*
    - (f) whether the applicant has adequate internal control and risk management systems; and*
    - (g) that the admission of the applicant to the Official List is not detrimental to the interest of investors or does not undermine public interest.*
  - (3) A Sponsor must, in relation to the preparation of the Public Document, comply with the equivalent obligations and standards imposed on a Submitting Party under the SC’s Guidelines on Submission of Corporate and Capital Market Product Proposals, where applicable.*
  - (4) A Sponsor must consider and advise on the competency and suitability of other advisers and experts involved in the listing of the applicant.*
  - (5) The Exchange may ask a Sponsor to demonstrate its compliance with sub-Rules (2) to (4) above.”*
- 1.4 Rule 6.02(4) of the Listing Requirements provides that a listed corporation must submit a listing application relating to a new issue of securities under Chapter 6 through a Sponsor or an Adviser, as the case may be.
- 1.5 This Guidance Note clarifies the obligations of a Sponsor or an Adviser as follows:
- (a) assessing the suitability of an applicant seeking admission to the Official List or a listed corporation undertaking a corporate proposal which will result in a significant change in the business direction or policy of a listed corporation (collectively referred to as **“Applicant”**), as set out in paragraphs 2.0 to 11.0 of this Guidance Note; and
  - (b) advising a listed corporation on any new issue of securities as set out in paragraphs 5.0, 6.0, and 11.0 of this Guidance Note, with necessary modification and adaptation.
- 1.6 In addition, where a Sponsor is appointed to submit a Specific Proposal, this Guidance Note also clarifies the obligations of a Senior Officer and Qualified Person assigned to such Specific Proposal as set out in paragraph 12 of this Guidance Note.

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## 2.0 Sound understanding of an Applicant

- 2.1 A Sponsor must achieve a sound understanding and updated knowledge of the Applicant, its business, operations, the industry it operates in and any other issues that might affect the business, operations and industry of the Applicant. A Sponsor may use its in-house specialists, appoint independent external experts or procure professional or legal advice to achieve this.
- 2.2 In fulfilling paragraph 2.1 above, a Sponsor should at least do the following:
- (a) ensure that it has, or has access to, appropriate knowledge of the Applicant's area of business (taking into consideration its country of incorporation and operation);
  - (b) consider the Applicant's sector, proposition, business plan, business structure, historical financial information and other corporate information;
  - (c) consider any issues relating to the Applicant's country of incorporation, operation and any other issues which might affect its appropriateness and suitability for listing; and
  - (d) visit the Applicant's office or material site(s) of operation and meet the directors and key managers.

## 3.0 Prospects of an Applicant

- 3.1 Generally, a Sponsor must consider, amongst others, whether -
- (a) the business is likely to succeed;
  - (b) the business has potential for profitable operations and wealth creation;
  - (c) the Applicant has adequate resources to realise its potential; and
  - (d) the Applicant has a sustainable position in the industry having regard to its competitiveness, availability of alternative products or services, government policies and incentives, and the economy.
- 3.2 Generally, a Sponsor should not regard an Applicant as being suitable for listing if -
- (a) the Applicant's business is loss making;
  - (b) the Applicant's business shows declining profits which may raise doubt on its potential; or
  - (c) the Applicant suffers from low profitability and without any growth in financial results, unless the Sponsor is able to demonstrate to the Exchange that -
    - (i) the Applicant is an innovative company involved either in technology-based business activities or research and development;
    - (ii) the Applicant has taken steps to improve its financial performance; or
    - (iii) the Applicant has a strategy to revive its business in the future,and there are acceptable justifications on the prospects of the Applicant's business.

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**4.0 Corporate governance record**

- 4.1 A Sponsor must consider the Applicant's corporate governance record. This includes whether there has been any previous action taken against the Applicant or its promoters for any breach of relevant laws, guidelines or rules including those issued by the SC or the Exchange or both, or for failure to comply with any instruction, directive, or condition imposed by the Exchange including the Listing Requirements.
- 4.2 Where the Applicant is a foreign corporation, the Sponsor must consider the extent of compliance by the Applicant or its promoters with the relevant foreign laws, applicable guidelines or rules issued by the relevant regulatory authorities.

**5.0 Suitability, efficacy and past corporate conduct of the board of directors and key management**

- 5.1 A Sponsor must investigate and assess the suitability of each (proposed) director and consider the efficacy of the board of directors as a whole for the Applicant's needs, as follows:
- (a) issue and review directors' questionnaire and review directors' curriculum vitae;
  - (b) verify the information revealed in the above questionnaires and curriculum vitae, for example by conducting press searches, Companies Commission of Malaysia checks, bankruptcy checks, taking-up references and, where appropriate, obtaining third party checks. For directors who are not Malaysian-based, appropriate investigations should be undertaken;
  - (c) analyse any issue arising from these review or investigations and in particular on how they can affect the appropriateness and suitability of the Applicant's listing; and
  - (d) consider each director's suitability and experience in relation to their (proposed) role in ensuring an effective operation of the Applicant's business and consider whether each (proposed) director is suitable to be a director of a Malaysian public listed corporation.
- 5.2 In considering each (proposed) director's suitability and experience provided under paragraph 5.1(d) above, the Sponsor must be satisfied that the (proposed) directors of the Applicant individually and collectively have the experience, qualifications and competence to manage the Applicant's business and comply with the Listing Requirements and other legal or regulatory requirements relevant to their roles.
- 5.3 The character and integrity of the (proposed) directors of the Applicant will be a relevant factor for consideration. In considering whether the (proposed) directors have the character and integrity expected of a listed corporation, the Sponsor must take into account the disclosures made in the questionnaire and curriculum vitae as provided under paragraph 5.1(a) by each (proposed) director.
- 5.4 A Sponsor must also investigate into the past corporate conduct of the (proposed) directors of an Applicant to determine their integrity. A Sponsor must be satisfied that in compliance with paragraph 5.3 above, no person is appointed or allowed to act as a director of the Applicant or be involved whether directly or indirectly in the management of the Applicant, including acting in an advisory capacity in relation to the Applicant, 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 Companies Act,

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.

5.5 Where appropriate, a Sponsor must extend the investigations and assessment specified in paragraph 5.1 above to the following persons:

- (a) each member of the key management when considering the efficacy of the key management as a whole for the Applicant's needs; and
- (b) the promoters of the Applicant.

## 6.0 Conflict of interests

6.1 A Sponsor must assess all aspects of the Applicant's business to determine whether there is, or is likely to exist, any situation of conflict of interests, including conflicts in relation to the Sponsor's role as a Sponsor to the Applicant.

6.2 An Applicant must resolve, eliminate or mitigate all conflicts of interests. The Sponsor must not submit any listing application to the Exchange if there is a conflict of interests which has not been satisfactorily addressed.

6.3 An Applicant and its Sponsor must consider the following factors to determine if a conflict of interests arises:

- (a) whether any interested persons (which includes directors, major shareholders and chief executive) of the Applicant or its subsidiary company(ies) have personal financial interests which are in conflict with those of the Applicant or its subsidiary companies;
- (b) whether the relationship between a major shareholder and the Applicant or its subsidiary company(ies) could result in a conflict between the Applicant's obligations towards that major shareholder and its duties to the general body of shareholders;
- (c) whether the professional judgment of any interested persons to act in the best interests of the Applicant or its subsidiary company(ies) is compromised;
- (d) whether any interested person is otherwise engaged in an activity which detracts time and commitment from managing the Applicant or its subsidiary company(ies); and
- (e) whether the conflict is significant in relation to the nature, scale and complexity of the businesses of the Applicant or its subsidiary company(ies).

6.4 A Sponsor must ensure that all trade debts exceeding the normal credit period and all non-trade debts, owing by the interested persons to the Applicant or its subsidiary company(ies), are fully settled before the Applicant's listing on the Official List.

- 6.5 An Applicant and its Sponsor must declare the following in the listing application:
- (a) nature and extent of the conflict of interests or potential conflict of interests (if any);
  - (b) the parties to the conflicts; and
  - (c) measures taken for resolving, eliminating, or mitigating the situations of conflict of interests.

#### **7.0 Sufficient systems, procedures, policies, controls and resources**

- 7.1 A Sponsor must be satisfied that the Applicant has in place sufficient systems, procedures, policies, controls (including accounting and management systems) and resources which are adequate to comply with the Listing Requirements and other relevant legal and regulatory requirement, and which are sufficient for the Applicant's directors to make a proper assessment of the financial position and prospects of the Applicant and its subsidiary companies, both before and after listing.
- 7.2 A Sponsor must be satisfied that the Applicant's directors understand their obligations under the Listing Requirements, including -
- (a) being satisfied that the Applicant's directors have been advised of their, and the Applicant's, continuing listing obligations and responsibilities; and
  - (b) being satisfied that the Applicant's directors are aware when they should consult with and seek advice from their Sponsor.

#### **8.0 Adequate internal control and risk management systems**

A Sponsor must be satisfied that the Applicant has adequate internal controls and risk management systems for compliance with applicable laws and regulations.

#### **9.0 Investor and public interest**

A Sponsor must consider whether the listing application by an Applicant would be detrimental to the interest of investors or undermine public interest.

#### **10.0 [Deleted]**

#### **11.0 Competency of other professionals and experts**

- 11.1 When considering and advising on the suitability and competence of other professionals and experts including the Applicant's reporting accountants and ongoing auditors, a Sponsor must base its assessment at a minimum on qualification, competency, reputation, track record, relevant experience and adequacy of resources.
- 11.2 Where such professionals and experts are appointed, the Sponsor must -
- (a) determine the terms of reference of such professionals and experts including the scope and extent of the task to be undertaken by them; and

- (b) take steps to ensure that the task undertaken by such professionals and experts is acceptable and adequate for the purpose of the proposal.

## 12.0 Roles and responsibilities of a Qualified Person and Senior Officer in a Specific Proposal

12.1 A Sponsor appointed to submit a Specific Proposal must ensure that the Senior Officer and Qualified Person assigned to a Specific Proposal comply with the requirements set out in paragraphs 12.2 and 12.3 of this Guidance Note respectively.

12.2 A Senior Officer is responsible for the supervision and management of a Specific Proposal which includes –

- (a) allocating sufficient persons with appropriate levels of knowledge, skills and experience to each Specific Proposal taking into account the volume, size, complexity and nature of the Specific Proposal;
- (b) reviewing the performance of the Qualified Person and the team; and
- (c) deciding on or escalating critical matters in accordance with the policies and procedures of the Sponsor as set out in Rule 4.05A(1)(c) of the Listing Requirements.

12.3 A Qualified Person assigned to work on a Specific Proposal must -

- (a) be in charge of supervision of the team until implementation of the Specific Proposal or cessation of engagement;
- (b) determine the scope and extent of due diligence required for such Specific Proposal in its entirety including enlarging or varying the scope of due diligence exercise should the Qualified Person becomes aware of any new information or development;
- (c) critically assess the results of the due diligence and overall assessment of the adequacy of the due diligence review;
- (d) identify key risks related to the Specific Proposal and undertake adequate measures to address the risks;
- (e) ensure that the application meets the relevant provisions of the Listing Requirements and securities laws, where applicable;
- (f) be fully familiar and knowledgeable with key issues, deal promptly with all queries and concerns raised by the Exchange in relation to the Specific Proposal, and ensure responses to queries are complete and concerns raised are resolved in an effective manner; and
- (g) be responsible for the requirements in subparagraphs (a) to (f) above continuously until completion of implementation of the Specific Proposal.

12.4 Where there is more than one Senior Officer or Qualified Person assigned to a Specific Proposal, all the Senior Officers or Qualified Persons are jointly and severally responsible for the Specific Proposal.

**BURSA MALAYSIA SECURITIES BERHAD****GUIDANCE NOTE 19****APPOINTMENT OF ADVISER FOR CORPORATE PROPOSALS**

Details		Cross References
Effective date:	3 August 2009	Rules 4.16, 4.25 and 8.06
Revision date:	3 January 2012, 13 July 2015, 2 January 2018, 1 January 2022	

**1.0 Introduction**

1.1 Rule 8.06 of the Listing Requirements provides as follows:

- (a) a listed corporation must engage the services of an Adviser where it undertakes such corporate proposal or activity prescribed by the Exchange to require the services of an Adviser; and
- (b) a listed corporation must ensure that the circular or document in respect of such corporate proposal is prepared and reviewed by its Adviser before it is submitted to the Exchange for perusal.

1.2 This Guidance Note sets out the corporate proposals where a listed corporation -

- (a) must appoint and engage the services of an Adviser; and
- (b) need not appoint an Adviser.

1.3 A listed corporation must consult the Exchange if the corporate proposal undertaken by it does not fall under paragraphs 2.0 or 3.0 below, and appoint an Adviser for the corporate proposal if so required by the Exchange.

**2.0 Corporate proposals or activities that require the services of an Adviser**

2.1 A listed corporation must appoint an Adviser for the following corporate proposals or activities:

- (a) significant change of a business direction or policy in a listed corporation;
- (b) a new issuance of securities;
- (c) a transaction where any one of the percentage ratio is 25% or more and shareholder approval is required pursuant to Rule 10.07 of the Listing Requirements;

**Guidance Note 19**  
**Appointment of Adviser for Corporate Proposals**

- (d) a related party transaction where any one of the percentage ratio is 5% or more, excluding a shareholder mandate for a Recurrent Related Party Transaction;
- (dA) a Major Disposal;
- (dB) a very substantial transaction;
- (e) a proposal by Cash Companies pursuant to Rule 8.03(5) of the Listing Requirements;
- (eA) a regularisation plan or an application by an affected listed corporation pursuant to Rule 8.03A(3)(b) and Rule 8.03A(6) of the Listing Requirements respectively;
- (f) a regularisation plan by GN3 Companies pursuant to Rule 8.04(3)(a) of the Listing Requirements;
- (g) provision of financial assistance to associated companies or joint arrangements pursuant to Rule 8.25(2)(c);
- (h) a scheme of compromise, arrangement, amalgamation, reconstruction or restructuring scheme in general;
- (i) a capital distribution, repayment or reduction;
- (j) a subdivision or consolidation of shares;
- (k) a corporate proposal which may result in material dilution of its principal subsidiary pursuant to Rule 8.23 of the Listing Requirements;
- (l) a corporate proposal which may result in diversification in the listed corporation's operations pursuant to Rule 10.13 of the Listing Requirements;
- (m) an extension of time for maturity or expiry of convertible securities;
- (n) a withdrawal of listing;
- (nA) a Dividend Reinvestment Scheme; and
- (o) such other corporate proposal or activity which may be prescribed or determined by the Exchange.

**3.0 Corporate proposals or activities that do not require the services of an Adviser**

3.1 A listed corporation need not appoint an Adviser for the following corporate proposals or activities:

- (a) a share buy-back;
- (b) a shareholder mandate for a Recurrent Related Party Transaction;
- (c) amendments to or adoption of the constitution;
- (d) amendments to trust deeds or deed polls;
- (e) [deleted];
- (f) notices of adjustments to warrants;



- (g) redemption of irredeemable convertible loan stocks;
- (h) notices of maturity or expiry of convertible securities;
- (i) [deleted];
- (j) change of name of listed corporation;
- (k) change of auditors of listed corporation; and
- (l) change to the board of directors of listed corporation.

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**BURSA MALAYSIA SECURITIES BERHAD**
**GUIDANCE NOTE 20****SAVING AND TRANSITIONAL PROVISIONS**

Details	Cross References
Effective date:	3 August 2009
	Rules 8.03, 8.04, 13.04, 13.05 and 16.11

**1.0 Introduction**

- 1.1 This Guidance Note sets out the requirements that must be complied with by the relevant listed corporations arising from the amendments to Rules 8.03 and 8.04, Guidance Notes 2 and 3 of the Listing Requirements with effect from 3 August 2009.
- 1.2 This Guidance Note applies to the following listed corporations which are subjected to the following Listing Requirements prior to 3 August 2009:
- (a) **Original GN2 Companies** - Rule 8.14 and Guidance Note No 2/2006 from 8 May 2006 to 2 August 2009 ("**Original GN2 Framework**", as set out in Annexure GN20-A); and
  - (b) **Original GN3 Companies** - Rule 8.16 and Guidance Note No 3/2006 from 8 May 2006 to 2 August 2009 ("**Original GN3 Framework**", as set out in Annexure GN20-B).

**2.0 Saving and Transitional Provisions for the Original GN2 and GN3 Companies**

- 2.1 The amendments to the Original GN2 and GN3 Framework with effect from 3 August 2009 shall not in any way affect the obligations of the listed corporations which -
- (a) had been considered a Cash Company pursuant to Rule 8.14; or
  - (b) triggered any of the criteria set out in paragraph 2.1 of GN3,
- before 3 August 2009 under the Original GN2 or GN3 Framework, as the case may be.
- 2.2 Subject to paragraph 2.3 below, the Original GN2 or GN3 Companies must continue to comply with their obligations under the Original GN2 or GN3 Framework, as the case may be.
- 2.3 Notwithstanding paragraph 2.2 above, an Original GN2 or GN3 Company may apply to the Exchange to regularise its condition under Rule 8.03 and Guidance Note 2 or Rule 8.04 and Guidance Note 3 of the Listing Requirements which come into effect on 3 August 2009, provided that such Original GN2 and GN3 Company is still within the stipulated or extended timeframe granted by the Exchange to submit its proposal to regularise its condition under the Original GN2 or GN3 Framework, as the case may be.

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**ANNEXURE GN20-A****Original GN2 Framework**  
(paragraph 1.2(a))**[Reproduction of Rule 8.14]****“8.14 Cash Companies**

- (1) A listed company 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 company.
- (2) A listed company 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 company should be considered a Cash Company pursuant to sub-Rule (1) above. A listed company 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 sub-Rule (2) above, the following shall apply:-
  - (a) a listed company 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 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 regularise 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 sub-Rule (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 sub-Rule (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.

- (7) 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 Guidance Note No 2/2006]****“GUIDANCE NOTE NO. 2/2006****CASH COMPANIES****Issued in relation to Rules 8.14, 16.02 and 16.09 of the Listing Requirements;****And****Pursuant to Rules 2.09 and 2.20 of the Listing Requirements.****1.0 Introduction**

- 1.1 Rule 8.14(1) of the Listing Requirements states that a listed company that is considered a Cash Company must comply with such requirements as may be prescribed by the Exchange.
- 1.2 In this connection, this Guidance Note sets out the requirements that must be complied with by a Cash Company.
- 1.3 Nothing in this Guidance Note shall be read to restrict the generality of Rule 8.14 of the Listing Requirements.
- 1.4 The provisions of this Guidance Note are in amplification and not in derogation of the obligations of a listed company 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 Rule 8.14(2) of the Listing Requirements) announce the following to the Exchange (hereinafter referred to as the "Initial Announcement"):-
- (i) that the listed company is a Cash Company;
  - (ii) the obligations of a Cash Company pursuant to this Guidance 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 Rule 8.14(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 Rule 9.22 of the Listing Requirements and in any event

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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 Guidance Note on an immediate basis; and
- (d) announce details of the Proposal as referred to in Rule 8.14(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 an Adviser.

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 Rule 8.14(5) of the Listing Requirements, to the relevant Approving Authority as referred to in Rule 8.14(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 implement the Proposal within the timeframe stipulated by the relevant Approving Authority.

### **4.0 Effective Date**

4.1 This Guidance Note takes effect 8 May 2006.”

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**ANNEXURE GN20-B****Original GN3 Framework**  
(paragraph 1.2(b))**[Reproduction of Rule 8.16]****“8.16 Financial condition and level of operations**

- (1) The financial condition and level of operations of a listed company 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 company.
- (2) The Exchange may prescribe certain criteria in relation to the financial condition and level of operations of a listed company (referred to as “the Prescribed Criteria” in this Part E), the fulfilment of one or more of which would require the listed company (referred to as “the Affected Listed Company” 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 sub-Rule (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 Company 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 relevant Submission Timeframe or Implementation Timeframe, as the case may be, and de-listing procedures shall be commenced against such Affected Listed Company.
- (5) Where an Affected Listed Company 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 Company shall have all its listed securities suspended from trading on the 5<sup>th</sup> market day after the Affected Listed Company’s announcement of the Approving Authority’s rejection and de-listing procedures shall be commenced against such Affected Listed Company; or

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- (b) if the rejection takes place prior to the expiry of the Submission Timeframe, the Affected Listed Company 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 Company unless either:-
- (i) the Affected Listed Company submits a new or revised Regularisation Plan to the Approving Authority for approval within the Submission Timeframe; or
  - (ii) the Affected Listed Company 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 Company falling within the circumstances described under sub-Rule (5)(b)(ii) above and the appeal lodged by the Affected Listed Company with the Approving Authority is unsuccessful, the Affected Listed Company shall have all its listed securities suspended from trading on the 5<sup>th</sup> market day after the Affected Listed Company's announcement of the Approving Authority's rejection of the appeal and de-listing procedures shall be commenced against such Affected Listed Company.
- (7) Where an Affected Listed Company 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 Guidance Note No 3/2006]****“GUIDANCE NOTE NO. 3/2006****CRITERIA AND OBLIGATIONS PURSUANT TO RULE 8.16 OF THE LISTING REQUIREMENTS**

**Issued in relation to Rules 8.16, 16.02 and 16.09 of the Listing Requirements;  
And**

**Pursuant to Rules 2.09 and 2.20 of the Listing Requirements.**

**1.0 Introduction**

1.1 This Guidance Note sets out, amongst others, the following:-

- (a) the criteria in relation to the financial condition and level of operations of a listed company, the fulfillment of one or more of which will require a listed company to comply with the provisions of this Guidance Note (a listed company which fulfils one or more of the aforesaid criteria shall hereinafter be referred to as “an Affected Listed Company”); and
- (b) the requirements that must be complied with by an Affected Listed Company.

1.2 Nothing in this Guidance Note shall be read to restrict the generality of Rule 8.16 of the Listing Requirements.

1.3 The provisions of this Guidance Note are in amplification and not in derogation of the obligations of a listed company as contained in the Listing Requirements.

**2.0 Criteria**

2.1 Pursuant to Rule 8.16(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 company to comply with the provisions of Rule 8.16 and this Guidance Note:-

- (a) the shareholders’ equity of the listed company is equal to or less than 25% of the issued and paid-up capital of the listed company and such shareholders’ equity is less than the minimum issued and paid-up capital as required under Rule 8.18(1) of the Listing Requirements;
- (b) where the listed company has incurred loss in any 1 full financial year commencing on or after its listing, which equal to or exceed the amount of its shareholders’ equity at the end of the said financial year and the shareholders’ equity is equal to or less than 50% of the issued and paid-up capital of the listed company at the end of the said financial year;
- (c) where the listed company has incurred aggregated losses in any 2 consecutive full financial years commencing on or after its listing (hereinafter referred to as the “said financial period”):-
  - (i) which exceed the amount of its shareholders’ equity at the end of the said financial period;

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- (ii) the loss incurred in the second full financial year of the said financial period is 50% or more of the loss incurred in the first full financial year of the said financial period; and
  - (iii) the shareholders' equity is equal to or less than 50% of the issued and paid-up capital of the listed company at the end of the said financial period;
  - (d) receivers and/or managers have been appointed over the asset of the listed company, its subsidiary or associated company which asset accounts for at least 50% of the total assets employed of the listed company;
  - (e) a winding up of a listed company's subsidiary or associated company which accounts for at least 50% of the total assets employed of the listed company;
  - (f) the auditors have expressed an adverse or disclaimer opinion in the listed company's latest audited accounts;
  - (g) the auditors have expressed a modified opinion with emphasis on the listed company's going concern in the listed company's latest audited accounts and the shareholders' equity of the listed company is equal to or less than 50% of the issued and paid-up capital of the listed company;
  - (h) a default in payment by a listed company, its major subsidiary or major associated company, as the case may be, as announced by a listed company pursuant to Guidance Note No 5/2006 and the listed company is unable to provide a solvency declaration to the Exchange;
  - (i) the listed company 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 company's business or major business; or
- (cc) a court order or judgment obtained against the listed company prohibiting the listed company from conducting its major operations on grounds of infringement of copyright of products etc; or
- (j) the listed company has an insignificant business or operations.

2.2 For the purposes of this Guidance 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) (Deleted)
- (c) in relation to subparagraph 2.1(i) above, "major" means such proportion that contributes or generates 70% or more of the listed company's revenue on a consolidated basis based on its latest annual audited or unaudited accounts;

- (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 company (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 company, its subsidiaries, as well as revenue from the listed company’s associated companies, calculated on a proportionate basis, based on the listed company’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	10,000,000
1 June 2xx1	Issue of 5,000,000 new shares for cash	15,000,000
1 Dec 2xx1	Issue of 3,000,000 new shares for cash	18,000,000

Computation of weighted average:

$$(10,000,000 \times 151/365) + (15,000,000 \times 183/365) + (18,000,000 \times 31/365) \\ = 13,186,301$$

- (e) the determination of whether any one or more of the Prescribed Criteria is fulfilled shall be based on the latest audited or unaudited consolidated accounts of the listed company; and
- (f) in relation to subparagraphs 2.1(b) and (c) above, “loss” or “losses” refers to the loss or losses attributable to ordinary shareholders of the listed company.

2.3 The following example shall illustrate the application of subparagraph 2.1(b) above:-

## Example 1

A Bhd

Financial Year Ended (FYE)  
31 December 2xx1 (FYE 1)

Losses (RM'million)	(4)
Shareholders' equity (RM'million)	3
Issued and Paid-up Capital (RM' million)	6

In Example 1 above, listed company A Bhd incurs losses amounting to RM4 million in FYE 1. The shareholders' equity for FYE 1 amounts to RM3 million. The issued and paid-up capital of A Bhd as at FYE 1 is RM 6 million.

Since the amount of losses has exceeded the amount of the shareholders' equity, and the shareholders' equity is equal to 50% of the issued and paid-up capital of A Bhd, A Bhd has triggered the criteria set out in subparagraph 2.1 (b) above and must therefore comply with the requirements of Rule 8.16 and this Guidance Note.

2.4 The following example shall illustrate the application of subparagraph 2.1© above:-

## Example 2

B Bhd

	FYE 31 December 2xx1 (FYE1)	FYE 31 December 2xx2 (FYE2)
Losses (RM'million)	(2)	(3)
Shareholders' equity (RM'million)	7	4
Issued and paid- up capital (RM'million)	9	9

In Example 2 above, listed company B Bhd incurs losses amounting to RM2 million in FYE 1. The shareholders' equity for FYE 1 amounts to RM7 million.

In the following financial year, FYE 2, B Bhd incurs losses amounting to RM3 million, whilst the shareholders' equity amounts to RM4 million.

The issued and paid-up capital for both FYE1 and FYE 2 of B Bhd is RM 9 million.

The aggregated losses incurred by B Bhd in both FYE 1 and FYE 2 amount to RM5 million, which in absolute terms exceed the amount of the shareholders' equity for FYE 2 of RM4 million. In addition, the amount of losses incurred in FYE 2 is more than 50% of the amount of losses incurred in FYE 1 and the shareholders' equity is less than 50% of the issued and paid-up capital of B Bhd as at FYE 2.

As such, B Bhd has triggered the criteria set out in subparagraph 2.1(c) above and must therefore comply with the requirements of Rule 8.16 and this Guidance Note.

### 3.0 Disclosure obligations of the Affected Listed Company

3.1 Pursuant to Rule 8.16(2)(b) of the Listing Requirements, an Affected Listed Company 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 Company fulfilling one or more of the Prescribed Criteria:-
  - (i) that the listed company is an Affected Listed Company pursuant to this Guidance Note;
  - (ii) the obligations of the listed company pursuant to this Guidance Note;
  - (iii) the consequences of non-compliance with such obligations; and
  - (iv) the status of the listed company's plan to comply with the Obligation to Regularise (as defined in Rule 8.16(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 Guidance Note on an immediate basis; and
- (d) announce details of the Regularisation Plan as referred to in Rule 8.16(3) of the Listing Requirements, which announcement must fulfill the requirements set out in paragraph 3.2 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 an Adviser.

3.3 An Affected Listed Company 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 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 Affected Listed Company's creditors, the Affected Listed Company has taken reasonable steps to procure the agreement-in-principle of such creditors.

3.4 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.

#### **4.0 Obligation to Regularise**

4.1 An Affected Listed Company must submit a Regularisation Plan as referred to in Rule 8.16(3) of the Listing Requirements to the Approving Authority as referred to in Rule 8.16(2)(a)(i) of the Listing Requirements for approval within 8 months from the date of the First Announcement (i.e. the Submission Timeframe).

4.2 An Affected Listed Company must implement the Regularisation Plan within the timeframe stipulated by the relevant Approving Authority.

#### **5.0 Effective Date**

5.1 This Guidance Note takes effect 8 May 2006."

**BURSA MALAYSIA SECURITIES BERHAD****GUIDANCE NOTE 21****ENFORCEMENT PROCEEDINGS & RELATED MATTERS**

Details		Cross References
Effective date:	8 May 2013	Rules 16.26, 16.27 & 16.29

**1.0 Introduction**

- 1.1 Pursuant to Rule 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 Guidance Note set out the procedures and requirements relating to a full and expedited enforcement proceeding respectively.
- 1.3 Pursuant to Rule 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 Guidance Note sets out the procedures and requirements relating to the appeal procedure.
- 1.4 Part IV of this Guidance 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.

**GUIDANCE NOTE 21**  
**Enforcement Proceedings & Related Matters****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.



**GUIDANCE NOTE 21**  
**Enforcement Proceedings & Related Matters**

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**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 Guidance 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.

## GUIDANCE NOTE 22

## PERUSAL OF DRAFT CIRCULARS AND OTHER DOCUMENTS

Details		Cross References
Effective date:	13 July 2015	Rule 9.30A
Revision date:	2 January 2018, 13 August 2020	

**1.0 Introduction**

1.1 Rule 9.30A of the Listing Requirements provides as follows:

- “(1) *A listed corporation 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 securities holders within a reasonable time before printing together with a checklist showing compliance with the relevant parts of these Requirements.*
- (2) *Sub-Rule (1) above does not apply to the following documents:*
- (a) *an annual report;*
  - (b) *any document to be sent to securities holders in relation to a take-over by or in respect of a listed corporation excluding circulars to be issued by a listed corporation, 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 corporation or its advisers on its behalf; and*
  - (d) *such other document as prescribed by the Exchange subject to such requirements as may be imposed by the Exchange.*
- (3) *A listed corporation or offeror must not issue any of such documents referred to in sub-Rule (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 corporation or offeror for the preparation and/or submission of the documents referred to in sub-Rule (1) above to the Exchange, such adviser must also comply with sub-Rules (1) and (3) above.*
- (5) *Where a circular or document is required to be reviewed by an Adviser or Sponsor, the listed corporation must include a statement in the circular or document that the circular or document has been reviewed by the listed corporation’s Adviser or Sponsor, as the case may be.”*

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- 1.2 This Guidance Note sets out the relevant requirements on –
- (a) documents which are not required to be submitted to the Exchange for perusal;
  - (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 Rule 9.30A of the Listing Requirements, the Exchange does not verify the information in the circular or document so perused. Listed corporations, their directors and advisers are responsible for the disclosure in these documents including ensuring the accuracy and completeness of the same pursuant to Rule 9.35 of the Listing Requirements.

## 2.0 Documents that are not required to be submitted to the Exchange

- 2.1 For the purposes of Rule 9.30A(2)(d) of the Listing Requirements, the circulars or documents on any one or more of the following are not subject to Rule 9.30A(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 not 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.
- 3.3 Immediately upon issuance of the Exempt Circular to securities holders, a listed corporation must submit to the Exchange, a checklist showing compliance with the relevant parts of the Listing Requirements.

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- 3.4 If the Exchange detects any non-compliance with the Listing Requirements subsequent to the issue of the Exempt Circular, the listed corporation, Sponsor 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 Rule 6.07 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 issues, subdivision or consolidation of shares;
- (g) early redemption of securities, whether full or partial; and
- (h) [deleted]
- (i) notice of share exchange, recall or reduction; and
- (j) Dividend Reinvestment Scheme,

(collectively referred to as "**Limited Review Circulars**").

#### 5.0 Obligations in respect of a Limited Review Circular

- 5.1 Pursuant to Rule 9.30A of the Listing Requirements, a Limited Review Circular cannot be issued by a listed corporation until and unless the Exchange confirms in writing that it has no further comments on the document.
- 5.2 In this respect, a listed corporation must submit a draft of a Limited Review Circular pursuant to Rule 9.30A(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 Guidance 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 Rule 9.30A(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 Rule 10.07 of the Listing Requirements;
  - (h) listing of subsidiaries;
  - (i) capital distribution, repayment or reduction;
  - (j) material dilution of a subsidiary falling under Rule 8.23 of the Listing Requirements;
  - (k) transaction which will result in a significant change in the business direction or policy of a listed corporation;
  - (l) Major Disposal; and
  - (m) any other documents as prescribed by the Exchange,
- (collectively referred to as “**Full Review Circulars**”).

**7.0 Obligations in respect of a Full Review Circular**

7.1 In this respect, a listed corporation must submit a draft of a Full Review Circular pursuant to Rule 9.30A(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****GUIDANCE NOTE 23****REQUIREMENTS RELATING TO PROSPECTUS AND ADVERTISING  
RESTRICTIONS**

Details	Cross References
Effective date: 1 January 2022	Rules 3.12A, 3.12C, 3.12D, 3.12H, 6.18B

**1.0 Introduction**

1.1 This Guidance Note sets out the following:

- (a) the circumstances where the Exchange may refuse to register a prospectus;
- (b) clarifications on the duty of disclosure in prospectus; and
- (c) advertising restrictions of a prospectus.

1.2 The requirements set out in this Guidance Note also apply to a listed corporation that prepares an abridged prospectus for a rights issue.

1.3 This Guidance Note must be read in conjunction with the Listing Requirements.

**2.0 Circumstances where registration of prospectus may be refused**

2.1 Rules 3.12A(1), 3.12D(2)(b) and 6.18B(1) of the Listing Requirements stipulate the requirement to register a prospectus, supplementary or replacement prospectus and abridged prospectus respectively, with the Exchange.

2.2 In this regard, the Exchange may refuse to register a prospectus if –

- (a) the prospectus does not comply with the Listing Requirements or the CMSA;
- (b) the prospectus contains any statement or information that is false or misleading, or from which there is a material omission;
- (c) the issue or offer of securities to which the prospectus relates does not comply with the Listing Requirements or the CMSA;
- (d) the application for listing and admission to the Official List, including the issue or offer of securities to which the prospectus relates -
  - (i) has not been approved by the Exchange; or

## Requirements Relating to Prospectus and Advertising Restrictions

- (ii) does not comply with any term or condition imposed by the Exchange; or
- (e) the applicant has contravened any provision of the securities laws or the Companies Act and such contravention would cast a doubt as to whether the applicant is suitable to make an issue or offer of securities or for admission to the Official List.

**3.0 Clarifications on obligation to observe the duty of disclosure for prospectus**

3.1 Under Rule 3.12C(1) of the Listing Requirements, an applicant, its promoters, directors, chief executive, Sponsor and adviser (collectively the “**said Person**”) must ensure that the prospectus prepared, submitted or issued pursuant to the Listing Requirements, among others –

- (a) is factual, clear, accurate, concise and contains sufficient information to enable investors to make informed investment decisions;
- (b) does not contain any material omission; and
- (c) is not false or misleading.

3.2 In determining whether a prospectus contains any statement or information that is false or misleading, or from which there is a material omission, the said Person must consider whether the prospectus contains information that investors and their professional advisers would reasonably require and expect to find in the prospectus, for the purpose of making an informed assessment of-

- (a) the assets and liabilities, financial position, profits and losses and prospects of the applicant;
- (b) the rights attaching to the securities; and
- (c) the merits of investing in the securities and the extent of the risk involved in doing so.

3.3 The information that investors and their professional advisers would reasonably require and expect to find in the prospectus under paragraph 3.2 above is information -

- (a) which is known to all or any of the said Person and the following persons:
  - (i) a person who has consented or caused himself to be named and is named in the prospectus as a director or as having agreed to become a director, either immediately or after an interval of time;
  - (ii) a person who consented to be named in the prospectus as having made a statement –
    - (aa) that is included in the prospectus; or
    - (bb) on which a statement in the prospectus is based;
  - (iii) the following persons who consented to be named as such in the prospectus in relation to an issue or offer of securities:
    - (aa) a stockbroker;
    - (bb) an underwriter;

**Requirements Relating to Prospectus and Advertising Restrictions**

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- (cc) an auditor;
    - (dd) a banker; or
    - (ee) a lawyer;
  - (iv) a person who consented to be named in the prospectus as having performed or performing any function in a professional, advisory or other capacity not mentioned in paragraphs 3.3 (a)(ii) and (iii) above and is not a Sponsor, in relation to an issue or offer of securities; or
  - (b) which any of the persons referred to paragraph 3.3(a) above would have been able to obtain by making such enquiries as were reasonable in the circumstances.
- 3.4 Without prejudice to the generality of paragraphs 3.2 and 3.3 above, in determining the information that is required to be included in a prospectus, a said Person must have regard to -
- (a) the nature of -
    - (i) the securities; and
    - (ii) the business of the applicant;
  - (b) the persons likely to consider acquiring such securities;
  - (c) the fact that certain matters may reasonably be expected to be known to any professional adviser whom investors may reasonably be expected to consult; and
  - (d) whether the persons to whom an issue or offer of securities is to be made, are the holders of securities in the applicant, and if they are, to what extent (if any) relevant information has previously been given to them by the applicant under these Requirements or any law, if applicable, or otherwise.

**4.0 Requirements relating to advertising restrictions**

- 4.1 Rule 3.12H of the Listing Requirements stipulates that an applicant must not issue or publish any advertising notice unless the requirements as may be prescribed by the Exchange are complied.

Obligations prior to registration of prospectus

- 4.2 In this regard, an applicant may, before the registration of a prospectus, issue or publish an advertising notice if the following are complied with:
- (a) the consent of the Exchange has been obtained;
  - (b) all terms or conditions as may be imposed by the Exchange for its consent have been met; and
  - (c) the advertising notice only contains the prescribed information as set out in Part A of Annexure GN23-A.



**Guidance Note 23**

**Requirements Relating to Prospectus and Advertising Restrictions**

- 4.3 If the prospectus has been submitted to the Exchange for registration, the consent of the Exchange in paragraph 4.2(a) above is deemed given in the following circumstances, during the period after the prospectus has been submitted until registration of the prospectus:

No.	Activities	Conditions that must be met for the deemed consent
(a)	Presentations	<p>(i) The presentations, both oral and written, must be made by the applicant or persons authorised by the applicant to conduct the presentation (other than licensed dealers, exempt dealers, licensed investment advisers, licensed fund managers, exempt fund managers and their representatives acting on their own behalf).</p> <p>(ii) The presentations may only be attended by the categories of persons set out in Schedules 6 and 7 of the CMSA, members of the press and financial analysts.</p> <p>(iii) Any written materials circulated at the presentations may contain the prescribed information as set out in Part A of Annexure GN23-A and information on the profiles of the promoters, directors and applicant.</p> <p>(iv) Information provided in oral form may, in addition to the prescribed information as set out in subparagraph (iii) above, include –</p> <p style="margin-left: 20px;">(aa) the proposed utilisation of funds;</p> <p style="margin-left: 20px;">(bb) statistics about the offering including pro forma net tangible assets or net assets, earnings per share, price-earnings ratio;</p> <p style="margin-left: 20px;">(cc) the historical performance of the applicant; and</p> <p style="margin-left: 20px;">(dd) forward looking statements backed by proper assumptions.</p>
(b)	Announcements made upon obtaining underwriting mandate	<p>(i) The announcements must be made by the parties to the underwriting agreement.</p> <p>(ii) The announcements must pertain to agreements which will be, or have been, signed.</p> <p>(iii) Any written information on the issue or offer of securities may contain the prescribed information as set out in Part A of Annexure GN23-A and information on the profiles of the promoters, directors and applicant.</p>

**Guidance Note 23**

**Requirements Relating to Prospectus and Advertising Restrictions**

No.	Activities	Conditions that must be met for the deemed consent
(c)	Announcements made upon the joint signing of underwriting agreements	(i) The announcements must be made by the parties to the agreement. (ii) The announcements must be confined to agreements which will be, or have been, signed. (iii) Any written information relating to the issue or offer securities may contain the prescribed information as set out in Part A of Annexure GN23-A and information on the profiles of the promoters, directors and applicant.
(d)	Concise statements	Any notice which refers to a proposed issue or offer of securities may contain the prescribed information as set out in Part A of Annexure GN23-A and information on the profiles of the promoters, directors and applicant.

4.4 The deemed consent of the Exchange in paragraph 4.3 above is granted on the basis that the activities are not conducted in a way that encourage retail investors to make investment decisions without the benefit of a prospectus.

4.5 For the avoidance of doubt, the consent of the Exchange is not required for announcements made by a Sponsor or an applicant as to whether the issue was undersubscribed or oversubscribed, and the extent of the undersubscription or oversubscription.

Obligations after registration of prospectus

4.6 An applicant may, after the registration and lodgement of a prospectus with the Exchange and the Registrar respectively, issue or publish an advertising notice that contains information disclosed in the prospectus including the prescribed information as set out in Part B of Annexure GN23-A.

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**ANNEXURE GN23-A****Part A****Contents of advertising notice issued or published prior to registration of prospectus**  
(paragraph 4.2(c); 4.3(a)(iii); 4.3(b)(iii), 4.3(c)(iii) and 4.3(d))

- (1) The name of the applicant.
- (2) A concise statement of the general nature of the main business or undertaking or proposed main business or undertaking of the applicant.
- (3) The names, addresses and, where appropriate, occupations of the directors or proposed directors.
- (4) The names and addresses of stockbrokers, underwriters and Sponsor in relation to the proposed issue or offer of securities.
- (5) In the case of debentures, the name and address of the trustee for debenture holders.
- (6) If applicable, a brief description of the listing status of the applicant on any stock exchange or other similar exchange outside Malaysia, or a statement that it is intended to apply for permission to list the applicant on any stock exchange or other similar exchange outside Malaysia but no assurance has been given that the applicant will be listed.
- (7) A statement that a prospectus is in the course of preparation and that an issue or offer of securities is proposed, together with a brief indication of the nature and number of securities and of the possible timing of the issue of the prospectus.
- (8) Such other information or matters which the Exchange may specify.

**Part B****Contents of advertising notice issued or published after registration and lodgement of prospectus**  
(paragraph 4.6)

- (1) A statement that a prospectus in relation to the applicant's securities has been registered.
- (2) The date of the prospectus.
- (3) A statement specifying where a copy of the prospectus can be obtained.
- (4) A statement that any issue of securities to which the prospectus relates will only be made on receipt of a form of application referred to in, and accompanying, a copy of the prospectus.
- (5) Such other information or matters which the Exchange may specify.

[ End of Annexure ]