
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 company~~ listed corporation, its directors, ~~its Sponsor~~ or advisers in addition to other continuing listing obligations which have been set out in other Chapters of these Requirements.

PART ~~EB~~ – CONTINUING LISTING CRITERIA**~~8.158.02~~ Compliance with shareholding spread requirement**

- (1) A ~~listed company~~ listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of ~~a minimum of 1,000~~ public shareholders ~~holding not less than 100 shares each~~. The Exchange may accept a percentage lower than 25% of the total number of listed shares (excluding treasury shares) if it is satisfied that such lower percentage is sufficient for a liquid market in such shares.

[Cross reference: Guidance Note 13]

- (2) For listed corporations which have shares listed on other stock exchange(s), shares listed on the other stock exchange(s) are included for the purpose of computing the percentage of shareholding spread referred to in sub-Rule (1) above.
- (~~23~~) A ~~listed company~~ listed corporation ~~must inform the Exchange immediately~~ must immediately announce to the Exchange if it becomes aware that it does not comply with the required shareholding spread referred to in sub-Rule (1) above.
- (~~34~~) A ~~listed company~~ listed corporation ~~that which~~ fails to maintain the required shareholding spread referred to in sub-Rule (1) may request for an extension of time to rectify the situation in the manner as may be prescribed by the Exchange. ~~Where no extension of time is granted by the Exchange, the Exchange may suspend trading in the securities of the listed company and/or de-list the listed company~~

[Cross reference: Guidance Note 13]

- (4) ~~In the event the spread of shareholdings of a listed company is equal to or below 10% of the total number of listed shares, the Exchange may suspend trading in the securities of such listed company.~~
- (5) ~~In relation to a take-over offer for the acquisition of the listed shares of a listed company pursuant to the Code as defined under Chapter 11 or corporate proposals undertaken by or in relation to a listed company, upon 90% or more of the listed shares of the said listed company being held by a shareholder, either singly or jointly with associates of the said shareholder, an immediate announcement must be made by the listed company. Upon such announcement, all the securities of the listed company may be suspended from trading and/or removed from the Official List of the Exchange.~~ (6) ~~Notwithstanding sub-Rule (5) above, all the securities of the listed company shall be removed from the Official List of the Exchange:-~~
- (a) ~~in relation to a take-over offer, upon announcement by the listed company pursuant to sub-Rule (5) above unless the offeror has provided in the offer document :-~~
- (i) ~~its intention to maintain the listing status of the listed company and not to invoke the provisions under section 222 of the CMSA; and~~

Chapter 8

Continuing Listing Obligations

(ii) ~~—— detailed plans, the complete implementation of which would result in full compliance by the listed company with all the provisions of these Requirements.~~

(b) ~~—— in relation to corporate proposals, upon announcement pursuant to sub-Rule (5) above that:-~~

(i) ~~—— 100% of the listed shares of the said listed company are held by a shareholder either singly or jointly with the associates of the said shareholder; and~~

(ii) ~~—— the corporate proposals do not include any plans duly approved by the shareholders of the listed company before the proposals were undertaken, the complete implementation of which would result in full compliance by the listed company with all the provisions of these Requirements~~

(7) ~~—— For the purpose of sub-Rules (5) and (6) above:-~~

(i) ~~—— “corporate proposals” shall includes a proposal resulting in significant change in the business direction or policy of a listed company or a scheme of compromise, arrangement, amalgamation or reconstruction; and~~

(ii) ~~—— “associates of the said shareholder” shall have the meaning given in relation to “associates of directors or substantial shareholders” as set out in the definition of “public” under Rule 1.01.~~

(8) ~~—— Unless the context otherwise requires, the words or expressions used in this Part shall have the meanings given under section 216 of the CMSA and the Code as defined under Chapter 11.~~

8.148.03 Cash Companies

(1) ~~—— A listed company that is considered a “Cash Company” by the Exchange must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may de-list such listed company.~~

~~(2)~~(1) ~~A listed company~~listed corporation whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both (“**Cash Criterion**”), must immediately notify the Exchange of ~~the same~~its condition in writing. ~~(referred to as “the Cash Criterion” in this Part E). The~~ The Exchange will make a determination as to will determine whether such ~~listed company~~listed corporation should be considered a Cash Company pursuant to sub-Rule (1) above. ~~–A listed company~~listed corporation considered as a Cash Company by the Exchange will be notified by the Exchange ~~(referred to as “the Notice” in this Part E).~~

~~(1)~~(2) ~~A listed company that is considered a “Cash Company” by the Exchange~~ A Cash Company must comply with such requirements as may be prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed corporation or de-list it, or both ~~such listed company.~~

(3) For the purposes of sub-Rule (2) above, the following ~~shall~~ apply:-

(a) ~~a listed company~~listed corporation must, as a minimum requirement, make a determination as to whether it triggers the Cash Criterion when it disposes its assets or business on a group basis or prepares its financial statements or accounts; and

(b) “**short term investments**” means investments which are by their nature readily realisable and intended to be held for 12 months or less including interests (equity or otherwise) in companies.

(4) A Cash Company must place at least 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal undertaken by the Cash Company) in an account opened with a financial institution licensed by Bank Negara Malaysia and operated by a custodian. Any interest generated by the monies held in the account must

accrue to the account. For the purpose of this sub-Rule (4), "custodian" means any of the following who is independent of the Cash Company:

- (a) a trust company registered under the Trust Companies Act 1949 or incorporated pursuant to the Public Trust Corporation Act 1995 and is in the List of Registered Trustees in relation to Unit Trust Funds issued by the SC; or
- (b) a licensed bank or merchant bank as defined in the Banking and Financial Institutions Act 1989.

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

- (i) implementing a proposal to acquire a new core business approved by the Exchange.
- (ii) pro-rata distributions to shareholders pursuant to sub-Rule (9) below.

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

- (a) regularise its condition in the following manner:-
 - ~~(i) submit a proposal to regularise its condition to the Commission and the other relevant authorities for approval (collectively referred to as the "Approving Authority" in this Part E) within such timeframe as may be stipulated by the Exchange; and~~
 - ~~(ii) implement its proposal to regularise its condition within the timeframe stipulated by the relevant Approving Authority;~~
 - (i) submit a proposal to acquire a new core business, which is substantially comprehensive and will increase shareholder value, to the Exchange and obtain the Exchange's approval to implement the proposal, within 12 months from the date it receives the notice referred to in sub-Rule (1) above;
 - (ii) appoint a Sponsor within 3 months from the date the listed corporation announces that it is a Cash Company and retain the said Sponsor until it is no longer considered as Cash Company by the Exchange under sub-Rule (8) below; and
 - (iii) implement its proposal within 6 months from the date the proposal is approved by the Exchange. However, for cases which involve court proceedings, a Cash Company has up to 12 months from the date the proposal is approved by the Exchange, to complete the implementation of the proposal.
- (b) retain the services of a Sponsor for at least 3 full financial years after it is no longer considered as a Cash Company by the Exchange under sub-Rule (8) below. In this regard, the Sponsor referred to in sub-Rule (a)(ii) above must act as the Sponsor of the Cash Company for at least the first full financial year;
- ~~(b)(c)~~ provide such information as may be prescribed by the Exchange from time to time for public release; and
- ~~(c)(d)~~ do such other acts or things as may be required by the Exchange.

Chapter 8 Continuing Listing Obligations

- (5) ~~For the purpose of sub-Rule (4)(a) above, a “proposal to regularise its condition” refers to a proposal that is substantive and falls within the ambit of section 212 of the CMA (referred to as “the Proposal” in this Part E).~~
- (6) ~~The Exchange may suspend the trading of the A-Cash Company Company's listed securities if it which fails to comply with any part of its obligations in sub-Rule (5)(a) above or if its whose Proposal is rejected by the Approving Authority Exchange, may have its listed securities suspended and subsequently de-listing procedures commenced against the Cash Company, and the Exchange may de-list such Cash Company.~~
- (7) ~~Where a Cash Company has completed the implementation of its Proposal, it must submit an application to the Exchange together with all the necessary documentary evidence to show that it is no longer a Cash Company.~~
- (7) Sub-Rules (1) and (2) above are not applicable to the following listed corporations:
- (a) listed corporations whose activities are regulated by any written law relating to banking, finance companies or insurance and are subject to supervision by Bank Negara Malaysia;
 - (b) Participating Organisations;
 - (c) infrastructure project corporations which have not completed their infrastructure project(s); and
 - (d) such other category of listed corporations as may be prescribed by the Exchange.
- (8) For a Cash Company to be no longer considered a Cash Company, the Cash Company must
=
- (a) complete the implementation of its proposal; and
 - (b) submit an application to the Exchange to demonstrate that it is no longer a Cash Company, together with all the necessary documentary evidence.
- The fact that a Cash Company has ceased to trigger the Cash Criterion before it completes the implementation of its proposal, would not entitle it to be no longer considered as a Cash Company for the purpose of this sub-Rule.
- (9) If the Cash Company fails to comply with any part of its obligations in sub-Rule (5)(a) above, it must ensure that all moneys deposited, together with interests earned with the financial institution licensed by Bank Negara Malaysia and operated by a custodian under sub-Rule (4) above are distributed to its shareholders on a pro-rata basis as soon as practicable.

[Cross reference: Guidance Note 2; Guidance Note 20]

8.168.04 Financial condition and level of operations

- (1) ~~The financial condition and level of operations of a listed company~~listed corporation on a consolidated basis must, in the opinion of the Exchange, warrant continued trading and/or listing on the Official List, ~~failing which the Exchange may de-list such listed company.~~
- (2) ~~The Exchange may prescribe certain criteria in relation to the financial condition and level of operations of a listed company~~listed corporation (referred to as “the Prescribed Criteria” in this Part E), the fulfilment of one or more of which would require the listed company~~When a listed corporation triggers any of the Prescribed Criteria (referred to as “the Affected Listed Company” in this Part E~~GN3 Company”) it must comply with such requirements as may be

Chapter 8

Continuing Listing Obligations

prescribed by the Exchange, failing which the Exchange may suspend the trading of listed securities of such listed corporation or de-list it or both.

(3) A GN3 Company must comply with the following additional requirements:-

(a) regularise its condition in the following manner (referred to as “the Obligation to Regularise” in this Part E):-

(i) submit submit to the Exchange a regularisation plan and obtain the Exchange’s approval to implement the plan within 12 months from the date the listed corporation announces that it is a GN3 Company a plan to regularise its condition to the Commission and the other relevant authorities for approval, (collectively referred to as the “Approving Authority” in this Part E) within such timeframe as may be stipulated by the Exchange (referred to as “Submission Timeframe” in this Part E); and

(ii) appoint a Sponsor within 3 months from the date the listed corporation announces that it is a GN3 Company and retain the said Sponsor until it is no longer considered as a GN3 Company by the Exchange under sub-Rule (8) below; and

(iii) implement its plan to regularise its condition the regularisation plan within 6 months from the date the regularisation plan is approved by the Exchange. However, for cases which involve court proceedings, a GN3 Company has up to 12 months from the date the regularisation plan is approved by the Exchange, to complete the implementation of the regularisation plan within the timeframe stipulated by the relevant Approving Authority Exchange; (referred to as “Implementation Timeframe” in this Part E)

(the Submission Timeframe and Implementation Timeframe shall be referred to collectively as “the Stipulated Timeframes” in this Part E);

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

(c) retain the services of a Sponsor for at least 3 full financial years after it is no longer considered as a GN3 Company by the Exchange under sub-Rule (8) below. In this regard, the Sponsor referred to in sub-Rule (a)(ii) above must act as the Sponsor of the GN3 Company for at least the first full financial year; and

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

~~(3)~~ For the purpose of sub-Rule (2)(a) above, a “plan to regularise its condition” refers to a plan that is substantive and falls within the ambit of section 212 of the CMSA (referred to as “the Regularisation Plan” in this Part E).

~~(4)~~An Affected Listed Company which fails to comply with the Obligation to Regularise shall have all its listed securities suspended from trading from trading on the 5th market day after expiry of the relevant Submission Timeframe or Implementation Timeframe, as the case may be, and de-listing procedures shall be commenced against such Affected Listed Company(5) Where an Affected Listed Company has submitted its Regularisation Plan to the Approving Authority for approval prior to the expiry of the Submission Timeframe but whose Regularisation Plan is rejected by the Approving Authority, the following shall apply:-

~~(a)~~ if the rejection takes place after the expiry of the Submission Timeframe, the Affected Listed Company shall have all its listed securities suspended from trading on the 5th market day after the Affected Listed Company’s announcement of the Approving

Chapter 8

Continuing Listing Obligations

~~Authority's rejection and de-listing procedures shall be commenced against such Affected Listed Company; or~~

- ~~(b) if the rejection takes place prior to the expiry of the Submission Timeframe, the Affected Listed Company shall have all its listed securities suspended from trading on the 5th market day after expiry of the Submission Timeframe and de-listing procedures shall be commenced against such Affected Listed Company unless either:-~~

~~(i) the Affected Listed Company submits a new or revised Regularisation Plan to the Approving Authority for approval within the Submission Timeframe; or~~

~~(ii) the Affected Listed Company appeals against the rejection of the Approving Authority and the appeal is pending upon expiry of the Submission Timeframe.~~

~~(6) In the case of an Affected Listed Company falling within the circumstances described under sub-Rule (5)(b)(ii) above and the appeal lodged by the Affected Listed Company with the Approving Authority is unsuccessful, the Affected Listed Company shall have all its listed securities suspended from trading on the 5th market day after the Affected Listed Company's announcement of the Approving Authority's rejection of the appeal and de-listing procedures shall be commenced against such Affected Listed Company.~~

~~(7) Where an Affected Listed Company has completed the implementation of its Regularisation Plan, it must submit an application to the Exchange together with all the necessary documentary evidence to show that it no longer triggers any of the Prescribed Criteria.~~

(4) Where the Exchange approves the regularisation plan of a GN3 Company, such approval may be unconditional or subject to such conditions, as it deems fit. If the regularisation plan is rejected by the Exchange, the GN3 Company may appeal against the decision of the Exchange within 1 month from the date of its rejection.

(5) If a GN3 Company fails to comply with any part of its obligations under sub-Rule (3)(a) above, the Exchange shall –

(a) suspend the trading of the GN3 Company's listed securities on the next market day after 5 market days from the date of notification of suspension by the Exchange; and

(b) de-list such GN3 Company subject to the latter's right to appeal against the de-listing under sub-Rule (6) below.

(6) A GN3 Company which intends to appeal against a de-listing under this Rule 8.04 must submit its appeal to the Exchange within 5 market days from the date of notification of de-listing by the Exchange.

(7) Where there is an appeal submitted to the Exchange, the Exchange shall stay the de-listing of the GN3 Company concerned pending consideration of the appeal. However, the Exchange shall suspend the trading of the GN3 Company's listed securities on the next market day after 5 market days from the date of notification of suspension by the Exchange even though the decision of the appeal is still pending.

(8) For a GN3 Company to be no longer considered a GN3 Company, the GN3 Company must –

(a) complete the implementation of its regularisation plan; and

(b) submit an application to the Exchange to demonstrate that it is no longer a GN3 Company, together with all the necessary documentary evidence.

The fact that a GN3 Company has ceased to trigger the Prescribed Criteria before it completes the implementation of its regularisation plan, would not entitle it to be no longer considered as a GN3 Company for the purpose of this sub-Rule.

[Cross reference: Guidance Note 3; Guidance Note 20]

8.17 — Extension of time

~~(1) — A Cash Company or Affected Listed Company must comply with the timeframes stated in Rules 8.14 or 8.16 above, as the case may be or such extension of time granted by the Exchange (the timeframes and extensions of time granted by the Exchange, if any, shall individually or collectively, as the context may require, be referred to in this Part E as “the Relevant Timeframes”).~~

~~(2) — A Cash Company or Affected Listed Company which intends to request for an extension of time referred to in sub-Rule (1) above must do so not later than 15 days prior to the expiry of the Relevant Timeframes, failing which the Exchange will not consider such application. The Cash Company or Affected Listed Company, as the case may be, must make an immediate announcement to the Exchange of any extension of time granted in relation to such application.~~

8.18 Compliance with issued and paid-up capital

~~(1) — A listed company must ensure that its minimum issued and paid-up capital complies with Rule 3.04.~~

~~(2) — A listed company must inform the Exchange immediately if it becomes aware that it does not comply with sub-Rule (1) above.~~

~~(3) — The Exchange may suspend trading in the securities of a listed company that does not comply with these provisions and de-list the said listed company.~~

8.0605 Sponsor during the Sponsorship Period

~~(1) — A listed corporation must comply with Rule 3.21 in securing and maintaining the services of a Sponsor.~~

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

8.076 Appointment of Adviser for proposals

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

[Cross reference: Guidance Note 19]

~~(2) — A listed corporation must ensure that the circular or document in respect of such corporate proposal is prepared, reviewed and approved by its Adviser before it is issued to its securities holders.~~

PART C – CERTIFICATES, TRANSFERS AND TRANSMISSIONS**8.048.087 Proxy forms**

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

8.058.098 Audit for transfers and issue of certificates

A ~~listed company~~listed corporation 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 Rules 6.239, 6.426, 6.545⁹ and 8.221⁷ where applicable.

8.068.1009 Number of securities

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

8.078.140 Paper quality and watermark

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

8.088.121 Size of certificates

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

8.028.132 Submission of annual returns

A ~~listed company~~listed corporation must submit to the Exchange returns as at 31st December of each calendar year within 2 months from the said date, 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.

8.038.143 Change in classification

- (1) Where there are circumstances to signify that a change in the classification of a ~~listed company~~listed corporation in a specific sector has taken place, the ~~listed company~~listed corporation must propose to the Exchange of the change in classification in such manner as may be prescribed by the Exchange. The proposed change in classification ~~shall be~~ is subject to the approval of the Exchange. The Exchange may in its absolute discretion either maintain the classification or classify the ~~listed company~~listed corporation into such other sector as it deems fit.
- (2) Notwithstanding the absence of any notification from the ~~listed company~~listed corporation, the Exchange may, where the circumstances warrant the same, change the classification of a ~~listed company~~listed corporation to a sector which, in the opinion of the Exchange, is more appropriate for the ~~listed company~~listed corporation.

[Cross reference: Guidance Note 1]

PART D—DOCUMENTS**8.09—Draft circulars and other documents**

- (1) ~~A listed company or offeror in an offer for sale of listed securities must submit to the Exchange for perusal, one draft copy of all circulars and other documents proposed to be sent to the holders of listed securities, within a reasonable time prior to printing together with a checklist showing compliance with the relevant parts of these Requirements.~~
- (2) ~~Sub-Rule (1) above shall not apply to the following documents:-~~
- (a) ~~an annual report;~~
 - (b) ~~any document to be sent to holders of listed securities in relation to a take-over by or in respect of a listed company excluding circulars to be issued by a listed company, proposing to undertake or undertaking a take-over, to its securities holders pursuant to Chapter 10 of these Requirements; and~~
 - (c) ~~any document that is not prepared by the listed company or its advisers on its behalf.~~
- (3) ~~A listed company or offeror shall not issue any of such documents referred to in sub-Rule (1) above until the Exchange has confirmed in writing that it has no further comments thereon.~~
- (4) ~~Where an adviser is appointed by the listed company or offeror for the preparation and/or submission of the documents referred to in sub-Rule (1) above to the Exchange, such adviser must also comply with sub-Rules (1) and (3) above.~~

8.10—Quality of draft documents

~~A person submitting to the Exchange a draft circular or other draft documents pursuant to Rule 8.09 above must ensure that such documents are precise and complete. The Exchange reserves the right to return such documents which are incomplete or deemed unsatisfactory in the opinion of the Exchange.~~

8.11—Standard of disclosure for circulars

- (1) ~~A listed company must ensure that any circular issued to the securities holders of the listed company:-~~
- (a) ~~is factual, clear, unambiguous, accurate, succinct and contains all such information as securities holders and their professional advisers would reasonably require and reasonably expect to find in a circular of that nature, for the purpose of making an informed decision;~~
 - (b) ~~is not false, misleading and/or deceptive;~~
 - (c) ~~is balanced and fair. Thus, the circular must avoid amongst others:-~~
 - (i) ~~the omission of important unfavourable facts, or the slighting of such facts (e.g. by "burying" them at the end of a press release);~~
 - (ii) ~~the presentation of favourable possibilities as certain, or as more probable than is actually the case;~~
 - (iii) ~~the representation with respect to any future performance, occurrence or matter (including the doing of, or the refusing to do, any act) without adequate justification (supported by proper bases and assumptions) or any reasonable grounds for making of such representation;~~

Chapter 8

Continuing Listing Obligations

- (iv) ~~the presentation of revenue or profit estimates, forecasts or projections without sufficient qualification or sufficient factual basis, or without review by the external auditors of the accounting bases and calculations, and assumptions. If any revenue or profit estimate, forecast or projection is released, it must be prepared carefully, with a reasonable factual basis and be stated realistically, with appropriate assumptions and qualifications, so as to ensure that it is properly understood, and the accounting bases and calculations of the estimate, forecast or projection and the assumptions thereto must be reviewed by the external auditors;~~
- (v) ~~negative statements phrased so as to create a positive implication; e.g. "The company cannot now predict whether the development will have a materially favourable effect on its earnings" (creating the implication that the effect will be favourable even if not materially favourable), or "The company expects that the developments will not have a materially favourable effect on earnings in the immediate future" (creating the implication that the development will eventually have a materially favourable effect); and~~
- (vi) ~~use of promotional jargon calculated to induce investment or create interest in the securities of the listed company rather than to inform;~~
- (d) ~~avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman; and~~
- (e) ~~explains, if the consequences or effects of the information on the listed company's future prospects cannot be assessed, why this is so.~~
- (1) ~~Where an adviser is appointed by the listed company for the preparation and/or submission of the circular to the Exchange, such adviser must also comply with sub-Rule (1) above.~~
- (2) ~~A listed company or its adviser does not commit a breach of sub-Rules(1) or (2) above, as the case may be, if such person proves that:-~~
 - (a) ~~he had made all enquiries as were reasonable in the circumstances; and~~
 - (b) ~~after making such enquiries, he had reasonable grounds to believe and did believe until the issue of the circular that the circular did fulfil the requirements of sub-Rule (1).~~
- (3) ~~Where any circular referred to in sub-Rule (1) above has been issued and the person referred to in sub-Rules (1) or (2) above subsequently becomes aware that the circular may not fulfil the requirements of sub-Rule (1) above, the person shall forthwith notify the Exchange of the same.~~

8.12 Documents for overseas securities holders

A listed company must ensure that all documents for overseas securities holders of listed companies

PART FD – SPONSORSHIP OF DEPOSITORY RECEIPTS

8.198.154 Sponsorship of depository receipts

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

Chapter 8

Continuing Listing Obligations

- (a) the total number of custodians holding the ~~listed company~~listed corporation's securities for which the receipts are issued (~~referred to as the "the underlying securities" in this Part F~~) ~~shall~~must not be more than 5;
- (b) the total number of underlying securities at any time ~~shall~~must not be more than 5% of the total issued and paid-up capital of the ~~listed company~~listed corporation;
- (c) the depository bank ~~shall~~must provide to the ~~listed company~~listed corporation, information in respect of the depository receipts that will enable the ~~listed company~~listed corporation to comply with these Requirements; and
- (d) where there is more than one custodian bank appointed, the depository bank ~~shall~~must fix a limit for the number of securities to be held by each custodian so that the total number of securities held by all the custodians does not exceed the limit referred to in sub-Rule (b) above.

8.208.165 Status reports on depository receipts

- (1) A ~~listed company~~listed corporation which has entered into an agreement to sponsor a depository receipt programme must provide to the Exchange, for its information, every quarter of a calendar year, the following (~~referred to as "the status report" in this Part F~~):-
 - (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 issued and paid-up capital and a breakdown of the same in respect of the securities held by each custodian.
- (2) Where the status report shows that the percentage of the securities for which the depository receipts are issued against its issued and paid-up capital exceeds the limit referred to in Rule 8.194**(b)** above, the Exchange ~~shall~~will forward such report to the Depository, for its further action.

PART G – OFFER FOR SALE

8.218.176 Renounceable offer for sale

A ~~listed company~~listed corporation and/or an offeror in a renounceable offer for sale of securities listed or proposed to be listed on the Official List must comply with the requirements of Rules 6.47**23**, 6.49**24**, 6.20**5**, 6.24**7**, 6.22**8** and 6.23**9** as if its offer for sale were the rights issue mentioned ~~therein~~ under those Rules.

8.228.187 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 company~~listed corporation and/or offeror, or both must -

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

- (c) ~~make an application~~ apply for the quotation of such securities (where applicable).

PART ~~HE~~ – DIRECTORS

8.238.198 Director's undertaking

A ~~listed company~~ listed corporation must ensure that every director of the ~~listed company~~ listed corporation ~~shall give~~ the Exchange not later than 14 days after his appointment, an undertaking in the form of ~~Appendix 3C~~ as may be prescribed by the Exchange.

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

PART ~~IG~~ – SHARE SCHEMES FOR EMPLOYEES

8.248.2019 Allocation under a share scheme for employees

- (1) A ~~listed company~~ listed corporation must disclose to employees the criteria for allocation of options pursuant to a share scheme for employees.
- (2) A ~~listed company~~ listed corporation must ensure that allocation of options pursuant to a scheme is verified by the audit committee, as being in compliance with the criteria referred to in sub-Rule (1) above, at the end of each financial year.
- (3) A ~~listed company~~ listed corporation must also ensure that a statement by the audit committee verifying such allocation is included in the annual report.

8.258.240 Termination of a share scheme for employees

- (1) A ~~listed company~~ listed corporation may not terminate a share scheme for employees ~~prior to~~ before expiry unless -
 - (a) The bylaws of the scheme contain a provision empowering the ~~listed company~~ listed corporation to do so;
 - (b) The ~~listed company~~ listed corporation obtains the prior approval of its shareholders; and
 - (c) The ~~listed company~~ listed corporation obtains written consent of all option holders who have yet to exercise their options, whether partly or wholly.
- (2) A ~~listed company~~ listed corporation must include the information set out in Appendix 8B ~~ensure that in~~ the circular sent to shareholders to obtain the approval of the shareholders in respect of the termination of a share scheme for employees ~~includes the information set out in Appendix 8A.~~
- (3) ~~The draft circular must be submitted to the Exchange together with a checklist showing compliance with Appendix 8A.~~
- (43) The circular must be submitted to the Exchange together with a checklist showing compliance with Appendix 8B.
- (4) In seeking the consent of the option holders, the ~~listed company~~ listed corporation must provide them with the information set out in Appendix 8AB.

8.268.221 Implementation of a new share scheme for employees

A ~~listed company~~listed corporation that has implemented a share scheme for employees must not implement a new scheme unless the existing scheme has expired or been terminated in accordance with Rule 8.250.

8.278.232 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 scheme for employees within 1 year from the date of offer of such options.

PART J – TECHNOLOGY INCUBATORS 8.28 Level of investments

~~A listed technology incubator must at all times maintain at least 50% of its total investments in early-stage companies which are involved in technology-based business activities as specified under the Commission's Guidelines for the MESDAQ Market.~~

PART K – OTHERS**8.298.243 Material dilution**

- (1) A ~~listed company~~listed corporation must obtain the approval of its shareholders 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 company~~listed corporation's equity interest in such principal subsidiary.
- (2) For the purpose of sub-Rule (1) above, unless the context otherwise requires -
 - (a) “~~a~~-principal subsidiary” means a subsidiary which accounts for 25% or more of the latest audited consolidated profit after tax of the group or total assets employed of the group; and
 - (b) “~~a~~-material dilution” means a percentage reduction amounting to 25% or more.

8.308.254 Material variations

- (1) Where a proposal has been approved by shareholders in general meeting and a ~~listed company~~listed corporation proposes to make a material amendment, modification or variation to such proposal, the ~~listed company~~listed corporation must issue a circular to its shareholders and seek its shareholders' approval of such material amendment, modification or variation.
- (2) For the purpose of sub-Rule (1) above, 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 company~~listed corporation in relation to such proposal.
- (3) Sub-Rule (1) above does not apply to any amendment, modification or variation resulting from such direction or condition as may be imposed by the relevant authorities.

8.318.265 Provision of financial assistance

- (1) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and subject to sub-Rule (2) below, Companies Act 1965 or any guidelines issued by the Commission, a ~~listed company~~listed corporation or its unlisted subsidiaries may only:-

-
- (a) lend or advance any money; or
- (b) guarantee, indemnify or provide collateral for a debt,
- (referred to as "**provision of financial assistance**" in this Part K) to or in favour of the following:-
- (i) ~~directors or employees of the listed company~~ listed corporation or its subsidiaries, as the case may be, in such manner as may be permitted under the Companies Act 1965;
- (ii) persons to whom the provision of financial assistance -
- (aa) to whom the provision of financial assistance is necessary to facilitate the ordinary course of business of the listed corporation or its subsidiaries; or
- (bb) pursuant to the ordinary course of business of the listed corporation or its subsidiaries;
- ~~the principal business of the listed company group, such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its moneylending business; For the avoidance of doubt, the provision of financial assistance in itself cannot be considered as a "principal business" of the listed company group or~~
- (iii) the subsidiaries or associated companies of the listed company ~~listed corporation~~, the listed company ~~listed corporation~~ (in the case of the subsidiaries providing the financial assistance) or its immediate holding company which is listed.
- (2) ~~Where a listed company~~ listed corporation or its subsidiaries provide financial assistance -, ~~the following must be complied with:-~~
- (a) the board of directors of such listed company ~~listed corporation~~ must ensure -
- (i) that the provision of the financial assistance referred to in sub-Rule(1) above is fair and reasonable to the listed company ~~listed corporation~~ and is not to the detriment of the listed company ~~listed corporation~~ and its shareholders; and
- (b)-(ii) where a listed corporation or its subsidiary lends or advances money in the ordinary course of business as a moneylender ("**moneylending company**" and "**moneylending operations**"), that the board of directors of the listed corporation oversees the moneylending operations and the management of credit risk of the moneylending company including ensuring that adequate policies and procedures are put in place which must be reviewed regularly to enable -
- (aa) maintenance of sound credit-granting standards;
- (bb) maintenance of a clear and defined credit approval process including a list of the approving party(ies), which must include the board of directors of the listed corporation, for different quantum of financial assistance granted by the moneylending company;
- (cc) monitoring and control of credit risk; and
- (dd) timely identification and administration of problem credits;
-

Chapter 8

Continuing Listing Obligations

-
- (b) where it is a related party transaction as defined in Rule 10.02, the ~~listed company~~ listed corporation complies with the requirements of Rule 10.08 in addition to this provision;
- (c) where the provision of financial assistance is to the associated company, and the aggregate amount provided or to be provided at any time to each associated company compared to the net tangible assets of the group is ~~equal to or exceeds~~ 5% or more, the ~~listed company~~ listed corporation must issue a circular to its shareholders and seek its shareholders' approval in general meeting of such provision of financial assistance; and
- (d) where shareholders' approval is required pursuant to sub-Rules (b) or (c) above, the ~~listed company~~ listed corporation must state in its circular, the proposed utilisation of the amount of the financial assistance; and
- (e) in addition to the announcement as may be required by the Exchange, the listed corporation must announce the information set out in Appendix 8D in relation to each moneylending company for each quarter of its financial year, if any, not later than 7 market days after the end of each quarter of a financial year.
- (3) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and without limiting the generality of Part D of Chapter 2,
- (a) a listed corporation or its directors must give the Exchange any information, document or explanation that the Exchange requests for in relation to moneylending operations in accordance with the instructions or requests of the Exchange, including but not limited to the following information in relation to the 20 debtors of each moneylending company having the highest outstanding loans and/or outstanding advances ("Loans") (with aggregation of Loans granted to persons connected with each other):
- (i) the names of the debtors and, in relation to each debtor, a statement as to whether the debtor is a related a party;
- (ii) the outstanding Loan amounts with aggregation of Loans granted to persons connected to each other, and the breakdown into principal and interest owing;
- (iii) the salient terms of the outstanding Loans including the interest rate, terms as to the repayment of interest and principal and the security provided; and
- (iv) the length of default on interest and/or principal, if applicable; and
- (b) the Exchange may, at its absolute discretion, forward such information, document or explanation to the relevant authorities including the SC.
- (4) Sub-Rules (1), (2) and (3) above do not apply to -
- (a) any provision of financial assistance provided to or in favour of the listed corporation or wholly owned subsidiaries of the listed corporation;
- (b) a company whose activities are regulated by any written law relating to banking, finance companies or insurance and are subject to supervision by Bank Negara Malaysia;
- (c) a company which is registered as a scheduled institution with and supervised by Bank Negara Malaysia under the Banking and Financial Institutions Act 1989; or
-

-
- (d) share financing or share margin financing carried out by a listed corporation or its unlisted subsidiary which is a Participating Organisation.

[Cross reference: Guidance Note 4]

8.328.276 Listing of subsidiaries

A ~~listed company~~ listed corporation must obtain ~~the approval of its shareholders approval at a general meeting in order if it wishes~~ to list the securities of any of its subsidiaries on any stock exchange.

8.33 Profit Forecast

~~Where a profit forecast is provided by a listed company, and the forecast is in respect of a financial year which has less than 3 months to run, the listed company must also provide the forecast for the next financial year.~~

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

- (1) A listed corporation must procure the relevant 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 company~~ listed corporation must not make any subsequent alteration to or revocation of such entitlement or books closing date.

8.358.298 Declaration of dividend

- (1) Once the dividend has been declared, a ~~listed company~~ listed corporation must not make any subsequent alteration to the dividend entitlement.
- (2) A ~~listed company~~ listed corporation must ensure that all dividends are paid not later than 3 months from the date of declaration or the date on which approval is obtained in a general meeting, whichever is applicable.

8.368.3029 Notices of general meetings

- (1) A ~~listed company~~ listed corporation must ensure that all notices convening general meetings contain sufficient information to enable a member to decide whether to attend the meeting.
- (2) Without limiting the generality of sub-Rule (1) above, a ~~listed company~~ listed corporation must ensure that a notice convening an annual general meeting ~~shall~~ must, where applicable, be accompanied by a statement which includes the information set out in Appendix 8BA.
- (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.

8.378.340 Notice of maturity

~~Subject to Rule 5.15, t~~The ~~listed company~~ listed corporation must issue a notice of the maturity/ or expiry of any listed debt security or 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 ~~one~~ 1 month ~~prior to before~~ the last conversion/exercise date or maturity date, whichever is the earlier.

8.38 Issuance of circular

Where a listed company makes an announcement of a corporate proposal (including a transaction), and pursuant to these Requirements a circular is required to be issued to its securities holders in relation to such corporate proposal the said listed company must submit the said circular to the Exchange in accordance with these Requirements as soon as possible and in any event no later than 2 months from the date of the announcement or the date the last approval necessary for the corporate proposal is obtained from the relevant authority, whichever is the later and the circular must be issued immediately upon receipt of confirmation by the Exchange that it has no further comments thereon and in any event, no later than 7 market days after receipt of such confirmation.

8.398.321 Securities holders' approval

- (1) Where a transaction entered into or proposed to be entered into by a listed company~~listed corporation~~ or any other action or proposal of a listed company~~listed corporation~~ is specified in these Requirements as one which requires securities holders' approval, such approval must be obtained ~~prior to~~before the transaction, action or proposal being completed.
- (2) Where the transaction entered into or proposed to be entered into by a listed company~~listed corporation~~ is the grant for the exercise of an option and shareholders' approval is required pursuant to these Requirements, then:-
 - (a) in the case of an issue by the listed company~~listed corporation~~ or its subsidiaries, the ~~approval of the shareholders~~ 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 company~~listed corporation~~ or its subsidiaries, the ~~approval of shareholders~~ approval must be obtained before an option is exercised.

8.408.332 Accounting and other records

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

8.418.343 Lodgement of agreement

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

8.42 Fees

- (1) ~~A listed company must pay to the Exchange an annual listing fees of such amount as specified in the Schedule of Fees annually in advance and not later than 31st January each year. Such payment shall be accompanied with a copy of the details of the computation of the amount of the annual listing fee payable.~~
- (2) ~~A listed company must pay to the Exchange a perusal fee of such amount as may be determined by the Exchange from time to time, for the perusal of documents.~~
- (3) ~~All payments must be made by cheques drawn to the order of Bursa Malaysia Securities Berhad.~~

PART I - SPECIFIC CONTINUING OBLIGATIONS RELATING TO PRICE STABILIZATION MECHANISM**8.354 Responsibilities of a listed corporation for the purposes of stabilizing action**

- (1) A listed corporation undertaking stabilizing actions must ensure that the register maintained by the stabilizing manager in accordance with subparagraph 10(a) of the Capital Markets and Services (Price Stabilization Mechanism) Regulations 2008, contains the information set out under Appendix 8C and that any changes to the information in the register be updated on a daily basis.
- (2) The listed corporation must make available the register and all agreements relating to the market stabilization made by the listed corporation and stabilizing manager to the SC, Exchange or a person authorized in writing by the Exchange for inspection and must allow the SC, Exchange or a person authorized in writing by the Exchange to make copies or take extracts from the register or the agreements.
- (3) Where a listed corporation is a foreign corporation, or a Malaysian company listed on both the Exchange and an exchange outside Malaysia, and a stabilizing manager outside Malaysia has been appointed to carry out any activities in respect of the securities of that foreign corporation or securities of that Malaysian company listed on both the Exchange and an exchange outside Malaysia, for the purposes of preventing or minimizing any reduction in the market price of such securities traded on a stock market outside Malaysia, such listed corporation must ensure that a register -

 - (a) contains information set out under Appendix 8C; and
 - (b) the register is capable of being brought into Malaysia and be 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 must be made available for inspection by the SC, Exchange or a person authorized in writing by the Exchange.
- (4) For the purposes of this Rule, inspection includes making copies and taking extract from the register.

[End of Chapter.]

Appendix 8A

Contents of statement accompanying notices of annual general meetings

APPENDIX 8B8A**Contents of statement accompanying notices of annual general meetings**

(Rule 8.2936)

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, 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 of public companies;
- (d) the details of any interest in the securities of the ~~listed company~~listed corporation and its subsidiaries;
- (e) the family relationship with any director and/or major shareholder of the ~~listed company~~listed corporation;
- (f) any conflict of interest that they have with the listed ~~company~~corporation; and
- (g) the list of convictions for offences within the past 10 years other than traffic offences, if any.

[End of Appendix]

Appendix 8B

Contents of circular to terminate share scheme for employees

APPENDIX 8A8B

Contents of circular to ~~shareholders for approval~~ terminate a share scheme for employees
(Rule 8.250)

- (1) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect;
- (2) The rationale for termination of the scheme;
- (23) A statement by the board of directors stating whether the termination is in the best interests of the ~~listed company~~listed corporation, and where a director disagrees with such statement, a statement by such director setting out the reasons and factors taken into consideration in forming that opinion; and
- (34) Any other information that would justify the termination of the scheme.

[End of Appendix]

Appendix 8C
Information to be included in the register

APPENDIX 8C**Information to be included in the register**
(Rule 8.34)

- (1) The name of the corporation whose securities are subject to stabilization action;
- (2) Details of the number of shares over allotted, name of lender, amount of shares 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 that will be conducting the stabilizing action (or equivalent, if any); and salient terms of all agreements relating to the market stabilization made by the listed corporation and stabilizing manager; and
- (4) A daily breakdown of the transactions effected during the stabilizing period showing the total number of shares purchased each day and the purchase price per share or the highest, lowest and average paid.

[End of Appendix]

APPENDIX 8D**Information to be included in announcement in relation to moneylending company**
(Rule 8.25(2)(e))

- (1) the aggregate amount of outstanding loans and/or advances ("Loans") given by the moneylending company setting out the following breakdown for secured and unsecured Loans:
- (a) to companies;
 - (b) to individuals;
 - (c) to companies within the listed corporation group; and
 - (d) to related parties.
- (2) the total borrowings, setting out -
- (a) the Loans given by any company within the listed corporation group to the moneylending company;
 - (b) the borrowings which are secured by any company within the listed corporation group in favour of the moneylending company; and
 - (c) other borrowings.
- (3) the aggregate amount of Loans in default which must include the movements in the Loans in default for the listed corporation and the group as follows:
- (a) at the beginning of the year;
 - (b) classified as Loans in default during the financial year;
 - (c) reclassified as performing during the financial year;
 - (d) amount recovered;
 - (e) amount written off;
 - (f) Loans converted to securities;
 - (g) total and net Loans in default at the end of the year; and
 - (h) ratio of net Loans in default to net Loans or advances.

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

Appendix 8D
Announcement by moneylending company

- (4) the top 5 Loans (with aggregation of Loans given to the same person or persons connected with each other), setting out (where applicable) -
- (a) the facility type and limit;
 - (b) the amount outstanding and type;
 - (c) whether security was provided and if provided, the value of the security;
 - (d) whether the recipient of the Loans is a related party; and
 - (e) the terms of repayment.

[End of Appendix]