CHAPTER 8 CONTINUING LISTING OBLIGATIONS

PART A – GENERAL

8.01 Introduction

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

PART B – CONTINUING LISTING CRITERIA

8.02 Compliance with shareholding or unit holding spread requirement

(1) A listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) or listed units are in the hands of public shareholders or unit holders. The Exchange may accept a percentage lower than 25% of the total number of listed shares (excluding treasury shares) or listed units if it is satisfied that such lower percentage is sufficient for a liquid market in such shares or units.

(2) For listed issuers which have shares or units listed on other stock exchange(s), shares or units listed on the other stock exchange(s) are included for the purpose of computing the percentage of shareholding or unit holding spread referred to in subparagraph (1) above.

(3) A listed issuer must immediately announce to the Exchange if it becomes aware that it does not comply with the required shareholding or unit holding spread referred to in subparagraph (1) above.

(4) A listed issuer which fails to maintain the required shareholding or unit holding spread referred to in subparagraph (1) above may request for an extension of time to rectify the situation in the manner as may be prescribed by the Exchange.

(5) A listed issuer must furnish a schedule containing the information set out in Appendix 8E to the Exchange, upon completion of a take-over offer under the Take-Overs and Mergers Code.

[Cross reference: Practice Note 19]

8.03 Cash Companies

(1) A listed issuer whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both ("Cash Criterion") must immediately notify the Exchange of its condition in writing. The Exchange will determine whether such listed issuer should be considered a Cash Company. A listed issuer considered as a Cash Company by the Exchange will be notified by the Exchange.

(2) A Cash Company must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed issuer or de-list it, or both.

(3) For the purposes of subparagraph (1) above -

(a) a listed issuer must, as a minimum requirement, make a determination as to whether it triggers the Cash Criterion when it disposes its assets or business on a group basis or prepares its financial statements or accounts; and
(b) "short term investments" means investments which are by their nature readily realisable and intended to be held for 12 months or less including interests (equity or otherwise) incorporations.

(4) A Cash Company must place at least 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal undertaken by the Cash Company) in an account opened with a financial institution licensed by Bank Negara Malaysia and operated by a custodian. Any interest generated by the monies held in the account must accrue to the account. For the purpose of this subparagraph (4), "custodian" means any of the following who is independent of the Cash Company:

(a) a trust company registered under the Trust Companies Act 1949 or incorporated pursuant to the Public Trust Corporation Act 1995 and is in the List of Registered Trustees in relation to Unit Trust Funds issued by the SC; or

(b) a licensed bank or licensed investment bank as defined in the Financial Services Act 2013.

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

(i) implementing a proposal to acquire a new core business approved by the SC; or

(ii) pro rata distributions to shareholders pursuant to subparagraph (9) below.

(5) A Cash Company must comply with the following additional requirements:

(a) regularise its condition in the following manner:

(i) submit a proposal to acquire a new core business to the SC for its approval within 12 months from the date it receives the notice referred to in subparagraph (1) above; and

(ii) implement its proposal within the timeframe prescribed by the SC;

(b) provide such information as may be prescribed by the Exchange from time to time for public release; and

(c) do such other acts or things as may be required by the Exchange.

(6) The Exchange may suspend the trading of the Cash Company's listed securities if it fails to comply with any part of its obligations in subparagraph (5)(a) above or if its proposal is rejected by the SC and the Exchange may de-list such Cash Company.

(7) Subparagraphs (1) and (2) above are not applicable to the following listed issuers:

(a) listed issuers whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia;

(b) Participating Organisations;

(c) closed-end funds;

(d) REITs;

(e) ETFs;
(f) infrastructure project corporations which have not completed their infrastructure project(s);

(g) special purpose acquisition companies; and

(h) such other category of listed issuers as may be prescribed by the Exchange.

(8) For a Cash Company to be no longer considered a Cash Company, the Cash Company must—

(a) complete the implementation of its proposal; and

(b) submit an application to the Exchange to demonstrate that it is no longer a Cash Company, together with all the necessary documentary evidence.

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

(9) A Cash Company must ensure that all moneys deposited, together with interests earned with the financial institution licensed by Bank Negara Malaysia and operated by a custodian under subparagraph (4) above are distributed to its shareholders on a pro-rata basis as soon as practicable if the Cash Company -

(a) fails to comply with any part of its obligations in subparagraph (5)(a) above; or

(b) does not intend to maintain its listing at any time after it receives the notice referred to in subparagraph (1) above.

[Cross reference: Practice Notes 16 and 29]

8.03A Level of operations

(1) A listed issuer must maintain an adequate level of operations to warrant continued trading or listing on the Official List.

(2) The following are circumstances which indicate that a listed issuer may not have a level of operations that is adequate to warrant continued trading or listing on the Official List:

(a) the listed issuer has suspended or ceased –

(i) all of its business or its major business; or

(ii) its entire or major operations,

for any reason whatsoever including, amongst others, due to or as a result of -

(aa) the cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities;

(bb) the disposal of the listed issuer’s business or major business; or

(cc) a court order or judgment obtained against the listed issuer prohibiting the listed issuer from conducting its major operations on grounds of infringement of copyright of products etc; or

(b) the listed issuer has an insignificant business or operations.
Subject to subparagraphs (5) and (6) below, a listed issuer that triggers subparagraphs (2)(a) or (2)(b) above ("affected listed issuer") must comply with the following, failing which the Exchange may suspend the trading of listed securities of such listed issuer or de-list the listed issuer, or both:

(a) immediately announce to the Exchange of its condition and provide such information from time to time for public release in accordance with the disclosure obligations set out in paragraph 4.0 of Practice Note 17, with the necessary modifications;

(b) regularise its condition by complying with the requirements set out in paragraph 8.04(3) and paragraph 5.0 of Practice Note 17, with the necessary modifications; and

(c) comply with such other requirements or do such other acts or things as may be prescribed or required by the Exchange.

Where the Exchange approves the regularisation plan of an affected listed issuer pursuant to subparagraph (3)(b) above, such approval may be unconditional or subject to such conditions, as it deems fit. If the regularisation plan is rejected by the Exchange, the affected listed issuer may appeal against the decision of the Exchange within 30 days from the date of its rejection.

An affected listed issuer need not comply with the requirements set out in subparagraph (3) above provided that:

(a) the affected listed issuer is able to demonstrate to the satisfaction of the Exchange that its remaining business is viable, sustainable and has growth prospects, supported with appropriate justifications; and

(b) in the view of the Exchange, its level of operations warrant continued trading or listing on the Official List.

An affected listed issuer intending to rely on subparagraph (5) above must announce the following to the Exchange:

(a) immediately upon the affected listed issuer triggering subparagraphs (2)(a) or (2)(b) above, a statement to that effect and that it has made an application to the Exchange pursuant to subparagraph (5) above; and

(b) immediately upon its receipt of the Exchange’s decision on its application, the Exchange’s decision and the conditions imposed (if any).

For the purposes of this paragraph, unless the context otherwise requires –

(a) in relation to subparagraph (2)(a) above, "major" means such proportion that contributes or generates 70% or more of the listed issuer’s revenue on a consolidated basis based on its latest annual audited or unaudited financial statements;

(b) insignificant business or operations" means business or operations which generates revenue on a consolidated basis that represents 5% or less of the share capital (excluding any redeemable preference shares and treasury shares) or the unit holder capital of the listed issuer ("Capital") based on its latest annual audited or unaudited financial statements.
For the purpose of computation, the following applies:

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

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

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Capital (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January 2xx1</td>
<td>Balance</td>
<td>60,000,000</td>
</tr>
<tr>
<td>1 June  2xx1</td>
<td>Issue of 10,000,000 new shares at RM1 each for cash</td>
<td>70,000,000</td>
</tr>
<tr>
<td>1 Dec 2xx1</td>
<td>Issue of 12,000,000 new shares at RM1 each for cash</td>
<td>82,000,000</td>
</tr>
</tbody>
</table>

Computation of weighted average:

\[
(\text{RM60,000,000} \times \frac{151}{365}) + (\text{RM70,000,000} \times \frac{183}{365}) + (\text{RM82,000,000} \times \frac{31}{365}) = \text{RM66,882,185}
\]

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

[Cross reference: Practice Notes 17 and 29]

8.04 Financial condition

(1) The financial condition of a listed issuer on a consolidated basis must, in the opinion of the Exchange, warrant continued trading or listing on the Official List.
(2) The Exchange may prescribe certain criteria in relation to the financial condition of a listed issuer ("Prescribed Criteria"). When a listed issuer triggers any of the Prescribed Criteria ("PN17 Issuer"), it must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed issuer or de-list it, or both.

(3) A PN17 Issuer must -

(a) regularise its condition in the following manner:

(i) within 12 months from the date it announces that it is a PN17 Issuer:

(aa) submit a regularisation plan to the SC if the plan will result in a significant change in the business direction or policy of the PN17 Issuer; or

(bb) submit a regularisation plan to the Exchange if the plan will not result in a significant change in the business direction or policy of the PN17 Issuer, and obtain the Exchange's approval to implement the plan; and

(ii) implement the plan within the timeframe stipulated by the SC or the Exchange as the case may be;

(b) provide such information as may be prescribed by the Exchange from time to time for public release; and

(c) do such other acts or things as may be required by the Exchange.

(4) Where the Exchange approves the regularisation plan of a PN17 Issuer, such approval may be unconditional or subject to such conditions, as it deems fit. If the regularisation plan is rejected by the Exchange, the PN17 Issuer may appeal against the decision of the Exchange within 30 days from the date of its rejection.

(5) If a PN17 Issuer fails to comply with any part of its obligations under subparagraph (3)(a) above within the timeframes permitted by the Exchange, the Exchange shall –

(a) suspend the trading of the PN17 Issuer’s listed securities on the 6th market day after the date of notification of suspension by the Exchange; and

(b) de-list such PN17 Issuer subject to the latter’s right to appeal against the de-listing under subparagraph (6) below.

(6) Unless otherwise specified, a PN17 Issuer which intends to appeal against a de-listing under this paragraph 8.04 must submit its appeal to the Exchange within 5 market days from the date of notification of de-listing by the Exchange.

(7) Where an appeal against de-listing has been submitted to the Exchange, the Exchange shall stay the de-listing of the PN17 Issuer concerned pending consideration of the appeal. However, the Exchange shall suspend the trading of the PN17 Issuer's listed securities on the 6th market day after the date of notification of suspension by the Exchange even though the decision of the appeal is still pending.

(8) For a PN17 Issuer to be no longer considered a PN17 Issuer, the PN17 Issuer must –

(a) complete the implementation of its regularisation plan; and
(b) submit an application to the Exchange to demonstrate that it is no longer a PN17 Issuer, together with all the necessary documentary evidence.

The fact that a PN17 Issuer has ceased to trigger the Prescribed Criteria before it completes the implementation of its regularisation plan, would not entitle it to be no longer considered as a PN17 Issuer for the purpose of this subparagraph.

(9) If a PN17 Issuer triggers any one or more of the Prescribed Criteria within 3 years after it is no longer considered a PN17 Issuer, such PN17 Issuer must undertake a regularisation plan which will result in a significant change in its business direction or policy and submit the plan to the SC for approval. The PN17 Issuer must also comply with all requirements set out in this paragraph 8.04.

[Cross reference: Practice Notes 17 and 29]

PART C – CERTIFICATES, TRANSFERS AND TRANSMISSIONS

8.05 Proxy forms

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

8.06 Audit for transfers and issue of certificates

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

8.07 Number of securities

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

8.08 Paper quality and watermark

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

8.09 Size of certificates

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

8.10 Submission of semi-annual returns

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

(1) Where there are circumstances to signify that a change in the classification of a listed issuer in a specific sector has taken place, the listed issuer must propose to the Exchange of the change in classification in such manner as may be prescribed by the Exchange. The proposed change in classification is subject to the approval of the Exchange. The Exchange may in its absolute discretion either maintain the classification or classify the listed issuer into such other sector as it deems fit.

(2) Notwithstanding the absence of any notification from the listed issuer, the Exchange may, where the circumstances warrant the same, change the classification of a listed issuer to a sector which, in the opinion of the Exchange, is more appropriate for the listed issuer.

[Cross-reference: Practice Note 7]

PART D – SPONSORSHIP OF DEPOSITORY RECEIPTS

8.12 Sponsorship of depository receipts

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

(a) the total number of custodians holding the listed issuer’s securities for which the receipts are issued (“underlying securities”) must not be more than 5;

(b) the total number of underlying securities at any time must not be more than 5% of the total number of issued shares of the listed issuer;

(c) the depository bank must provide to the listed issuer, information in respect of the depository receipt that will enable the listed issuer to comply with these Requirements; and

(d) where there is more than one custodian bank appointed, the depository bank must fix a limit for the number of securities to be held by each custodian so that the total number of securities held by all the custodians does not exceed the limit referred to in subparagraph (b) above.

8.13 Status report on depository receipt

(1) A listed issuer which has entered into an agreement to sponsor a depository receipt programme must provide to the Exchange, for its information, every quarter of a calendar year, the following (“status report”):

(a) the number and names of the custodians holding the securities for which the depository receipts are issued; and

(b) the total number and percentage of the securities for which the depository receipts are issued against its total number of issued shares and a breakdown of the same in respect of the securities held by each custodian.

(2) Where the status report shows that the limit referred to in paragraph 8.12(b) above is exceeded, the Exchange will forward such report to the Depository, for its further action.
PART E – OFFER FOR SALE

8.14 Renounceable offer for sale

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

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

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

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

(b) despatch notices of allotment to the successful applicants; and

(c) apply for the quotation of such securities (where applicable).

PART F – DIRECTORS

8.16 Director’s undertaking

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

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

PART G – SHARE ISSUANCE SCHEME

8.17 Allocation under a Share Issuance Scheme

(1) A listed issuer must disclose to employees the criteria for allocation of options pursuant to a Share Issuance Scheme.

(2) A listed issuer must ensure that allocation of options pursuant to a scheme is verified by the audit committee, as being in compliance with the criteria referred to in subparagraph (1) above, at the end of each financial year.

(3) [Deleted]

8.18 Termination of a Share Issuance Scheme

(1) A listed issuer may not terminate a Share Issuance Scheme before expiry unless -

(a) the bylaws of the scheme contain a provision empowering the listed issuer to do so.

(b) [deleted]

(c) [deleted]
(2) [Deleted]
(3) [Deleted]
(4) [Deleted]
(5) A listed issuer which terminates a Share Issuance Scheme before its expiry must immediately announce to the Exchange –
   (a) the effective date of termination;
   (b) the number of options exercised or shares vested; and
   (c) the reasons for termination.

8.19 Implementation of a new Share Issuance Scheme

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

8.20 Restriction on dealings

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

PART H – OTHERS

8.21 Material dilution

(1) A listed issuer must obtain shareholder approval in a general meeting for the issue by its principal subsidiary, of shares or convertible securities or options that results or could potentially result in a material dilution of the listed issuer’s equity interest in such principal subsidiary.

(2) For the purpose of subparagraph (1) above, “material dilution” means a percentage reduction amounting to 25% or more.

8.22 Material variations

(1) A listed issuer must issue a circular to its shareholders and seek its shareholder approval if it proposes to make:
   (a) a material change to the utilisation of proceeds raised by the listed issuer from its initial public offering or new issue of securities which has been approved by way of specific shareholder approval; or
   (b) a material amendment, modification or variation to a proposal which has been approved by shareholders in general meeting.

(2) For the purpose of subparagraph (1) above -
   (a) a change to the utilisation of proceeds is considered material if such change is 25% or more of the total proceeds raised; or
(b) an amendment, modification or variation is considered material if it can be reasonably expected to have a material effect on the decision of a holder of securities of the listed issuer in relation to such proposal.

(3) Subparagraph (1)(b) above does not apply to any amendment, modification or variation resulting from such direction or condition as may be imposed by the relevant authorities.

8.23 Provision of financial assistance

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

(a) lend or advance any money; or

(b) guarantee, indemnify or provide collateral for a debt,

("provision of financial assistance") to or in favour of the following:

(i) directors or employees of the listed issuer or its subsidiaries;

(ii) persons to whom the provision of financial assistance -

(aa) is necessary to facilitate the ordinary course of business of the listed issuer or its subsidiaries; or

(bb) pursuant to the ordinary course of business of the listed issuer or its subsidiaries;

such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its moneylending business; or

(iii) the subsidiaries, associated companies or joint arrangements of the listed issuer, the listed issuer (in the case of the subsidiaries providing the financial assistance) or its immediate holding company which is listed.

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

(2) Where a listed issuer or its subsidiaries provide financial assistance -

(a) the board of directors of such listed issuer must ensure -

(i) that the provision of the financial assistance referred to in subparagraph (1) above is fair and reasonable to the listed issuer and is not to the detriment of the listed issuer and its shareholders; and

(ii) where a listed issuer or its subsidiary lends or advances money in the ordinary course of its business as a moneylender ("moneylending company" and "moneylending operations"), that the board of directors of the listed issuer oversees the moneylending operations and the management of credit risk of the moneylending company including ensuring that adequate policies and procedures are put in place which must be reviewed regularly to enable -

(aa) maintenance of sound credit-granting standards;
Chapter 8
Continuing Listing Obligations

Continuing Listing Obligations

As at 3 June 2019
Page 812

(bb) maintenance of a clear and defined credit approval process including a list of the approving party(ies), which must include the board of directors of the listed issuer, for different quantum of financial assistance granted by the moneylending company;

(cc) monitoring and control of credit risk; and

(dd) timely identification and administration of problem credits;

(b) where it is a related party transaction as defined in paragraph 10.02, the listed issuer complies with the requirements of paragraph 10.08 in addition to this provision;

(c) where the provision of financial assistance is to the associated company or the joint arrangement of the listed issuer, and the aggregate amount provided or to be provided at any time to each associated company or joint arrangement compared to the net tangible assets of the group is 5% or more, the listed issuer must issue a circular to its shareholders and seek shareholder approval in a general meeting, of such provision of financial assistance, unless the listed issuer complies with the requirements in subparagraph (1)(ii) above, in which case, the requirement to issue a circular and seek shareholder approval is dispensed with;

(d) where shareholder approval is required pursuant to subparagraphs (b) or (c) above, the listed issuer must state in its circular, the proposed utilisation of the amount of the financial assistance; and

(e) in addition to the announcement as may be required by the Exchange, the listed issuer must announce the information set out in Appendix 8D in relation to each moneylending company for each quarter of its financial year, if any, not later than 7 market days after the end of each quarter of a financial year.

(3) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and without limiting the generality of Part D of Chapter 2 -

(a) a listed issuer or its directors must give the Exchange any information, document or explanation that the Exchange requests for in relation to moneylending operations in accordance with the instructions or request of the Exchange, including but not limited to the following information in relation to the 20 debtors of each moneylending company having the highest amount of outstanding loans and/or advances ("Loans") (with aggregation of Loans granted to persons connected with each other):

(i) the names of the debtors and, in relation to each debtor, a statement as to whether the debtor is a related party;

(ii) the outstanding Loan amounts with aggregation of Loans granted to persons connected to each other, and the breakdown into principal and interest owing;

(iii) the salient terms of the outstanding Loans including the interest rate, terms as to the repayment of interest and principal and the security provided; and

(iv) the length of default on interest and/or principal, if applicable; and

(b) the Exchange may, at its absolute discretion, forward such information, document or explanation to the relevant authorities including the SC.
(4) Subparagraphs (1), (2) and (3) above do not apply to -

(a) any provision of financial assistance provided to or in favour of the listed issuer or wholly owned subsidiaries of the listed issuer;

(b) a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate; or

(c) [deleted]

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

[Cross reference: Practice Note 11]

8.24 Listing of subsidiaries

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

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

(1) Where an entitlement is subject to the relevant authorities’ approval, a listed issuer must first procure such authorities’ approval before fixing a books closing date.

(2) Once the basis of an entitlement and the books closing date have been declared, a listed issuer must not make any subsequent alteration to or revocation of such entitlement or books closing date.

8.26 Declaration of dividend or distribution

(1) Once the dividend or distribution has been declared or proposed to securities holders, a listed issuer must not make any subsequent alteration to the dividend or distribution entitlement.

(2) A listed issuer must ensure that all dividends or distributions are paid not later than 3 months from the date of declaration or the date on which approval is obtained in a general meeting, whichever is applicable.

8.26A Electronic payment of cash distributions

(1) A listed issuer must pay all cash distributions to its securities holders by directly crediting the payments into the securities holders’ bank accounts as provided to the Depository from time to time.

(2) Where a listed issuer’s securities holders have provided to the Depository the relevant contact details for purposes of electronic notifications, the listed issuer must notify them electronically once the listed issuer has paid the cash distributions out of its account.

(3) For the purpose of this paragraph, “cash distributions” means cash payments made by a listed issuer in respect of its securities which are listed and quoted for trading on the Exchange, as prescribed by the Exchange from time to time which include -

(a) cash dividends;
(b) payments of interest or profit rates on debt securities or sukuk respectively;
(c) income distributions made by collective investment schemes or business trust;
(d) capital repayment; and
(e) cash payments in lieu of odd lots arising from distributions in specie.

8.27 Notices of general meetings

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

(2) Without limiting the generality of subparagraph (1) above, a listed issuer must ensure that a notice convening an annual general meeting, where applicable, is accompanied by a statement which includes the information set out in Appendix 8A.

(3) Any notice of a general meeting called to consider special business must be accompanied by an explanatory note which contains the necessary information to enable a member to make an informed decision. Such explanatory note must include the effect of any proposed resolution in respect of such special business.

8.28 Notice of maturity

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

8.29 Securities holder approval

(1) If a transaction or corporate proposal requires securities holder approval pursuant to these Requirements, a listed issuer must not enter into or carry into effect such transaction or corporate proposal unless -

   (a) the entering into the transaction or corporate proposal is made subject to the securities holder approval; or

   (b) the carrying into effect of the transaction or corporate proposal has been approved by the securities holders.

(2) Where the transaction or corporate proposal is a grant for the exercise of an option and shareholder approval is required pursuant to these Requirements, then –

   (a) in the case of an issue by the listed issuer or its subsidiaries, the shareholder approval must be obtained before the option is issued, or the issue must be subject to that approval; and

   (b) in the case of an exercise by the listed issuer or its subsidiaries, the shareholder approval must be obtained before an option is exercised.

8.29A Voting by poll

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

8.30 Accounting and other records

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

8.31 Lodgement of agreement

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

PART I – SPECIFIC CONTINUING OBLIGATIONS RELATING TO PRICE STABILIZATION MECHANISM

8.32 Responsibilities of a listed issuer for the purposes of stabilizing action

(1) A listed issuer must ensure that the stabilizing manager undertaking the stabilizing action on its behalf, maintains a register in accordance with subparagraph 10(a) of the Capital Markets and Services (Price Stabilization Mechanism) Regulations 2008, which contains the information set out under Appendix 8C and that any changes to the information in the register be updated on a daily basis.

(2) The listed issuer must make available the register and all agreements relating to the market stabilization entered into by the listed issuer and stabilizing manager to the SC, Exchange or a person authorized in writing by the Exchange for inspection and must allow the SC, Exchange or a person authorized in writing by the Exchange to make copies or take extracts om the register or the agreements.

(3) In addition to subparagraph (1) above, the listed issuer must ensure that the register is capable of being brought into Malaysia and made available for inspection by the SC, Exchange or a person authorized in writing by the Exchange or where such register is not capable of being brought into Malaysia, a certified true copy of the register is made available for inspection by the SC, Exchange or a person authorized in writing by the Exchange if -

(a) the listed issuer is listed both on the Exchange and an exchange outside Malaysia; and

(b) it has appointed a stabilising manager to carry out stabilising action on a stock market outside Malaysia.

(4) For the purposes of this subparagraph, inspection includes making copies and taking extract from the register.
PART J – SPECIFIC CONTINUING OBLIGATIONS RELATING TO CLOSED-END FUNDS

8.33 Provision of information by Managers

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

PART K – SPECIFIC CONTINUING OBLIGATIONS RELATING TO REITS

8.34 [Deleted]

8.35 [Deleted]

8.36 Application of other Chapters

The following provisions are not applicable to a REIT:

(a) Part G of this Chapter; and

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

8.36A [Deleted]

8.37 [Deleted]

PART L – SPECIFIC CONTINUING OBLIGATIONS RELATING TO ETFS

8.38 Application of other Chapters

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

8.39 Unit spread of ETFs

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

8.40 [Deleted]

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

8.40A [Deleted]

PART M – SPECIFIC CONTINUING OBLIGATIONS RELATING TO SPECIAL PURPOSE ACQUISITION COMPANIES

8.41 Provision and obtaining financial assistance

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

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

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

[End of Chapter]
APPENDIX 8A

Contents of statement accompanying notices of annual general meetings
(paragraph 8.27(2))

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

2. A statement relating to general mandate for issue of securities in accordance with paragraph 6.03(3) of these Requirements.

[End of Appendix]
APPENDIX 8B

[Deleted]
APPENDIX 8C

Information to be included in the register of a stabilizing manager
(paragraph 8.32)

(1) The name of the issuer whose securities are subject to stabilization action.

(2) Details of the number of securities over allotted, name of lender, amount of securities borrowed and price of the relevant securities and total amount of option exercised.

(3) The names and addresses of the person appointed as a stabilizing manager, contact person, name of the Participating Organisation and the Capital Markets Services Representative’s License holder who will be conducting the stabilizing action (or equivalent, if any); and salient terms of all agreements relating to the market stabilization entered into by the listed issuer and stabilizing manager.

(4) A daily breakdown of the transactions effected during the stabilizing period showing the total number of securities purchased each day and the purchase price per securities or the highest, lowest and average paid.

[End of Appendix]
APPENDIX 8D

Information to be included in announcement by moneylending company
(paragraph 8.23(2)(e))

(1) The aggregate amount of outstanding loans and/or advances ("Loans") given by the moneylending company setting out the following breakdown for secured and unsecured Loans:

(a) to corporations;
(b) to individuals;
(c) to corporations within the listed issuer group; and
(d) to related parties.

(2) The total borrowings, setting out -

(a) the Loans given by any corporation within the listed issuer group to the moneylending company;
(b) the borrowings which are secured by any corporation within the listed issuer group in favour of the moneylending company; and
(c) other borrowings.

(3) The aggregate amount of Loans in default which must include the movements in the Loans in default for the listed issuer and the group as follows:

(a) at the beginning of the year;
(b) classified as Loans in default during the financial year;
(c) reclassified as performing during the financial year;
(d) amount recovered;
(e) amount written off;
(f) Loans converted to securities;
(g) total and net Loans in default at the end of the year; and
(h) ratio of net Loans in default to net Loans or advances.

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

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

(a) the facility type and limit;
Appendix 8D
Announcement by moneylending company

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

[End of Appendix]
APPENDIX 8E

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

(1) Listed corporations

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

(2) REITs / business trusts

<table>
<thead>
<tr>
<th>Particulars</th>
<th>No. of units</th>
<th>No. of unit holders</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units in circulation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directors and substantial shareholders of the management company/trustee-manager</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 8E
Information on equity structure

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

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

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

Public unit holders

[End of Appendix]