
CHAPTER 5 FOREIGN LISTING**PART A – GENERAL****5.01 Introduction**

- (1) This Chapter sets out the requirements that must be complied with by a foreign corporation seeking or having a primary listing on the ACE Market.
- (2) For the purpose of this Chapter, unless the context otherwise requires –
 - (a) “**applicant**” means a foreign corporation seeking a primary listing on the ACE Market; and
 - (b) “**listed corporation**” means a foreign corporation having a primary listing on the ACE Market.

PART B – ADMISSION**5.02 Admission**

- (1) An applicant must comply with Chapters 3 and 5 of these Requirements, as the case may be, subject to the additional requirements, modifications or exceptions set out in this Chapter.
- (1A) Where any requirement in this Chapter conflicts with a requirement of another Chapter, the former prevails.
- (2) [Deleted]
- (3) [Deleted]
- (4) [Deleted]
- (5) An applicant must comply with the relevant admission procedures and requirements as may be prescribed by the Exchange.

[Cross reference: Guidance Notes 15 and 16]

5.02A Prospectus

In addition to the provisions of these Requirements relating to prospectus, an applicant must also ensure that the prospectus complies with the ASEAN Equity Disclosure Standards as set out in Division 1A of Part II of the SC’s Prospectus Guidelines, if the securities are offered under the ASEAN Capital Markets Forum initiative.

5.03 Standards of laws and regulations

- (1) An applicant must be incorporated in a jurisdiction whose corporation laws and other laws and regulations have standards at least equivalent to those in Malaysia, particularly with respect to –
 - (a) corporate governance;
 - (b) shareholders’ and minority interest protection; and

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- (c) regulation of take-overs and mergers.
- (2) Where the jurisdiction in which the applicant is incorporated does not provide standards as referred to in sub-Rule (1) above, but it is possible to provide those standards by means of varying the applicant's constituent documents, the Exchange may approve the listing of the applicant, subject to the applicant making such variations to its constituent documents. In relation to this, the applicant must submit a comparison of such standards of laws and regulations of the jurisdiction in which the applicant is incorporated and those provided in Malaysia, together with the proposed variations to its constituent documents to address any deficiency in such standards, in its listing application to the Exchange.
- (3) The securities of the applicant must be validly issued in accordance with the constituent documents of the applicant and the relevant laws in force in the country of incorporation of the applicant.

5.04 Approval of regulatory authorities of foreign jurisdiction

An applicant must obtain the approval of all relevant regulatory authorities of the jurisdiction in which it is incorporated and carry out its core business, as may be required, before submitting its prospectus and application for listing on the ACE Market to the Exchange.

5.05 Registration under Companies Act

An applicant must have been registered with the Registrar under Division 1 of Part V of the Companies Act.

5.06 Approval of Bank Negara Malaysia

An applicant or the offerors of the securities in the applicant, must, where applicable, obtain the prior approval of Bank Negara Malaysia for the utilisation of proceeds from the offering of securities.

5.07 Appointment of directors

- (1) An applicant whose operations are entirely or predominantly Malaysian-based must have a majority of directors whose principal or only place of residence is within Malaysia.
- (2) An applicant whose operations are entirely or predominantly foreign-based must have at least 2 independent directors whose principal or only place of residence is within Malaysia.

5.07A Audit committee

In addition to the provisions in these Requirements relating to audit committee, an applicant must also ensure that the audit committee has at least 1 independent director who has a principal or only place of residence in Malaysia.

5.08 Agent or representative

An applicant must appoint an agent or representative in Malaysia to be responsible for communication with the Exchange, on behalf of the applicant.

5.09 Share transfer or registration office

An applicant must establish a share transfer or share registration office in Malaysia.

5.10 Accounting standards

An applicant must prepare its financial statements and reports in accordance with the approved accounting standards as defined in the Financial Reporting Act 1997, which includes the International Accounting Standards. In this regard, the applicant must provide to the Exchange a confirmation from a professional accountant qualified under the Accountants Act 1967 and from an international accounting firm, that the applicant's financial statements comply with the said approved accounting standards.

5.11 Auditors and auditing standards

An applicant must -

- (a) appoint an external auditor from an international accounting firm or an accounting firm with international affiliation; and
- (b) ensure that the auditing standards applied are in accordance with the approved auditing standards applied in Malaysia or the International Standards on Auditing.

5.12 Information or documents in English

All information or documents presented, submitted or disclosed pursuant to these Requirements must be in English.

PART C - CONTINUING OBLIGATIONS OF A LISTED CORPORATION

5.13 Application of other Chapters

- (1) A listed corporation must comply with all the other Chapters in these Requirements subject to the additional requirements, modifications or exceptions set out in this Chapter.
- (2) Where any requirement in this Chapter conflicts with a requirement of another Chapter, the former prevails.

5.14 Directors and audit committee

A listed corporation must comply with Rules 5.07 and 5.07A above as a continuing listing obligation.

5.15 Accounting and auditing standards

A listed corporation must ensure that it complies with the accounting and auditing standards set out in Rules 5.10 and 5.11 above as a continuing listing obligation.

5.15A Shareholder approval required to appoint or remove external auditors

A listed corporation must obtain prior shareholder approval in a general meeting to appoint or remove its external auditor.

5.16 Information or documents in English

A listed corporation must comply with Rule 5.12 above as a continuing listing obligation.

5.17 Information to be disclosed

A listed corporation must announce to the Exchange concurrently all information required to be publicly disclosed to its domestic regulatory authorities and other stock exchanges, if applicable.

5.18 Distribution of notices, etc.

A listed corporation must distribute to its shareholders in Malaysia all -

- (a) notices of general meetings to be held;
- (b) annual reports;
- (c) accounts; and
- (d) other documents or information,

which it is required to distribute in its place of incorporation and other stock exchanges, if applicable. The listed corporation must give sufficient notice to enable its shareholders in Malaysia to comply with the terms of the notice.

5.19 Announcement of appointment of directors

Without prejudice to Rule 9.19 on the making of immediate announcements to the Exchange, the announcements made by a listed corporation with regard to the appointment of a director must include the director's principal place of residence.

5.20 Substantial shareholdings

- (1) A listed corporation must immediately announce to the Exchange any change in the interest or interests of a substantial shareholder in its voting shares upon notification by the substantial shareholder.
- (2) The listed corporation must state the name of the shareholder and full particulars of the change, including the date of the change, the number of shares involved and the circumstances by reason of which the change occurred.

5.21 Financial statements

A listed corporation must ensure that any financial statements announced to the Exchange -

- (a) is prepared on a consolidated basis; and
- (b) complies with the requirements under Rule 5.10 above.

5.22 Statutory declaration in relation to annual audited financial statements

- (1) The annual audited financial statements of a listed corporation must be accompanied by a statutory declaration which is signed by the director or person primarily responsible for the financial management of the listed corporation, as the case may be, who satisfies the requirements prescribed in Rule 9.27.
- (2) The signatory referred to in sub-Rule (1) above must state his opinion as to the correctness or otherwise of the annual audited financial statements.

5.23 Notification of suspension and de-listing

- (1) A listed corporation must immediately notify the Exchange in writing where it has requested for a suspension in trading or a de-listing of its securities listed on other stock exchange(s).

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- (2) If the other stock exchange(s) decide(s) to suspend trading in or de-list the securities of a listed corporation, whether in relation to its request under sub-Rule (1) above or otherwise, it must immediately notify the Exchange in writing.

5.24 Admission and quotation of new issue of securities

A listed corporation must ensure that as far as reasonably practicable, all new issues of securities are admitted and quoted on the Exchange on the same day as they are admitted and quoted on the other stock exchange(s).

5.25 Announcement on change of laws

A listed corporation must immediately announce to the Exchange, any change in the laws of its country of incorporation or the laws in the country of incorporation of its foreign principal subsidiaries, which may affect the rights of its shareholders. This includes –

- (a) right to attend, speak, vote at shareholders' meetings and the right to appoint proxies;
- (b) right to receive rights offering and any other entitlements;
- (c) withholding taxes on its securities;
- (d) foreign shareholding limits on the securities;
- (e) capital controls over cash dividends or other cash distributions payable in respect of its securities;
- (f) repatriation of funds;
- (g) right to transfer shares;
- (h) right to appoint and remove directors and auditors;
- (i) right to requisition a general meeting;
- (j) right to notice of meetings;
- (k) right to inspect any register, minute book or document of the listed corporation and its foreign principal subsidiaries; and
- (l) right of minority shareholders in relation to –
 - (i) take-overs and mergers;
 - (ii) suits or enforcement actions against the listed corporation or its foreign principal subsidiaries, their directors and senior management; and
 - (iii) distribution of assets arising from a winding-up or liquidation of the listed corporation or its foreign principal subsidiaries.

5.26 System of internal control

A listed corporation and its subsidiaries must ensure that they have in place a system of internal control that will provide a reasonable assurance that -

- (a) assets of the listed corporation and its subsidiaries are safeguarded against loss from unauthorised use or disposition and to give a proper account of the assets; and

- (b) all transactions are properly authorised and that they are recorded as necessary to enable the preparation of a true and fair view of the financial statements.

[End of Chapter]