
CHAPTER 1 DEFINITIONS AND INTERPRETATION

PART A – DEFINITIONS

1.01 Definitions

In these Requirements, unless the context otherwise requires:-

admission	means admission of a class of securities to the Official List of the Exchange and “admitted” shall <u>will</u> be construed accordingly.
adviser	in relation to a listed corporation, means a corporate finance adviser that may act as a principal adviser under the Commission’s Guidelines on Principal Advisers for Corporate Proposals <u>means –</u> (a) <u>an Adviser or Sponsor;</u> (b) <u>a person who is permitted to carry on the regulated activity of advising corporate finance under the CMSA;</u> (c) <u>a financial adviser, lawyer, accountant, valuer, or any other person retained by a listed corporation to provide professional advice or services in relation to a matter governed by these Requirements; or</u> (d) <u>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.</u>
Adviser	means such persons who are registered on the Register of Advisers for the MESDAQ Market <u>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.</u>
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” shall <u>will</u> be construed accordingly.
applicant	means a public company which is incorporated in Malaysia under the Companies Act 1965 and a corporation which is applying for admission of its securities.
approved accounting standards	in relation to the Malaysian Accounting Standards Board (MASB), shall have <u>has</u> the meaning given in section 2 of the Financial Reporting Act 1997.
articles of association	includes any document defining the constitution or governing the activities or conduct of an applicant, a listed company <u>corporation</u> or its members.

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<u>associate</u>	<p>in relation to a director, shareholder, substantial shareholder of an applicant or a listed corporation (individually and collectively referred to as “Associated Party”) means a person who falls under any one of the following categories:</p> <ul style="list-style-type: none"> (i) a family member of the Associated Party; (ii) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Associated Party or a family member of the Associated Party is the sole beneficiary; (iii) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Associated Party; (iv) a person in accordance with whose directions, instructions or wishes the Associated Party is accustomed or is under an obligation, whether formal or informal, to act; (v) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Associated Party; (vi) a body corporate or its directors whose directions, instructions, or wishes of which, the Associated Party is accustomed or under an obligation, whether formal or informal to act; (vii) a body corporate in which the director, shareholder or a family member of the Associated Party is entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or (viii) a body corporate which is a related corporation.
<u>Associated company</u>	shall have <u>has</u> the meaning given to “ associate ” under the approved accounting standards of issued or adopted by the Malaysian Accounting Standards Board.
<u>Board</u>	in relation to the Exchange, means the board of directors of the Exchange.
<u>Board lot</u>	shall have <u>the meaning given in the Rules of the Exchange in relation to any securities quoted on the Official List, means a</u> parcel of securities comprising 100 units or any other number of securities permitted by the Exchange to be traded on the stock market.
<u>Books closing date</u>	means the specified time and date set by a listed company <u>corporation</u> for the purpose of determining entitlements to dividends, interests, new securities or other distributions or rights of holders of its securities.

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<u>Cash Company</u>	<u>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.</u>
<u>change in the board of directors of a listed corporation</u>	<u>in relation to a listed corporation, means a change within a 12-month period from the date of the acquisition in -</u> (a) <u>at least one-half of the membership of the board of directors of the listed corporation; or</u> (b) <u>at least one-third of the membership of the board of directors of the listed corporation, including the chief executive.</u>
chief executive officer	in relation to an applicant or a listed company, means the principal executive officer of the applicant or listed company for the time being, by whatever name called, and whether or not he is a director. <u>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.</u>
CMSA	means the Capital Markets and Services Act 2007.
controlling shareholder	shall have the meaning given in the Commission's Guidelines for the MESDAQ Market <u>means any person who is or a group of persons who together are entitled to exercise or control the exercise of at least 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.</u>
convertible securities	means securities which are convertible or exercisable by the holder, or automatically, by their terms of issue, into shares or stocks.
core business	<u>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.</u>
corporation	has the meaning given in section 2(1) of the CMSA.
debt securities	means debentures, bonds, notes, loan stocks or other similar instruments representing or evidencing indebtedness, whether secured or unsecured, and whether convertible or not.
deposited security	shall have the meaning given in section 2 of the Securities Industry (Central Depositories) Act 1994 <u>means a security standing to the credit of a securities account and includes a security in a securities account that is in suspense.</u>
Depository	means Bursa Malaysia Depository Sdn. Bhd.

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depository bank	in relation to depository receipts, means the issuer of such depository receipts.
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	shall have has the meaning given in Section 2(1) of the CMSA and includes in the case of an issuer of structured warrants, a director of the issuer of the structured warrants.
Exchange	means Bursa Malaysia Securities Berhad.
Exchange Holding Company	means Bursa Malaysia Berhad.
expert	shall have the meaning given in section 212(1) of the CMSA includes an engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.
family	<p>family in relation to a person means such person who falls within any one of the following categories:-</p> <ul style="list-style-type: none"> (a) spouse; (b) parent; (c) child including an adopted child and step-child; (d) brother or sister; and (e) spouse of the person referred to in sub-paragraph Rules (c) and (d) above.
foreign corporation	means an entity that is incorporated outside Malaysia.
<u>GN3 Company</u>	<u>has the meaning given in Rule 8.04.</u>
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 company 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 company corporation. Without limiting the generality of the foregoing, an independent director is one who:-</p> <ul style="list-style-type: none"> (a) is not an executive director of the applicant, listed company corporation or any related corporation of such applicant or listed company corporation (hereinafter each corporation shall be referred to as the "the said Corporation"). For the purposes of this definition, "related corporation" shall have the meaning given in

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section 6 of the Companies Act 1965;

- (b) has not been within the last 2 years and is not an officer (except as a non-executive director) of the said Corporation. For this purpose, “**officer**” ~~shall have~~ has the meaning given in section 4 of the Companies Act 1965;
- (c) is not a major shareholder of the said Corporation;
- (d) is not a ~~relative family member~~ of any executive director, officer or major shareholder of the said Corporation. ~~For this purpose, “relative” means the spouse, parent, brother, sister, child (including adopted or step child) and the spouse of such brother, sister or child;~~
- (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 a ~~professional~~ 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 ~~company~~ 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 ~~company~~ corporation (other than subsidiaries of the applicant or the listed ~~company~~ 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 “**listing**” ~~shall~~ will be construed accordingly.

listed ~~company~~ corporation

means ~~any company~~ any corporation or ~~other person~~ whose securities or any class of its securities have been admitted to the Official List and not removed.

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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 company <u>corporation</u> on a consolidated basis.
major shareholder	means a person who has an interest or interests in one or more voting shares in a company <u>corporation</u> and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:- <ul style="list-style-type: none"> (a) equal to or more than 10% <u>or more</u> of the aggregate of the nominal amounts of all the voting shares in the company <u>corporation</u>; or (b) equal to or more than 5% <u>or more</u> of the aggregate of the nominal amounts of all the voting shares in the company <u>corporation</u> where such person is the largest shareholder of the company <u>corporation</u>. <p>For the purpose of this definition, “interest in shares” shall have <u>has</u> the meaning given in section 6A of the Companies Act 1965.</p>
market day	means a day on which the MESDAQ Market <u>stock market of the Exchange</u> is open for trading in securities.
member	includes a depositor who shall <u>will</u> 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.
net assets	refers to the net assets attributable to ordinary equity holders of the listed company <u>corporation</u> .
offer for sale	means an invitation by, or on behalf of, an existing securities holder to purchase securities of a <u>corporation</u> already in issue or allotted.
offer for subscription	means an invitation by, or on behalf of, a <u>corporation</u> , to subscribe for securities of the corporation not yet in issue or allotted.
officer	<p>(a) in relation to an applicant, a listed company <u>corporation</u>, or its related corporation, means the chief executive officer, 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 company <u>corporation</u> or its related corporation, by whatever name called; <u>and</u></p> <p>(b) in relation to the Exchange or the Exchange Holding Company, has the meaning given in section 4 of the Companies Act 1965.</p>
Official List	means a list specifying all securities which have been admitted for listing on the MESDAQ <u>ACE</u> Market and not removed.

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options	includes options under a share scheme for employees, convertible securities, warrants, and any other types of options in respect of the issued or unissued securities of a company <u>corporation</u> .
Participating Organisation	shall have the meaning given in the Rules of the Exchange <u>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.</u>
partner	in relation to a director, major shareholder or <u>a</u> person connected with a the director or major shareholder, <u>means</u> such person who falls within any one of the following categories:- <ul style="list-style-type: none"> (a) a person with whom the director, major shareholder or person connected with the a director or major shareholder, is in or proposes to enter into partnership with. "Partnership" for this purpose is given<u>has</u> the meaning under given in section 3 of the Partnership Act 1961; and (b) a person with whom the director, major shareholder or person connected to with a director or major shareholder has entered or proposes to enter into a joint venture, whether incorporated or not.
person	includes a body of persons, corporate or unincorporate (including a trust).
person connected	in relation to a director or a major shareholder, means such person who falls under any one of the following categories:- <ul style="list-style-type: none"> (a) a <u>family</u> member of the director's or major shareholder's family; (b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the director, major shareholder or a <u>family</u> member of the director's or major shareholder's family is the sole beneficiary; (c) a partner of the director, major shareholder or a partner of a person connected with that director or major shareholder; (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder; (e) a person in accordance with whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;

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- (f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;
- (g) a body corporate or its directors whose directions, instructions or wishes the director or major shareholder is accustomed or under an obligation, whether formal or informal, to act;
- (h) a body corporate in which the director, major shareholder ~~and/or~~ persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
- (i) a body corporate which is a related corporation.

predominantly foreign-based operations

means a situation where –

- (a) the after-tax profits of an applicant 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 are located outside Malaysia.

predominantly Malaysian-based operations

means a situation where –

- (a) the after-tax profits of an applicant derived from assets or operations held within Malaysia are higher than the after-tax profits derived from asset or operations held outside Malaysia; or
- (b) the majority of the infrastructure projects are located within Malaysia.

promoter

includes a controlling shareholder, a person connected to a controlling shareholder and an executive director who is a substantial shareholder of the listed corporation.

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 investment properties for letting and retention as investments; or

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- (b) the purchase of investment properties for subsequent sale.
- public means all persons or members of the public but excludes:-
- (a) directors of an applicant or a listed ~~company~~ corporation and its subsidiaries ~~or associated companies~~;
 - (b) substantial shareholders of an applicant or a listed ~~company~~ corporation except where such a shareholder fulfils all the following requirements in which case such shareholder may be included as a **"public"** shareholder:-
 - (i) such shareholder's interest, directly or indirectly is not more than 15% of the total number of shares of the applicant or listed ~~company~~ corporation;
 - (ii) such shareholder is not a promoter of the applicant or listed ~~company~~ corporation; and
 - (iii) such shareholder is either:-
 - (aa) a statutory institution who is managing funds belonging to contributors or investors who are members of the public; or
 - (bb) an entity established as a collective investment scheme, such as closed-end funds, unit trusts or investment funds (but excluding investment holding companies); and
 - (c) associates of directors or substantial shareholders of an applicant or a listed ~~company~~ corporation.

~~For the purpose of this definition, "associates" of directors or substantial shareholders of an applicant or a listed company are those who fall under any one of the following categories:-~~

- ~~(i) a member of the director's or shareholder's family;~~
- ~~(ii) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the director, shareholder or a member of the director's or shareholder's family is the sole beneficiary;~~
- ~~(iii) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or shareholder;~~
- ~~(iv) a person in accordance with whose directions, instructions or wishes the director or shareholder is accustomed or is under an obligation, whether formal or informal, to act;~~
- ~~(v) a body corporate or its directors which/who is/are~~

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~~accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or shareholder;~~

~~(vi) a body corporate or its directors whose directions, instructions, or wishes of which, the director or shareholder is accustomed or under an obligation, whether formal or informal to act;~~

~~(vii) a body corporate in which the director, shareholder or a member of the director's or shareholder's family is entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or~~

~~(viii) a body corporate which is a related corporation.~~

For the avoidance of doubt, a "public" shareholder also excludes 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.

real estate

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.

"Recognised Stock Exchange"

~~shall have the meaning given in the Rules of the 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 company 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 1965.

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.

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.

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related party	means a director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, " director " and " major shareholder " shall have <u>have</u> the meanings given in Rule 10.02 of these Requirements.
<u>restricted offer for sale</u>	<u>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.</u>
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	shall have the meaning given in section 2 of the Securities Industry (Central Depositories) Act 1994 <u>means the Rules of Bursa Malaysia Depository Sdn Bhd, including any amendment that may be made from time to time.</u>
Rules of the Exchange	means the Rules of Bursa Malaysia Securities Berhad including any amendment hereto that may be made from time to time.
SC	means the Securities Commission established under section 3 of the Securities Commission Act 1993.
securities	shall have <u>has</u> 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.
share scheme for employees	means a share scheme involving a new issue of shares to employees.
significant change in the business direction or policy of a listed company	shall have the meaning given in the Commission's Guidelines for the MESDAQ Market in relation to a listed corporation means : <ul style="list-style-type: none"> (a) <u>an acquisition of assets such that any one of the percentage ratios is 100% or more, except where the assets to be acquired are the same as those of the existing core business of the listed corporation;</u> (b) <u>an acquisition of assets which results in a change in the controlling shareholder of the listed corporation;</u> (c) <u>an acquisition of assets which results in a change in the board of directors of the listed corporation;</u> (d) <u>an acquisition of assets by a Cash Company to regularize its condition pursuant to Rule 8.03(5)(a); or</u> (e) <u>a restructuring exercise involving the transfer of the listed corporation's listing status and the introduction of new assets to the other corporation.</u>

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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.

Sponsor	means such persons who are registered on the Register of Sponsors for the MESDAQ Market.
Sponsored Corporation	means a listed corporation which is sponsored by a Sponsor during the <u>Sponsorship Period</u> .
Sponsorship Period	in relation to a sponsorship means the period referred to in Rule 3.21(1) or (2), as the case may be.
stabilizing action	<u>means 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 equity securities listed on the Official List.</u>
stabilizing manager	<u>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.</u>
substantial shareholder	shall have <u>has</u> the meaning given in S section 69D of the Companies Act 1965.
Take-Overs and Mergers Code	means the Malaysian Code on Take-Overs and Mergers 1998, including any amendment that may be made from time to time.
these Requirements	means the listing requirements of Bursa Malaysia Securities Berhad that are applicable to the MESDAQ <u>ACE Market Listing Requirements</u> including any amendment thereto that may be made from time to time.

treasury shares has the meaning given to it in section 67A(3A) of the Companies Act 1965.

PART B – INTERPRETATION

1.02 Interpretation

- (1) Unless otherwise defined in these Requirements or unless the context otherwise requires ~~otherwise~~, words or expressions defined in the Companies Act 1965 ~~shall~~, when used ~~herein~~ these Requirements, have the same meanings ~~given to them thereunder, as in the Companies Act 1965.~~
- (2) Apart from the above, certain other terms and expressions have also been defined in the respective Chapters. Such definitions ~~shall~~ only apply with respect to the respective Chapters in which they are contained.
- (3) The terms and expressions defined in Rule 1.01 ~~shall~~ are also ~~be~~ 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 ~~shall have~~ 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 ~~shall~~ 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 ~~shall~~ are to be taken, read and construed as an essential part of these Requirements.

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- (2) ~~Those of the~~ Appendices which take the form of forms will not be printed and furnished by the Exchange. Applicants and listed ~~companies~~ corporations are required to produce their own forms which strictly adhere to the relevant Appendices.

1.08 Schedules

The Schedules ~~shall~~ 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]