

**BURSA MALAYSIA SECURITIES BERHAD****GUIDANCE NOTE NO ~~13/2007~~****PUBLIC SHAREHOLDING SPREAD**

<b><u>Details</u></b>	<b><u>Cross References</u></b>
<u>Effective date:</u>	<u>2 July 2007</u>
<u>Revision date:</u>	<u>3 August 2009</u>

**~~Issued in relation to Rule 8.15 of the Listing Requirements;~~**

**~~And~~**

**~~Pursuant to Rule 2.09 of the Listing Requirements.~~**

## **1.0 Introduction**

1.1 This Guidance Note ~~is issued to~~ prescribes:-

- (a) ~~Prescribe~~ the information that ~~listed companies~~ listed corporations must include in:-
  - (i) an application to the Exchange for acceptance of a lower percentage of public shareholding spread pursuant to Rule ~~8.15(1)~~ 8.02(1) of the Listing Requirements; and
  - (ii) an application to the Exchange for an extension of time to rectify the public shareholding spread; and
- (b) ~~Prescribe the~~ disclosure requirements in the event a ~~listed company~~ listed corporation:
  - (i) fails to comply with the required public shareholding spread; and
  - (ii) triggers a suspension pursuant to Rules ~~8.15(4) and 8.15(5)~~ 16.02(1) and (2) of the Listing Requirements; and
- (c) ~~Clarify when a suspension will be imposed pursuant to Rules 8.15(4) and 8.15(5) of the Listing Requirements.~~

## **2.0 Application for acceptance of a lower percentage of public shareholding spread**

2.1 Rule ~~8.15(1)~~ 8.02(1) of the Listing Requirements provides that a ~~listed company~~ listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares)

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or such lower percentage of shareholding spread as may be allowed by the Exchange are in the hands of ~~a minimum of 1,000 public shareholders holding not less than 100 shares each~~ ("**Required Public Shareholding Spread**").

2.2 The Exchange may, ~~on the application by a listed issuer,~~ 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 ("**Acceptance of Lower Spread**").

2.23 In this respect, a ~~listed company~~ listed corporation which proposes to apply for Acceptance of Lower Spread must ~~ensure that its application~~ includes the following information in its application:-

- (a) ~~The~~ its issued and paid-up capital;
- (b) The number of public shareholders;
- (c) The percentage of public shareholding spread;
- (d) A statement as to whether the public shareholding spread includes a substantial shareholder who is deemed as "public" pursuant to Rule 1.01 of the Listing Requirements ("**Shareholder**") and if yes, the following details in relation to such Shareholder:-
  - (i) name; and
  - (ii) shareholdings in the ~~listed company~~ listed corporation;
- ~~(e)~~ the average market capitalisation based on the daily closing price of the listed corporation's shares during the last 12-month period;
- ~~(e)~~ The reason for non-compliance with the Required Public Shareholding Spread;
- (f) The percentage of listed shares ~~(excluding treasury shares)~~ held by the top 30 shareholders, the names and shareholdings of each of these shareholders; and
- (g) ~~The percentage of public shareholding spread, in terms of percentage and number of public shareholders, over the last 2 years.~~

### 3.0 Disclosure requirements in the event of non-compliance

3.1 Rule ~~8.15(2)~~8.02(3) of the Listing Requirements provides that a ~~listed company~~listed corporation must ~~inform the Exchange immediately~~ announce to the Exchange if it becomes aware that it does not comply with the Required Public Shareholding Spread immediately upon it becoming aware of this ("**Non-Compliance Announcement**").

~~3.2~~ In this respect, where a listed company first becomes aware of its non-compliance, it must immediately and specifically notify the Exchange in writing of its non-compliance. Notification via the submission of annual returns or an announcement would not be deemed as compliance with Rule 8.15(2) of Listing Requirements.

3.32 ~~The listed company must also make an~~ The listed corporation must include the following information immediate announcement in relation to in its ~~Non-compliance Announcement~~ Non-compliance Announcement which includes the following information:-

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- (a) A statement that the ~~listed company~~listed corporation does not comply with the public shareholding spread requirement set out in Rule ~~8.15(1)~~8.02(1) of the Listing Requirements;
- (b) The ~~percentage of~~ public shareholding spread; ~~in terms of percentage and number of public shareholders;~~
- (c) Steps taken or proposed to be taken by the ~~listed company~~listed corporation to comply with the Required Public Shareholding Spread ("**Rectification Plan**") including the following:-
  - (i) ~~The~~ tentative timeline in respect of the Rectification Plan; and
  - (ii) ~~The~~ status of the Rectification Plan; and
- (d) Where the ~~listed company~~listed corporation has not formulated a Rectification Plan, the status of the ~~listed company~~listed corporation's endeavours to formulate such a Plan or where a Rectification Plan has not been formulated and/or if no endeavours have been taken to formulate such a Plan, an appropriate negative statement to such effect.

~~3.43.3 Thereafter~~ After the Non-Compliance Announcement, a ~~listed company~~listed corporation which does not comply with the Required Public Shareholding Spread must announce the status of its efforts to comply with the Required Shareholding Spread ("**Status Announcement**"). The listed corporation must make the Status Announcement for each quarter of its financial year simultaneously with the quarterly reports and in any event, not later than 2 months after the end of each quarter of a financial year.

3.4 The listed corporation must ~~which~~ includes the following information in the Status Announcement:-

- (a) The information prescribed in paragraph ~~3.33.2~~3.3.2 above; and
- (b) A statement as to whether an extension of time for compliance has been granted by the Exchange and if so, the following:-
  - (i) the duration of extension granted;
  - (ii) the expiry date of the extension.

~~("Quarterly Status Announcements")~~

3.5 For the avoidance of doubt, upon compliance with the Required Public Shareholding Spread and/or Acceptance of Lower Spread by the Exchange, the ~~listed company~~listed corporation is no longer required to make ~~any such Quarterly Status Announcement referred to in paragraph 3.4 above.~~

#### **4.0 Applications for extensions of time for compliance and related disclosure requirements**

4.1 Pursuant to Rule ~~8.15(3)~~8.02(4) of the Listing Requirements, a ~~listed company~~listed corporation which does not comply with the Required Public Shareholding Spread may apply to the Exchange for an extension of time to rectify its public shareholding spread.

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- 4.2 In this respect, ~~a listed corporation the application for extension of time~~ must include the following information in the application for extension of time:-
- (a) The issued and paid-up capital;
  - (b) The percentage of public shareholding spread;
  - (c) The number of public shareholders;
  - (d) Whether the public shareholding spread includes a Shareholder. If yes, the following details in relation to such Shareholder:-
    - (i) name; and
    - (ii) shareholdings in the ~~listed company~~listed corporation;
  - (e) The average market capitalisation based on the daily closing price of the listed corporation's shares during the last 12-month period;
  - (~~ef~~) The reason for non-compliance with the Required Public Shareholding Spread;
  - (~~fg~~) The percentage of listed shares (excluding treasury shares) held by the top 30 shareholders, the names and shareholdings of each of these shareholders;
  - (~~gh~~) If there is a Rectification Plan, an elaboration of the same and ~~the its status; thereof.~~
  - (i) Where the ~~listed company~~listed corporation has not formulated a Rectification Plan, the status of the ~~listed company~~listed corporation's endeavours to formulate such a Plan:-
  - (j) If there has been no progress in relation to the aforesaid items (h) and (i) above during the previous extension of time, the ~~listed company~~listed corporation must also explain the reason for the lack of progress;
  - (~~hk~~) The reason for failure to rectify the public shareholding spread within the previous extension of time, if any; and
  - (i) Justification for the extension of time sought.
- 4.3 Where an extension of time to rectify the public shareholding spread has been granted by the Exchange, ~~a listed company~~the listed corporation ~~must make an immediately announcement to the Exchange, the extension of time granted. The listed corporation must include~~ the following information in the announcement:-
- (a) A statement that an extension of time for compliance has been granted by the Exchange and the following details:-
    - (i) the duration of extension granted;
    - (ii) the expiry date of the extension; and
  - (b) The information prescribed in paragraph 3.2(b) to (d) above.

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- 4.4 Where an extension of time has not been granted by the Exchange, the ~~listed company~~listed corporation must ~~make an immediately announcement the decision of the Exchange. The listed corporation must including~~ the following information in the announcement:-
- (a) A statement that an extension of time for compliance has not been granted by the Exchange;
  - (b) The information prescribed in paragraph ~~3.33.2~~(b) to (d) above; and
  - (c) A statement that the Exchange may -
    - (i) take or impose for a breach of Rule ~~8.15(4)~~8.02(1) of the Listing Requirements any type of action or penalty pursuant to Rule ~~16.47~~16.19 of the Listing Requirements; and
    - (ii) ~~in addition, may~~ suspend trading in its securities pursuant to Rule 16.02 of the Listing Requirements.
- 5.0 Suspension where the public shareholding spread is equal to or less than 10% or less and related disclosure requirements**
- 5.1 Pursuant to Rule ~~8.15(4)~~16.02(2) of the Listing Requirements, where the public shareholding spread of a ~~listed company~~listed corporation is 10% or less of the total number of listed shares (excluding treasury shares) ("**Threshold**"), a suspension ~~shall~~will be imposed by the Exchange.
- 5.2 The suspension in trading ~~so~~ imposed by the Exchange under paragraph 5.1 above will only be uplifted upon full compliance with the Required Public Shareholding Spread ~~and/or~~ as may be determined by the Exchange.
- 5.23 Where a ~~listed company~~listed corporation becomes aware, either in conjunction with the preparation of its annual returns or otherwise, that its public shareholding spread triggers the Threshold, ~~such listed company~~the listed corporation must:-
- ~~(a) immediately and specifically notify the Exchange of this in writing. Notification via the submission of annual returns or announcement would not be deemed as compliance with this obligation; and~~
  - ~~(make an immediately announcement including this to the Exchange.~~
- 5.4 The listed corporation must include the following information in the above announcement:-
- (ia) The public shareholding spread, ~~in terms of percentage and number of public shareholders;~~
  - (iib) A statement that pursuant to Rule ~~8.15(4)~~16.02(2) of the Listing Requirements, trading in its securities will be suspended immediately upon the expiry of 30 market days from the date of the immediate announcement in view that the public shareholding spread of the ~~listed company~~listed corporation is ~~equal to or below~~ equal to or below 10% or below of the total number of listed shares (excluding treasury shares);
  - (iic) The date suspension will be effected (i.e. the market day immediately following the expiry of 30 market days from the date of the immediate announcement);
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- (ivd) A statement that once the suspension pursuant to Rule 8.15(4)16.02(2) of the Listing Requirements is effected, it will only be uplifted by the Exchange upon full compliance with the Required Public Shareholding Spread or as may be determined by the Exchange;
- (ve) The steps taken or proposed to be taken by the ~~listed company~~listed corporation (if any) to increase its public shareholding spread to above 10% before the date suspension is to be effected;
- (vif) An explanation of the Rectification Plan (if any);
- (viig) The tentative timeline for the steps referred to in subparagraph (v)(e) above and the Rectification Plan; and
- (viiih) Where neither the steps referred to in subparagraph (v)(e) above nor a Rectification Plan ~~have~~has not been formulated and/or if no endeavours have been taken to formulate such steps or a Rectification Plan, an appropriate negative statement to such effect.

#### **6.0 — Suspension pursuant to Rule 8.15(5) and related disclosure requirements**

- 6.1 — Pursuant to Rule 8.15(5) of the Listing Requirements, ~~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 of the Listing Requirements or a 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, a listed company must make an immediate announcement which includes the following information:-~~
- (a) — A statement that pursuant to Rule 8.15(5) of the Listing Requirements, trading in its securities will be suspended immediately upon the expiry of 5 market days from the date of the immediate announcement in view that 90% or more of the listed shares of the said listed company are held by a shareholder either singly or jointly with associates of the said shareholder;
  - (b) — The date suspension will be effected (i.e. the market day immediately following the expiry of 5 market days from the date of the immediate announcement);
  - (c) — In the event, the intention is to maintain the listing status of the listed company:-
    - (i) — The public shareholding spread, in terms of percentage and number of public shareholders;
    - (ii) — A statement that once the suspension pursuant to Rule 8.15(5) of the Listing Requirements is effected, it will only be uplifted by the Exchange upon full compliance with the Required Public Shareholding Spread or as may be determined by the Exchange;
    - (iii) — The steps taken or proposed to be taken by the listed company (if any) to increase its public shareholding spread to above 10% before the date suspension is to be effected;
    - (iv) — An explanation of the Rectification Plan (if any);

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- (v) ~~The tentative timeline for the steps referred to in subparagraph (iii) above and the Rectification Plan; and~~
  - (vi) ~~Where neither the steps referred to in subparagraph (iii) above nor a Rectification Plan have not been formulated and/or if no endeavours have been taken to formulate such steps or Rectification Plan, an appropriate negative statement to such effect; and~~
  - (d) ~~In the event, the intention is to de-list the listed company:-~~
    - (i) ~~a statement to that effect.~~
- 6.2 ~~A suspension pursuant to Rule 8.15(5) of the Listing Requirements shall be imposed by the Exchange on the next market day immediately following the expiry of 5 market days after the date of the immediate announcement referred to in paragraph 6.1.~~

**7.0 Effective Date**

**7.1 This Guidance Note takes effect on 2 July 2007.**