

## CHAPTER 4 – LISTING REQUIREMENTS

*Listing Criteria and Qualification*

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| 1. | In order to be listed, the Exchange must be satisfied that the financial instruments are suitable to be listed on the Exchange.  | Suitable for listing              |
| 2. | In determining, the suitability for listing of the financial instruments, the Exchange will be guided by its general objective to achieve a sound balance between providing appropriate issuers with access to the capital market at the earliest possible opportunity, while providing investors with enough safeguards and with sufficient and timely information to enable them to make informed decisions as to the value and merits of the financial instruments. | General objective                 |
| 3. | For any financial instruments to be listed, the Exchange will normally require that the following criteria and qualification be satisfied:   | Normal criteria and qualification |
|    | (a) the legal position of the issuer shall conform to the laws and regulations to which it is subject, with regard to both its establishment and its operation;  |                                   |
|    | (b) the legal position of the financial instruments must conform to the laws and regulations to which they are subject;  |                                   |
|    | (c) the financial instruments must be denominated either in United States Dollar, Euro, Japanese yen or any other currencies as may be allowed by the Exchange;  |                                   |
|    | (d) the financial instruments must be freely transferable but may be subject to certain transfer restrictions as may be allowed by the Exchange. Partly paid financial instruments may be regarded as fulfilling the transferability condition, provided that the Exchange is satisfied that investors have been provided with all appropriate information to enable dealings in such financial instruments to take place on an open and proper basis;                 |                                   |
|    | (e) (i) where none of the financial instruments of its particular class are listed on the Exchange, the application for listing must relate to all financial instruments of that class, whether already issued or proposed to be issued; or  |                                   |
|    | (ii) where the financial instruments of its particular class are already listed on the Exchange, the application for listing must relate to all further financial instruments of that class which are proposed to be issued;   |                                   |
|    | (f) if the financial instruments are convertible into other financial instruments the Exchange must be satisfied that the investors will be able to obtain the necessary information to form an opinion regarding the value of the underlying financial instruments. This will normally mean that the underlying financial instruments must either be listed on the Exchange or on another stock exchange acceptable to the Exchange; and                              |                                   |

(g) the proposed method of listing which must be acceptable to the Exchange, having regard to the nature, number and distribution of the financial instruments.

4. In case of financial instruments issued by a government or a state or its regional and local authorities or by public international bodies, the Exchange may waive or modify any requirements in these Rules to such extent it considers appropriate.

Financial instruments issued by the government

5. Notwithstanding other provisions in these Rules, it shall be noted that the Exchange retains a discretion to accept or reject applications for listing, guided by the objective set out in Rule 2 of this Chapter, and that:

Discretion of the Exchange

(a) compliance with the normal criteria and qualifications may not in itself ensure the suitability for listing of a particular financial instrument; or

(b) non-compliance with the normal criteria and qualifications may not in itself disqualify a particular financial instrument.

Therefore, the Listing Sponsors and prospective issuers may at any time contact the Exchange to enquire on and seek informal and confidential guidance as to the eligibility of a particular financial instrument.

***Secondary Listing***

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| 6. | The Listing of any financial instruments on the Exchange may be in the form of secondary listing, whereby the financial instruments are, or will be, listed on another exchange which is agreed by the Exchange to be the Primary Exchange.  | Primary Exchange        |
| 7. | With respect to post-listing obligations, in the event of any conflict between the requirements of the Exchange and those of the Primary Exchange, the requirements of the Primary Exchange shall override the requirements of the Exchange provided that the Exchange shall be immediately informed of and accept such conflict.  | Conflict                |
| 8. | The issuer shall immediately inform the Exchange if:   | To inform the Exchange  |
|    | (a) its financial instruments also listed on the Exchange cease to be listed on the Primary Exchange or it is subject to disciplinary action by the Primary Exchange;  |                         |
|    | (b) there is any indication that any of the events set out in paragraph (a) above will occur; or   |                         |
|    | (c) there is any material change in the listing rules of the Primary Exchange as they apply to the issuer.   |                         |
| 9. | In the event of any change in circumstances relating to the Primary Exchange or the listing of the financial instruments on the Primary Exchange, including those set out in Rule 8 of this Chapter, the Exchange may decide on the status of the listing of the financial instrument on the Exchange and the further course of action that should be taken by the issuer. | The Exchange may decide |

*Application Procedure*

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| 10. | All application for listing shall be submitted to the Exchange through a Listing Sponsor.  | Application through Listing Sponsor |
| 11. | The application for listing of the financial instruments shall contain the following documents:  | Documents to be submitted           |
|     | (a) a formal letter of application signed by the Listing Sponsor or a duly authorized officer thereof and a duly authorized officer of the applicant issuer. The letter of application must contain the following information: |                                     |
|     | (i) the amount and description of the financial instrument;  |                                     |
|     | (ii) the proposed method of listing;   |                                     |
|     | (iii) whether the listing is intended to be a primary or secondary listing;  |                                     |
|     | (iv) whether the financial instruments are intended to be identical in all respect with an existing class of financial instruments;  |                                     |
|     | (v) details of the documents of title for the financial instruments; and   |                                     |
|     | (vi) any other information considered necessary to be disclosed to the Exchange, having regard to the requirements of the Exchange.  |                                     |
|     | (b) two (2) copies of the Listing Document;  |                                     |
|     | (c) declaration by the applicant issuer substantially in the form set out in Schedule C signed by a duly authorized officer of the applicant issuer;   |                                     |
|     | (d) declaration by the Listing Sponsor substantially in the form set out in Schedule D signed by the Listing Sponsor or a duly authorized officer thereof;   |                                     |
|     | (e) supporting documents as follows:   |                                     |
|     | (i) a certified copy of the constitution of the applicant issuer;  |                                     |
|     | (ii) the audited annual financial statements of the applicant issuer for each of the periods which form part of the issuer's financial record contained in the Listing Document;   |                                     |
|     | (iii) any relevant interim financial statements of the applicant issuer;   |                                     |
|     | (iv) in the case of debt securities, a certified copy of the trust deed or other document securing or constituting the debt securities;  |                                     |
|     | (v) in the case of secondary listing, the most recent prospectus or other similar document listed with the applicant issuer's proposed Primary Exchange;   |                                     |

- (vi) if such is required by the law to which the applicant issuer is subject, a certified copy of the resolution passed in the general meeting authorizing the issue of the financial instruments;
  - (vii) if the financial instrument is represented to be based on Syariah principle, a certification or endorsement from a Syariah council or body of the applicant issuer's choice;
  - (viii) any other necessary certification or endorsement by the relevant body, authority or association, certifying or endorsing any representation made relating to the issuer and the financial instrument;
  - (ix) a copy of any temporary document of title and any definitive document of title in respect of the financial instrument;
  - (x) due diligence documents and records of the applicant issuer including those obtained during the customer due diligence process pursuant to the Guidelines on Anti-Money Laundering and Counter Financing of Terrorism – Capital Market and Other Business Sectors issued by the Authority; and
  - (xi) a checklist showing compliance with the relevant provisions of these Rules in such form as may be specified by the Exchange.
12. Notwithstanding the above, in processing the application, the Exchange may request for any other information or documents from the applicant issuer. Other information or documents
13. All information and documents submitted to the Exchange in the application shall become the property of the Exchange.

### *Listing Document*

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| 14. | The Listing Document must contain all information which, having regard to the particular nature of the issuer and the financial instruments, is necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the issuer and of its profits and losses and of the obligations of and rights, powers and privileges of such financial instruments.   | Information in the Listing Document |
| 15. | All Listing Documents must contain in a prominent position the following statements:<br><br><i>“Labuan International Financial Exchange Inc. takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document”.</i><br><br><i>“Investors are advised to read and understand the contents of this document before investing. If in doubt, the investors should consult his or her adviser”.</i> | Statements in the Listing Document  |
| 16. | A supplementary Listing Document must be submitted to the Exchange if at any time after the Listing Document has been approved by the Exchange and before dealings in the relevant financial instruments commence, the issuer becomes aware that:<br><br>(a) there has been a significant change in any matter contained in the Listing Document; or<br><br>(b) a significant new matter has arisen, the inclusion of information in respect of which would have required to be mentioned in the Listing Document had it arisen at the time of its preparation.   | Supplementary Listing Document      |
| 17. | The supplementary Listing Document must be submitted to the Exchange together with a written and signed undertaking by the Listing Sponsor that the contents of the supplementary Listing Document comply with all requirements of the Exchange.  | Undertaking by the Listing Sponsor  |
| 18. | The Listing Document or any supplement thereto may not be published until a specific formal approval for publication from the Exchange is obtained. Under no circumstances shall the approval for publication by the Exchange be construed as the Exchange’s approval of the contents of the Listing Documents.   | Approval for publication            |
| 19. | The Listing Document or any supplement thereto which has been approved for publication by the Exchange must be published:<br><br>(a) by the issuer making it available in printed form and free of charge to the public and in sufficient numbers to satisfy public demand at:<br><br>(i) the Exchange; and<br><br>(ii) the issuer’s registered office or such other place acceptable to the Exchange for a reasonable period of time; and/or   | Publication of Listing Document     |

- (b) with prior notice to the Exchange, by displaying it on a web site generally accessible by the public free of charge.

***Roles of the Listing Sponsor***

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| 20.  | Every applicant issuer and issuer must at all times have a Listing Sponsor.  |   |
| 21.  | An applicant issuer must appoint a Listing Sponsor in connection with the application for listing of each class of financial instruments. Such Listing Sponsor shall be responsible to ensure that complete and proper application is made and shall be the applicant issuer's principal channel of communication with the Exchange during the application process.  | Listing Sponsor and the application for listing |
| 21A. | In discharging its role under Rule 21 of this Chapter, the Listing Sponsor shall –   | Due diligence                                   |
|      | (a) conduct the necessary due diligence exercise on the applicant issuer including the customer due diligence as prescribed in the Guidelines on Anti-Money Laundering and Counter Financing of Terrorism – Capital Market and Other Business Sectors issued by the Authority;   |   |
|      | (b) satisfy itself that the due diligence done is appropriate and adequate for the applicant issuer and the application for listing; and   |   |
|      | (c) be satisfied that all material issues arising from the due diligence exercise are dealt with or otherwise do not affect the appropriateness and suitability of the applicant issuer for listing.   |   |
| 22.  | If the application for the listing is successful, the Listing Sponsor referred to in Rule 21 of this Chapter shall be the Listing Sponsor for the listing of the financial instruments for the purposes of the Exchange. Such Listing Sponsor shall be responsible, and answerable to the Exchange, to ensure that the issuer complies with all requirements of the Exchange in relation to the listing of the financial instruments and shall be the issuer's principal channel of communication with the Exchange during the listing period and if necessary thereafter. | Listing Sponsor and the listing                 |
| 23.  | The Listing Sponsor must ensure that the applicant issuer or issuer receives sound, fair and impartial guidance and advice as to the requirements of the Exchange.   | Listing Sponsor to provide guidance and advice  |
| 24.  | Without prejudice to the generality of the foregoing provisions, the Listing Sponsor:  | Listing Sponsor's specific responsibilities     |
|      | (a) shall submit on behalf on the applicant issuer or the issuer to the Exchange or any other party all the information and documents required by the Exchange to be submitted to the Exchange or any other party by the applicant issuer or the issuer;   |   |
|      | (b) shall ensure that the issuer makes proper and timely payment of the listing fees referred to in Rule 26 of this Chapter; and   |   |
|      | (c) shall immediately notify the Exchange when it becomes aware of any material matters or issues which may adversely affect the listing status of the issuer or its financial instruments including any breaches of these Rules or relevant laws and regulations.   |   |



25. Notwithstanding the above, the Exchange may communicate directly with the applicant issuer of the issuer, or with an adviser of the applicant issuer or the issuer other than the Listing Sponsor, on any matters relating to the listing. In the event of such communication, the issuer must ensure that the Listing Sponsor is informed of the matters as soon as practicable thereafter. Nothing in this rule shall absolve the Listing Sponsor from its responsibility and obligations as set out in these Rules.
- Direct communication with the issuer

*Fees*

26. Issuers whose financial instruments are listed on the official list of the Exchange are required to pay initial and annual listing fees in accordance with the rates as will be determined by the Exchange from time to time. Listing fees

***Post Listing Obligations***

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| <p>27. The issuer shall keep the public, the Exchange and the holders of the financial instruments immediately informed of any information relating to the issuer and the financial instruments which:</p> <ul style="list-style-type: none"> <li>(a) is necessary to enable appraisal of the position of the issuer and the financial instruments;</li> <li>(b) is necessary to avoid the establishment of a false market for the financial instruments; and</li> <li>(c) might reasonably be expected to materially affect market activity for and the price of the financial instruments.</li> </ul>  | <p>Public disclosure policy</p>   |
| <p>28. The issuer shall send to the Exchange four (4) copies of its annual financial statement and any interim financial statement published by the issuer.</p>  | <p>Financial Statement</p>        |
| <p>29. Without derogating the generality of Rule 27 of this Chapter, the issuer shall immediately inform the Exchange:</p> <ul style="list-style-type: none"> <li>(a) of any change in the rights attaching to any class of the listed financial instrument or attaching to any financial instrument which any listed financial instrument is convertible into, for dissemination by the Exchange;</li> <li>(b) of any purchase, redemption or cancellation by the issuer of its financial instrument listed on the Exchange, for dissemination by the Exchange;</li> <li>(c) of any proposed alteration to the issuer's constitution or board of directors; and</li> <li>(d) of: <ul style="list-style-type: none"> <li>(i) the presentation of any winding-up petition, or equivalent application in the country of incorporation or other establishment, or the making of any winding-up order or the appointment of a provisional liquidator in respect of the issuer, its holding company or any major subsidiary;</li> <li>(ii) the passing of any resolution by the issuer, its holding company or any major subsidiary that it be wound-up by way of members' or creditors' voluntary winding-up or equivalent;</li> <li>(iii) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets which in aggregate value represents an amount in excess of 15% of the book value of the existing net assets of the issuer; or</li> <li>(iv) the making of any judgment, declaration or order by any court or tribunal of competent jurisdiction whether in the first instance or on appeal, which may adversely affect the issuer's enjoyment of any portion of its assets which in aggregate value represents an amount in excess of 15% of the book value of the consolidated net tangible assets of the issuer.</li> </ul> </li> </ul> | <p>Disclosure to the Exchange</p> |

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| <p>30. In addition, the issuer shall submit to the Exchange:</p> <p>(a) copies of announcements or advertisements the subject matter of which involves a change in or relates to or affects arrangements regarding trading in its financial instruments listed on the Exchange;</p> <p>(b) four (4) copies of all circulars to holders of its financial instruments listed on the Exchange, at the same time as the circulars are issued; and</p> <p>(c) four (4) copies of all resolutions of the holders of the financial instrument listed on the Exchange, as soon as possible after they are made, and four (4) copies of notices of meetings, forms of proxy, notices by advertisement to holders of the financial instrument, reports, announcements or other similar documents at the same time as they are issued.</p> | <p>Submission of documents</p>   |
| <p>31. The issuer shall respond promptly to any enquiries made by the Exchange on unusual movements in the price or trading volume of its listed financial instrument, or any other matters, by giving such relevant information as is available to the issuer or, if appropriate, by issuing a statement to the effect that the issuer is not aware of any matter or development that is or may be relevant to the unusual price movement or trading volume of its listed financial instrument.</p>  | <p>Enquiries by the Exchange</p> |
| <p>32. The Exchange shall be entitled to require the issuer to supply further information and impose additional continuing obligations on the issuer, where it considers that circumstances so justify.</p>   | <p>Additional obligation</p>     |
| <p>33. The issuer shall not participate or knowingly assist any other person to participate in any insider dealing in relation to any financial instruments listed on the Exchange.</p>   | <p>Insider dealing</p>           |

For the purpose of this Rule:

- (a) **“insider dealing”** means dealing in financial instruments by an insider while in possession of unpublished price sensitive information with the intention of making profit or avoiding a loss and includes providing such information to another person for the same purpose;
- (b) **“insider”** means -
- (i) any director, general partners, officers, employee or staff member of any issuer; and
  - (ii) any other person whom by relationship with the Trading Agent means that he is in possession of or has access to unpublished price sensitive information; and
- (c) **“unpublished price sensitive information”** means any information in relation to the financial instruments which is not generally known to persons who are accustomed or would be likely to trade or deal in those financial instruments but which, if known, would be likely to have a material effect on the price or other trading aspects of such financial instruments.

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| 34. | The issuer shall ensure equality of treatment for all holders of the financial instruments listed on the Exchange of the same class.   | Equality of treatment |
| 35. | If the financial instruments are also listed on another exchange, the issuer must ensure that equivalent information or documents provided or submitted to such other exchange, are provided or submitted to the Exchange. | Other exchange        |

***Censure, Suspension and Delisting***

36. If the Exchange is of the opinion that an issuer has contravened any of the provisions in these Rules, the Exchange may do one or more of the following:
- (a) censure the issuer, which may include a formal written notice of censure being served upon the issuer and the requirement that the issuer provide a written explanation of its actions to the Exchange and an undertaking to rectify the breach immediately;
  - (b) publish the fact that the issuer has been censured; and
  - (c) suspend the dealing of and/or delist all or any of the issuer's financial instruments as provided in Rule 37 of this Chapter.
37. The Exchange may at any time suspend dealings of or delist any financial instruments in such circumstances and subject to such conditions as it thinks fit, where:
- (a) the Exchange considers it necessary for the protection of investors or the maintenance of an orderly market;
  - (b) the issuer fails, in a manner which the Exchange considers material, to comply with any requirements of the Exchange; or
  - (c) the Exchange considers that the financial instruments are no longer suitable for listing.
38. The issuer may seek a suspension of dealings of its financial instruments by making a written request for suspension duly supported by specific reason to the Exchange.
39. Where dealing of financial instruments has been suspended, the Exchange may lift the suspension whenever and on such terms it considers appropriate. A suspension will not normally be lifted unless:
- (a) the suspension is at the request of the issuer, the issuer has announced the reason for the suspension, and, where appropriate, the anticipated timing of the lifting of the suspension; or
  - (b) the suspension was imposed by the Exchange, the issuer has satisfied such conditions for the lifting of the suspension as imposed by the Exchange.
40. When a suspension continues for a prolonged period without the issuer taking adequate action to obtain relisting, the Exchange may delist the financial instrument, provided that it notifies the issuer in writing in advance of its intention to delist on a specified date.

Suspension and delisting

Voluntary suspension

Lifting of the suspension

Prolonged suspension