
CHAPTER 6 NEW ISSUES OF SECURITIES**PART A – GENERAL****6.01 Introduction**

- (1) This Chapter sets out the requirements that must be complied with by an applicant or a listed corporation, as the case may be, for any new issue of securities.
- (2) If the new issue of securities is pursuant to or will result in a significant change in the business direction or policy of a listed corporation, the listed corporation must also comply with the requirements under this Chapter 6, where applicable.
- (3) Additional requirements relating to issuance of securities pursuant to acquisitions are set out in Chapter 10.
- (4) For the purpose of this Chapter, unless the context otherwise requires -
 - (a) a “**Specified Bonus Issue**” is a bonus issue of securities which -
 - (i) is not conditional upon any other corporate proposal, or
 - (ii) is conditional upon another corporate proposal but –
 - (aa) that other corporate proposal is a subdivision or consolidation of shares; or
 - (bb) that other corporate proposal has been completed or becomes unconditional;
 - (b) a “**Specified Subdivision**” has the meaning given in Rule 13.04(3); and
 - (c) a “**Specified Consolidation**” has the meaning given in Rule 13.14.

PART B – ADMISSION**6.02 Admission**

- (1) The Exchange will exercise discretion over the listing of new issues of securities on its Official List and may return, approve or reject applications for the listing of such new issues of securities, as it deems fit.
- (2) Where the Exchange approves an application for the listing of a new issue of securities, such approval may be unconditional or subject to such conditions, as it deems fit.
- (3) In granting approval for the listing of a new issue of securities by listed corporations, the Exchange considers amongst others, whether -
 - (a) the approvals of the relevant authorities have been obtained, if any;
 - (b) shareholder approval is required under these Requirements;
 - (c) the listed corporation is under consideration for possible de-listing under Chapter 16;

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- (d) the listed corporation has satisfactory corporate governance practices;
 - (e) the listed corporation has addressed all situations of conflict of interest satisfactorily; or
 - (f) the application by the listed corporation undermines public interest.
- (4) Subject to sub-Rule (4A) below, a listed corporation must submit a listing application under this Chapter to the Exchange through a Sponsor or an Adviser, as the case may be, except for applications in respect of a Specified Bonus Issue of equity securities.

[Cross reference: Guidance Note 18]

- (4A) A listed corporation transferred from the LEAP Market may submit a listing application to the Exchange through a Sponsor, Adviser or Recognised Approved Adviser which acted as its Joint Transfer Sponsor, in respect of an issue of new securities pursuant to –
- (a) a bonus issue;
 - (b) a private placement made under a general mandate; and/or
 - (c) a Dividend Reinvestment Scheme.

[Cross reference: Guidance Note 18]

- (4B) The Sponsor, Adviser or Recognised Approved Adviser, as the case may be, must be primarily responsible for any application submitted by it in this Chapter. If there is more than 1 Sponsor, Adviser or Recognised Approved Adviser appointed, all Sponsors, Advisers or Recognised Approved Advisers are jointly and severally responsible for the same application.
- (5) A listed corporation and its Sponsor, Adviser or Recognised Approved Adviser must comply with the relevant listing procedures and requirements relating to a new issue of securities as may be prescribed by the Exchange.

[Cross reference: Guidance Note 17]

- (6) The listed corporation, adviser or other persons accepting responsibility for all or any part of the information and documents submitted to the Exchange, including an abridged prospectus, in relation to any listing application must comply with the equivalent obligations and standards imposed on an applicant, Submitting Party or adviser, as the case may be, under the SC's Guidelines on Submission of Corporate and Capital Market Product Proposals, as if the submission were made to the SC.

PART C – GENERAL REQUIREMENTS FOR NEW ISSUE OF SECURITIES

6.02A General application

Part B above and this Part C apply to all new issues of securities by a listed corporation such as placements, rights issues, bonus issues, Share Issuance Schemes, Dividend Reinvestment Schemes, and issuances of debt securities, redeemable preference shares and convertible securities, where applicable and with the necessary modifications.

[Cross reference: Guidance Note 17]

6.03 Application of monies from subscription of shares paid into a trust account

A listed corporation must ensure that all monies received from any persons who have provided consideration for shares pursuant to an issue, offer for subscription or purchase, or an invitation to subscribe for or purchase, the new issue of securities must be applied in accordance with sections 215 or 243 of the CMSA, as may be applicable.

6.04 General mandate for issue of securities

- (1) Subject to Rule 6.07 and notwithstanding the existence of a resolution pursuant to sections 75(1) and 76(1) of the Companies Act, or in relation to a foreign corporation, a resolution of a similar nature pursuant to the relevant laws of the place of incorporation, a listed corporation must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the total number of issued shares (excluding treasury shares) of the listed corporation, except where the shares or convertible securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.
- (2) In working out the number of shares or convertible securities that may be issued by a listed corporation, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.
- (3) Where a general mandate for issue of securities is sought, the listed corporation must include in the statement accompanying the proposed resolution the following information:
 - (a) whether such mandate is new or a renewal;
 - (b) where such mandate is a renewal or has been sought in the preceding year, to specify the following:
 - (i) the proceeds raised from the previous mandate, if any;
 - (ii) the details and status of the utilisation of proceeds; and
 - (c) the purpose and utilisation of proceeds from the general mandate sought.

6.05 Issue of new securities under a general mandate

Subject to Rule 6.06, where issuance of shares or convertible securities is made pursuant to Rule 6.04(1), the listed corporation must ensure the following:

- (a) shares are not priced at more than 10% discount to the weighted average market price of the shares for the 5 market days immediately before the price-fixing date;
- (b) for issue of convertible securities –
 - (i) if the exercise or conversion price is fixed, such price is not more than 10% discount to the weighted average market price of the underlying shares for the 5 market days immediately before the price-fixing date; and
 - (ii) if the exercise or conversion price is based on a formula, any discount in the price-fixing formula is not more than 10% of the weighted average market price of the underlying shares for the 5 market days immediately before exercise or conversion; and

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- (c) securities are not placed to –
- (i) the interested director, interested major shareholder, interested chief executive or interested person connected with a director, major shareholder or chief executive (all as defined in Rule 6.07); and
 - (ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

6.06 Issue of securities with specific shareholder approval

Notwithstanding section 75(2) of the Companies Act, where an issue of shares or other convertible securities departs from any of the applicable requirements stipulated in Rule 6.05, the listed corporation must obtain the prior shareholder approval in a general meeting for the precise terms and conditions of the issue, in particular on –

- (a) the issue, exercise or conversion prices of the securities or, in a situation where such prices are to be determined after the date of shareholder approval, the basis or formula of determining such prices; and
- (b) the purposes of the issue and utilisation of proceeds.

6.07 Allotment of shares to directors etc.

- (1) Subject to sub-Rule (1A) below, a listed corporation must ensure that it or any of its subsidiaries does not issue shares or other convertible securities to the following persons unless shareholders in general meeting have approved the specific allotment to be made to such persons:
 - (a) a director, major shareholder or chief executive of the listed corporation or a holding company of the listed corporation (“**interested director**”, “**interested major shareholder**” and “**interested chief executive**”); or
 - (b) a person connected with an interested director, interested major shareholder or interested chief executive (“**interested person connected with a director, major shareholder or chief executive**”).
- (1A) Sub-Rule (1) above is not applicable to an issue of securities –
 - (a) on a pro rata basis to shareholders;
 - (b) pursuant to a back-to-back placement undertaken in compliance with Rule 6.15; or
 - (c) pursuant to a Dividend Reinvestment Scheme.
- (2) Notwithstanding any provision to the contrary in these Requirements, in a meeting to obtain shareholder approval in respect of the allotment referred to under sub-Rule (1) above -
 - (a) the interested director, interested major shareholder, interested chief executive or interested person connected with a director, major shareholder or chief executive; and
 - (b) where the allotment is in favour of an interested person connected with a director, major shareholder or chief executive, such director, major shareholder or chief executive,

must not vote on the resolution approving the said allotment. An interested director, interested major shareholder or interested chief executive must ensure that persons connected with him abstain from voting on the resolution approving the said allotment.

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- (3) A listed corporation must include the following in the notice of meeting:
- (a) the number of securities to be so allotted;
 - (b) the purpose of allotment;
 - (c) the precise terms and conditions of the allotment; and
 - (d) the identity and relationship of the persons connected with the director, major shareholder or chief executive, where applicable.
- (4) Except in the case of an issue of securities on a pro rata basis to shareholders and subject to sub-Rule (1) above, a listed corporation must ensure that its subsidiary does not issue shares or other convertible securities to a director, major shareholder or chief executive of the said subsidiary or the holding company of the said subsidiary (other than the listed corporation or a holding company of the listed corporation) or a person connected with such director, major shareholder or chief executive unless -
- (a) the listed corporation has obtained the prior approval of its board of directors for the specific allotment to such persons;
 - (b) the board of directors of the listed corporation has ensured that the allotment is fair and reasonable to the listed corporation and in the best interests of the listed corporation; and
 - (c) the listed corporation immediately announces the specific allotment to such persons and include the following in the announcement:
 - (i) the information prescribed in sub-Rule (3) above; and
 - (ii) a statement by the board of directors of the listed corporation that the allotment is fair and reasonable to the listed corporation and in the best interests of the listed corporation. Where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.

6.08 Announcement to the Exchange

- (1) A listed corporation must include the information set out in Part A of Appendix 6A in its announcement to the Exchange relating to a proposed new issue of securities.
- (2) Where a listed corporation is undertaking an issuance and placement of securities in stages over a period of time, the listed corporation must, upon placement of the securities, immediately announce to the Exchange, the number and issue price of the securities.

6.09 Circular

- (1) A listed corporation must include the information set out in Part A of Appendix 6B in the circular to obtain the securities holder approval in respect of a new issue of securities.
- (2) The draft circular must be submitted to the Exchange for perusal together with a checklist showing compliance with Part A of Appendix 6B.

6.09A Electronic mode of submission and payment

- (1) In addition to the manual method, a listed corporation must facilitate its securities holders to perform the following, electronically:

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- (a) subscription and payment for rights issue;
 - (b) conversion and payment for convertible securities; and
 - (c) election to participate in a Dividend Reinvestment Scheme.
- (2) For the purpose of sub-Rule (1) above, “**electronically**” means through an internet-based facility made available to securities holders, the use of automated teller machines or any other electronic mode as may be prescribed by the Exchange.

6.10 Allotment of securities, despatch of notices of allotment and quotation application in respect of a public issue.

Where a listed corporation issues securities to the public, within 8 market days of the final applications date or such other period as may be prescribed by the Exchange, a listed corporation must -

- (a) issue or allot the securities;
- (b) despatch notices of allotment to the successful applicants; and
- (c) apply for the quotation of such securities, where applicable.

6.11 Document for issue of securities to be made overseas

Where an issue of securities is to be made overseas and is supported by a prospectus or other public documents, a listed corporation must ensure that the prospectus or other public documents in English are lodged with the Exchange. Such documents must be endorsed with "Specimen - For Information Only."

PART D – ADDITIONAL REQUIREMENTS RELATING TO PLACEMENT

6.12 [Deleted]

6.13 Placement agent

- (1) The Sponsor or Adviser of the listed corporation, as the case may be, must act as the placement agent for placements of securities.
- (2) If a Recognised Approved Adviser is appointed under Rule 6.02(4A) above to submit the listing application for the new issue of securities pursuant to a placement of securities but is not permitted to act as the placement agent pursuant to sub-Rule (1) above, the Recognised Approved Adviser must ensure that the listed corporation transferred from the LEAP Market appoints a qualified person to act as the placement agent.

6.14 Payment for securities

The listed corporation must issue and allot securities as soon as possible after the price-fixing date. In any event, the listed corporation must ensure payments for the securities are made by the placees to the listed corporation within 5 market days from the price-fixing date. For issues of securities under Rule 6.06, the price-fixing date will be taken as the date of shareholder approval, except in instances where the price is determined on a date subsequent to the shareholder approval.

6.15 Back-to-back placements

- (1) A listed corporation may undertake a back-to-back placement involving –

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- (a) an existing shareholder selling down existing shares of the listed corporation to a placement agent for subsequent placement to placees; and
 - (b) the listed corporation issuing new shares to the said existing shareholder to replace the shares sold earlier to the placement agent.
- (2) A listed corporation which undertakes a back-to-back placement must comply with the following conditions:
- (a) the listed corporation has an average daily market capitalisation of at least RM500 million in the 3 months ending on the last market day of the calendar month immediately preceding the date of the placement;
 - (b) the listed corporation complies with the shareholding spread requirements under Rule 8.02(1) of these Requirements; and
 - (c) the listed corporation gives the Exchange a declaration from its existing shareholders involved in the back-to-back placement arrangement to the Exchange that they will not derive any financial benefit from such an arrangement, whether directly or indirectly.

6.16 Placees' details

- (1) As soon as practicable after the placement of securities and before the listing of such new issue of securities, the listed corporation's Sponsor, Adviser or Recognised Approved Adviser, as the case may be, must submit to the Exchange the following:
- (a) the final list (broken down by each placement agent) setting out the names, home or business addresses, identity card/passport/company registration numbers, occupations/principal activities and securities account numbers of all the placees and the ultimate beneficial owners of the securities placed (in the case where the placees are nominee corporations or funds), and the amount and price of securities placed to each placee; and
 - (b) a confirmation from the Sponsor, Adviser or Recognised Approved Adviser, as the case may be, that to the best of its knowledge and belief, after having taken all reasonable steps and made all reasonable inquiries, the details set out in the final list of placees in sub-Rule (a) above are accurate and the issue or placement exercise complies with the requirements as stated in this Chapter.
- (2) The information on the ultimate beneficiaries of the securities as required in sub-Rule (1)(a) above need not be submitted for the following types of placees:
- (a) statutory institutions managing funds belonging to general public;
 - (b) unit trust funds or collective investment schemes approved by the SC; and
 - (c) collective investment schemes which are authorised, approved or registered investment schemes incorporated, constituted or domiciled in a jurisdiction other than Malaysia and regulated by the relevant regulatory authority in that jurisdiction, subject to the listed corporation's Sponsor, Adviser or Recognised Approved Adviser, as the case may be, confirming to the Exchange that such schemes have been duly authorised, approved or registered.

6.17 Exchange's right for further information

The Exchange reserves the right to require the submission of further information on the issue or placement exercise and the placees if necessary, for establishing the propriety of the exercise and independence of the placees.

PART E – ADDITIONAL REQUIREMENTS RELATING TO A RIGHTS ISSUE**6.18 [Deleted]****6.18A Specific requirements for rights issue**

A listed corporation which intends to undertake a rights issue must -

- (a) ensure the rights issue allows for renunciation in part of or in whole in favour of a third party, at the option of the entitled security holders; and
- (b) register a copy of the abridged prospectus which complies with Rule 6.18B below with the Exchange for the rights issue in sub-Rule (a) above.

6.18B Abridged prospectus

- (1) A listed corporation must submit an abridged prospectus to the Exchange for review and registration through a Sponsor or an Adviser. For this purpose, the listed corporation and its Sponsor or Adviser must comply with the procedures for registration and requirements relating to an abridged prospectus as may be prescribed by the Exchange.
- (2) A listed corporation must include the information as set out in Appendix 6B(I) in the abridged prospectus issued pursuant to these Requirements.
- (3) A listed corporation must –
 - (a) subsequently lodge a copy of the duly registered abridged prospectus together with a copy of the rights subscription form, with the Registrar; and
 - (b) announce to the Exchange, that the abridged prospectus has been registered by the Exchange and lodged with the Registrar, at least 1 market day before the commencement of trading of the rights.
- (4) A listed corporation must also comply with Rules 3.12C, 3.12D, 3.12E, 3.12F, 3.12H and 3.12I of these Requirements, where applicable, with the necessary modifications, in the preparation of an abridged prospectus.
- (5) For the avoidance of doubt, Rule 3.12G of these Requirements in relation to liability for prospectus shall also apply to an abridged prospectus.

[Cross-reference: Guidance Notes 17 and 23]

6.19 Underwriting

- (1) Underwriting arrangements in relation to a rights issue of securities are at the discretion of the listed corporation and its Sponsor or Adviser.
- (2) The Sponsor or Adviser, as the case may be, must be part of the syndicate of underwriters for the securities offered under the rights issue if there is an underwriting arrangement.

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- (3) A listed corporation must disclose in its circular to shareholders –
- (a) the minimum level of subscription and the basis for determining the minimum level based on factors such as the level of funding required by the listed corporation; and
 - (b) the level of underwriting that has been arranged, together with justifications for the level arranged.
- (4) Where the minimum level of subscription is not achieved, the implementation of the rights issue of securities must be terminated and consideration received must be immediately returned to all subscribers.
- (5) If certain shareholders wish to irrevocably undertake to subscribe for the securities offered under the rights issue, the listed corporation must ensure that -
- (a) the shareholders have sufficient financial resources to take up the securities, as verified by an acceptable independent party, such as the listed corporation's Sponsor or Adviser, as the case may be; and
 - (b) the shareholders consider the consequences of the rights issue with regard to the Take-Overs and Mergers Code, if applicable.

6.20 [Deleted]

6.21 [Deleted]

6.22 Fixing of books closing date for a rights issue

- (1) A listed corporation must not fix a books closing date to determine persons entitled to participate in a rights issue until it has -
- (a) obtained the Exchange's approval for the issue and listing of the right issue;
 - (b) obtained shareholder approval in general meeting for the rights issue; and
 - (c) executed the underwriting agreement, where applicable.
- (2) Notwithstanding sub-Rule (1)(b) above, a listed corporation may fix a books closing date before it obtains the shareholder approval provided that -
- (a) the listed corporation's shareholders holding more than 50% of the total number of voting shares in the listed corporation have given their written irrevocable undertaking -
 - (i) to vote in favour of the rights issue during the general meeting; and
 - (ii) that they will not dispose off or otherwise reduce their shareholdings to 50% or below in any manner until after the general meeting to approve the rights issue is duly convened and passed;
 - (b) the listed corporation has submitted to the Exchange its shareholders' irrevocable undertakings referred to in sub-Rule (a) above; and
 - (c) the listed corporation must ensure that the last day of trading on a cum entitlement basis falls at least 1 market day after the date of the general meeting.

6.23 Notice of books closing date for a rights issue

A listed corporation must ensure that the period from the date it announces the books closing date for a rights issue to the books closing date is not less than 10 market days.

6.24 Timetable for a rights issue

- (1) A listed corporation must fix the closing date for the receipt of applications for and acceptance of the new securities to be issued pursuant to a rights issue ("**Rights Securities**") at least 11 market days after the books closing date.
- (2) Appendix 6C illustrates the timeline for a rights issue.

6.25 Announcements of important relevant dates of a rights issue

- (1) A listed corporation must, on the same day of announcing its books closing date for a rights issue, announce all the other important relevant dates relating to such rights issue as follows:
 - (a) date for commencement of trading of the rights;
 - (b) date for despatch of abridged prospectus and subscription forms;
 - (c) date for cessation of trading of the rights;
 - (d) last date of acceptance;
 - (e) date for excess Rights Securities application;
 - (f) date for payment;
 - (g) date for announcement of final subscription result and basis of allotment of excess Rights Securities;
 - (h) listing date of the Rights Securities;
 - (i) whether the Rights Securities will be listed and quoted as the existing securities of the same class or will be separately quoted on the listing date. If the Rights Securities will be separately quoted on the listing date, to specify the entitlement that the holders of the Rights Securities will not be entitled to; and
 - (j) such other important dates as the listed corporation may deem appropriate.
- (2) A listed corporation must undertake due care and diligence when announcing the relevant dates as set out in sub-Rule (1) above. A listed corporation must immediately announce to the Exchange -
 - (a) any change to the important relevant dates as announced pursuant to sub-Rule (1) above; or
 - (b) any event that may result in the listed corporation being unable to comply with the important relevant dates as announced pursuant to sub-Rule (1) above, as soon as it becomes aware of such event,

stating the change and reasons for such change.

6.26 [Deleted]

6.27 Issue of notices of provisional allotment

A listed corporation must issue to the persons entitled within 2 market days, or such other period as the Exchange may approve after the books closing date -

- (a) the notices of provisional allotment; and
- (b) the rights subscription forms.

6.28 Availability of rights subscription forms

(1) Notwithstanding Rule 6.09A, a listed corporation must ensure that sufficient copies of the rights subscription form to enable the acceptance of the rights are -

- (a) made available at its registered office and share registrar's office; and
- (b) provided to each Participating Organisation.

(2) [Deleted]

6.29 Allotment of securities, despatch of notices of allotment and quotation application in respect of a rights issue

Within 8 market days after the final applications closing date for a rights issue or such other period as may be prescribed or allowed by the Exchange, a listed corporation must -

- (a) issue and allot the Rights Securities;
- (b) despatch notices of allotment to the allottees; and
- (c) apply for the quotation of such Rights Securities.

PART F – ADDITIONAL REQUIREMENTS RELATING TO A BONUS ISSUE

6.30 [Deleted]

6.31 Criteria for bonus issues

(1) [Deleted]

(1A) A listed corporation must ensure that its share price adjusted for a bonus issue is not less than RM0.20 based on the daily volume weighted average share price during the 3-month period before the application date.

(2) A listed corporation undertaking a bonus issue by way of capitalisation must also ensure the following:

- (a) if the bonus issue is to be capitalised from the reserves arising from revaluation of assets, only the surplus arising from one or more of the following may be capitalised:
 - (i) revaluation of investments in subsidiaries or associated companies. In this respect, surplus arising from the revaluation of plant, machinery and equipment of the listed corporation's subsidiaries or associated companies must not be capitalised; and

- (ii) revaluation of real estates provided that at least 20% of the revalued amount is retained in the revaluation reserves after the capitalisation for the bonus issue; and
 - (b) it has sufficient reserves to cover the capitalisation issue. If the reserves for capitalisation are not based on the annual audited financial statements of the listed corporation, such reserves must be verified and confirmed by the external auditors or reporting accountants of the listed corporation. Where a confirmation by the external auditors or reporting accountants is required, the reserves for capitalisation, which may be adjusted for subsequent events, must be based on the latest audited financial statements or the latest quarterly report, whichever is the later.
- (3) [Deleted]

6.32 Valuation report for revaluation of real estates

- (1) If the bonus issue is to be capitalised from the reserves arising from revaluation of real estates under Rule 6.31(2)(a)(ii), a listed corporation must –
 - (a) submit 2 copies of the valuation report on the real estate concerned to the Exchange and a copy of the valuer's undertaking letter in the form of Appendix 6D immediately after the listed corporation announces the bonus issue (if available) or as soon as the valuation report is ready. In any event, the listed corporation must submit the valuation report together with the valuer's undertaking letter to the Exchange at least 1 month before it issues its circular in relation to the bonus issue; and
 - (b) ensure that the date of valuation which forms the basis of the valuation certificate included in the circular is not more than 6 months before the date of the circular issued to shareholders.
- (2) A listed corporation and its valuer must ensure that the valuation report submitted pursuant to sub-Rule (1) above complies with these Requirements and the SC's Asset Valuation Guidelines.
- (3) If the listed corporation or the valuer becomes aware of any circumstances or significant change which has or will have a material effect on the content, validity or accuracy of its valuation report before the date of issuance of the circular, the valuer and the listed corporation must cause the valuation report to be updated. If the listed corporation fails to do so, the valuer must withdraw its consent to the inclusion of the valuation report in the circular.
- (4) Notwithstanding sub-Rule (1) above, the Exchange may, at its discretion and whenever it deems appropriate, at the cost of the listed corporation –
 - (a) obtain a second opinion on the valuation report submitted by the listed corporation from another valuer appointed by the Exchange; or
 - (b) require a listed corporation to conduct a valuation on any asset.
- (5) A listed corporation and its valuer must comply with the instruction, directive or condition imposed by the Exchange and within such timeframe as may be specified by the Exchange.
- (6) The Exchange may refer any valuation report received by the Exchange to the SC for review. The listed corporation and its valuer must provide the Exchange or the SC on a timely basis, any information or assistance required in relation to the valuation report.
- (7) For the purposes of sub-Rules 1(a), (2), (3) and (6) above, a "**valuation report**" includes a valuation certificate.

6.33 Staggered implementation of a bonus issue

- (1) A listed corporation may implement a bonus issue in stages over a period of time.
- (2) A listed corporation must include the information set out in Part A of Appendix 6A, in its first announcement on the bonus issue to the Exchange, where applicable.
- (3) A listed corporation must subsequently announce each book closing date pursuant to Rule 9.19(1) and in the case of a bonus issue by way of capitalisation, include a statement that the listed corporation has sufficient reserves to cover the capitalisation issue in the announcements.

6.34 Ranking of bonus issue securities

The bonus issue securities must rank pari passu in all respects with the existing securities of the same class upon listing.

6.35 Fixing of books closing date for a bonus issue

A listed corporation must not fix a books closing date to determine persons entitled to participate in a bonus issue until it has obtained -

- (a) the Exchange's approval for the listing of the bonus issue; and
- (b) the shareholder approval in general meeting for the bonus issue.

6.36 Announcements in relation to a bonus issue of securities

- (1) A listed corporation must ensure that the period from the date it announces the books closing date for a bonus issue to the books closing date is not less than 10 market days.
- (2) A listed corporation must include the following when announcing the books closing date:
 - (a) the maximum number of bonus issue securities which may be listed and quoted; and
 - (b) the date of listing and quotation.
- (3) In the case of a non-Specified Bonus Issue, if the date of listing and quotation referred to in sub-Rule (2)(b) above ("**Relevant Date**") cannot be ascertained at the time of announcement of the books closing date, the listed corporation must state that the Relevant Date is dependent upon the other corporate proposal being completed or becoming unconditional.
- (4) In the case of a Specified Bonus Issue, a listed corporation must, on the books closing date, announce the exact number of bonus issue securities which will be listed and quoted.
- (5) In the case of a non-Specified Bonus Issue, immediately upon the other corporate proposal being completed or becoming unconditional and the listed corporation becoming aware of or ascertaining the Relevant Date, the listed corporation must announce -
 - (a) the exact number of bonus issue securities which will be listed and quoted; and
 - (b) the Relevant Date, if not previously announced.

PART G – ADDITIONAL REQUIREMENTS RELATING TO A SHARE ISSUANCE SCHEME**6.37 [Deleted]****6.38 Eligibility and allocation**

- (1) Subject to the provisions set out in sub-Rules (2) and (3) below and Rule 6.45, the board of directors of the listed corporation may determine the eligibility and allocation criteria under a Share Issuance Scheme.
- (2) The listed corporation must ensure that participation in the scheme is restricted to directors and employees of the listed corporation's group.
- (3) The listed corporation must also ensure that -
 - (a) its directors and senior management do not participate in the deliberation or discussion of their own allocation; and
 - (b) the allocation to a director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more of the total number of issued shares (excluding treasury shares) of the listed corporation, does not exceed 10% of the total number of shares to be issued under the scheme.
- (4) For the purpose of sub-Rules (2) and (3) above, unless the context otherwise requires -
 - (a) “**group**” means the listed corporation and its subsidiaries which are not dormant; and
 - (b) “**persons connected with an employee**” has the meaning given in relation to persons connected with a director or major shareholder as defined in Rule 1.01.

6.39 Number of shares

- (1) The listed corporation must ensure that the total number of shares to be issued under a Share Issuance Scheme is not more than 30% of its total number of issued shares (excluding treasury shares) at any one time.
- (2) For the purpose of sub-Rule (1) above, where a listed corporation purchases its own shares or undertakes any other corporate proposal resulting in the total number of shares to be issued under the scheme exceeding the 30% threshold in sub-Rule (1) above, no further options can be offered until the total number of shares to be issued under the scheme falls below the said 30% threshold.

6.40 Pricing

The price payable for the shares under a Share Issuance Scheme must be -

- (a) for an applicant implementing the scheme as part of its listing proposal, not less than the initial public offer price; or
- (b) for a listed corporation, based on the 5-day weighted average market price of the underlying shares at the time the option is offered, with a discount of not more than 10%.

6.41 Duration

A listed corporation must ensure that a Share Issuance Scheme is for a duration of not more than 10 years.

6.42 Adjustments

A listed corporation must comply with the following as regards adjustments of price or number of shares to be issued under a Share Issuance Scheme:

- (a) a scheme may provide for adjustment of the subscription or option price or the number of shares (excluding options already exercised) under the scheme, in the event of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of shares, capital reduction or any other variation of capital;
- (b) any adjustments made must be in compliance with the provisions for adjustment as provided in the bylaws of the scheme;
- (c) the issue of securities as consideration for an acquisition, pursuant to a special issue or private placement must not be regarded as a circumstance requiring such adjustments; and
- (d) adjustments other than on a bonus issue, subdivision or consolidation of shares must be confirmed in writing either by the external auditors or the Sponsor or Adviser, as the case may be, of the listed corporation.

6.43 Bylaws

- (1) A listed corporation must include the provisions set out in Appendix 6E in the bylaws of a Share Issuance Scheme.
- (2) The listed corporation must submit the final copy of the bylaws of the share scheme to the Exchange together with a letter of compliance pursuant to Rule 2.12 and a checklist showing compliance with Appendix 6E.

6.44 Implementation

- (1) The effective date for the implementation of the scheme will be the date of full compliance with all relevant requirements in this Chapter including -
 - (a) submission of the final copy of the bylaws of the scheme to the Exchange pursuant to Rule 6.43;
 - (b) receipt of approval or approval-in-principle, as the case may be, for the issuance and listing of the shares to be issued under the scheme from the Exchange;
 - (c) procurement of shareholder approval for the scheme;
 - (d) receipt of approval of any other relevant authorities, where applicable; and
 - (e) fulfilment of any conditions attached to the above approvals, if any.
- (2) The listed corporation's Sponsor or Adviser, as the case may be, must submit a confirmation to the Exchange of full compliance pursuant to sub-Rule (1) above stating the effective date of implementation together with a certified true copy of the relevant resolution passed by shareholders in general meeting.
- (3) The submission of the confirmation must be made not later than 5 market days after the effective date of implementation.

6.45 Share Issuance Scheme after listing

- (1) A listed corporation must ensure that all schemes that it implements which involve the issue of shares to employees comply with the following:
 - (a) the scheme is approved by the shareholders of the listed corporation in general meeting;
 - (b) the resolution approves a specific scheme and refers either to the scheme itself or to a summary of its principal terms included in the circular which contains all the provisions set out in Appendix 6E;
 - (c) unless the shares subject to the scheme are identical with other listed shares they are separately designated; and
 - (d) where directors of the listed corporation are trustees of the scheme or have an interest, direct or indirect, in the scheme, the circular must disclose that interest.
 - (e) [deleted]
- (2) Subparagraph (1) does not apply to an applicant that is implementing a Share Issuance Scheme as part of its listing proposal.

6.46 Allotment of shares, despatch of notices of allotment and quotation application in respect of a Share Issuance Scheme

Within 8 market days after the date of receipt of a notice of the exercise of the option together with the requisite payment or such other period as may be prescribed or allowed by the Exchange, a listed corporation must -

- (a) issue and/or allot shares;
- (b) despatch a notice of allotment to the employee of the listed corporation; and
- (c) apply for the quotation of such shares.

PART G(A) – ADDITIONAL REQUIREMENTS RELATING TO DIVIDEND REINVESTMENT SCHEME**6.46A Non-application**

- (1) [Deleted]
- (2) This Part is not applicable to a distribution of dividend in specie.

6.46B Shareholder's approval

Where a listed corporation intends to undertake a Dividend Reinvestment Scheme, the listed corporation must –

- (a) issue a circular to its shareholders which includes the following:
 - (i) whether there is any tax implication if a shareholder elects to reinvest the cash dividend into new shares, or an appropriate negative statement;
 - (ii) whether a shareholder who elects to reinvest the cash dividend into new shares will receive odd lots; and

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- (iii) a statement that a shareholder who elects to reinvest the cash dividend into new shares under the scheme may be required to comply with the Take-Overs and Mergers Code; and
 - (b) obtain shareholders' approval for the scheme.

6.46C Eligibility and election of entitlement

- (1) Where a listed corporation intends to undertake a Dividend Reinvestment Scheme, it must allow all its shareholders who are entitled to dividend to participate in the Dividend Reinvestment Scheme.
- (2) The listed corporation must allow such shareholders to elect whether to participate in the Dividend Reinvestment Scheme and give them at least 14 days from the dispatch of the election notice to submit the completed election notice.
- (3) The listed corporation must include in the election notice the following statements:
 - (a) that the shareholders must elect positively in order to participate in a Dividend Reinvestment Scheme, and to reinvest their cash dividends into new shares for their dividend entitlement;
 - (b) that if no election is made, the listed corporation will automatically pay the dividends in cash to the shareholders concerned; and
 - (c) that the shareholders can choose to receive the entitlement partly in cash and partly in shares, or wholly in cash or shares.
- (4) The listed corporation must include in the statement accompanying the election notice, the following information:
 - (a) a statement of the total number of shares that would be issued if all eligible shareholders were to elect to reinvest their cash dividends into new shares for their entire entitlement, and the percentage which that number represents of the total number of issued shares (excluding treasury shares) as at the books closing date; and
 - (b) that any fractional entitlements arising from the allotment of new shares pursuant to the scheme will be settled in cash; and
 - (c) the procedures for completing the election notice.

6.46D Pricing

- (1) The listed corporation must ensure that the shares allotted pursuant to a Dividend Reinvestment Scheme are not priced at more than 10% discount to the weighted average market price of the shares for the 5 market days immediately before the price-fixing date.
- (2) The listed corporation must announce the issue price of the shares before or when it announces to the Exchange its intention to fix a books closing date under Rule 9.19(1).

PART H – ADDITIONAL REQUIREMENTS RELATING TO AN ISSUE OF DEBT SECURITIES AND REDEEMABLE PREFERENCE SHARES**6.47 Requirements relating to debt securities**

A listed corporation which intends to list debt securities must also comply with Chapter 4B of Bursa Malaysia Securities Berhad Main Market Listing Requirements, in addition to those set out in Part E of this Chapter, where applicable.

[Cross reference: Guidance Note 17]

6.47A Requirements relating to redeemable preference shares

A listed corporation which intends to list its redeemable preference shares must also comply with Part E of this Chapter, where applicable.

[Cross reference: Guidance Note 17]

6.48 [Deleted]**6.49 Announcement relating to an issue of debt securities**

In addition to the information set out in Part A of Appendix 6A, a listed corporation must include the information set out in Part B of Appendix 6A in its announcement to the Exchange relating to a proposed issue of debt securities.

PART I – ADDITIONAL REQUIREMENTS RELATING TO AN ISSUE OF CONVERTIBLE SECURITIES**6.50 Requirements relating to convertible securities**

- (1) A listed corporation which intends to issue convertible securities must also comply with the provisions in Part E of this Chapter, where applicable.

[Cross reference: Guidance Note 17]

- (2) Unless otherwise specified by the Exchange, “**convertible equity securities**” in this Part I refers to warrants and convertible preference shares.

6.51 Maximum number of new shares allowed from exercise of convertible equity securities

A listed corporation must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities, does not exceed 50% of the total number of issued shares of the listed corporation (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

6.51A Bonus issue of convertible equity securities

A listed corporation making a bonus issue of convertible equity securities must also comply with Part F of this Chapter except Rules 6.31, 6.32 and 6.34.

6.52 Holders of convertible securities

A listed corporation seeking a listing of its convertible securities must have at least 100 holders of such securities holding not less than 1 board lot of the convertible securities each.

6.53 Announcement relating to an issue of convertible securities

In addition to the information set out in Part A of Appendix 6A, a listed corporation must include the information set out in Part C of Appendix 6A in its announcement to the Exchange relating to a proposed issue of convertible securities, where applicable.

6.54 Circular relating to an issue of convertible securities

- (1) In addition to the information set out in Part A of Appendix 6B, a listed corporation must ensure that the circular to the securities holders of the listed corporation to obtain the securities holders approval in respect of an issue of convertible securities, includes the information set out in Part B of Appendix 6B.
- (2) The draft circular must be submitted to the Exchange for perusal together with a checklist showing compliance with Parts A and B of Appendix 6B.

6.55 Deed poll and trust deed to comply with Requirements

- (1) A listed corporation must furnish to the Exchange a letter of compliance pursuant to Rule 2.12 together with the deed poll or trust deed, as the case may be.
- (2) A listed corporation must ensure that the deed poll or trust deed includes the various provisions set out in Appendix 6F.
- (3) A deed poll or trust deed must not include any provision for –
 - (a) the extension or shortening of tenure of the convertible securities; or
 - (b) changes to the number of shares received for the exercise or conversion of each convertible security or changes to the pricing mechanism for the exercise or conversion price of the convertible security, except where these changes are adjustments following capitalisation issues, rights issue, bonus issue, consolidation or subdivision of shares or capital reduction exercises.
- (4) Sub-Rule (3) above does not apply to debt securities.

6.56 Alteration or adjustment to the terms

A listed corporation may make an alteration or adjustment to the terms of the convertible securities during the tenure of the securities only if such alteration or adjustment –

- (a) is provided upfront in the deed poll or trust deed governing the securities; and
- (b) does not relate to the provisions set out in in Rule 6.55(3) above.

6.57 Consequential securities

- (1) Where a listed corporation intends to issue convertible securities arising from adjustments due to an issue of securities or a subdivision or consolidation of shares (referred to as “**consequential securities**” and “**principal securities**” respectively) -
 - (a) the consequential securities must be listed and quoted simultaneously with the principal securities;
 - (b) the listed corporation must ensure that the period from the date it announces the books closing date for the consequential securities to the books closing date is not less than 10 market days; and

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- (c) the listed corporation must submit the additional listing application pursuant to Guidance Note 17.
- (2) Where the consequential securities are due to -
- (a) a bonus issue of securities; or
 - (b) a Specified Subdivision or Specified Consolidation;
- the following applies:
- (i) a listed corporation need not submit to the Exchange any quotation application for the consequential securities;
 - (ii) when announcing the books closing date, a listed corporation must include -
 - (aa) the maximum number of consequential securities which may be listed and quoted; and
 - (bb) the date of listing and quotation; and
 - (iii) the listed corporation must, on the books closing date, announce to the Exchange the exact number of consequential securities which will be listed and quoted.
- (3) Where the consequential securities are not due to a Specified Bonus Issue -
- (a) in relation to the announcement referred to in sub-Rule 2(ii) above, if the date of listing and quotation ("**Relevant Date**") cannot be ascertained at this time, the listed corporation must state that the Relevant Date is dependent upon the other corporate proposal being completed or becoming unconditional;
 - (b) sub-Rule 2(iii) above does not apply; and
 - (c) immediately upon the other corporate proposal being completed or becoming unconditional and the listed corporation becoming aware of or ascertaining the Relevant Date, the listed corporation must announce to the Exchange -
 - (i) the exact number of consequential securities which will be listed and quoted; and
 - (ii) the Relevant Date, if not previously announced.

6.58 Notices of conversion or exercise

A listed corporation must include the following in a notice of conversion or exercise in respect of convertible securities:

- (a) the full title of the security;
- (b) the maturity date;
- (c) the conversion or exercise price;
- (d) the conversion or exercise period;
- (e) the procedures for conversion or exercise of security;

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- (f) the mode of payment of the exercise price; and
 - (g) the treatment of the security at maturity.

6.59 Allotment of securities, despatch of notices of allotment and quotation application in respect of conversion or exercise

Within 8 market days after the date of receipt of a conversion or exercise form together with the requisite payment or such other period as may be prescribed or allowed by the Exchange, a listed corporation must -

- (a) issue and/or allot the securities arising from the conversion or exercise of the convertible security;
- (b) despatch a notice of allotment to the holder of the convertible security; and
- (c) apply for the quotation of such securities.

PART J – IMPLEMENTATION OF PROPOSAL

6.60 Implementation deadline

- (1) Subject to sub-Rule (2) below, a listed corporation must complete the implementation of a proposal relating to an issuance of securities ("**Issuance Proposal**") within 6 months from the date the listing application is approved by the Exchange.
- (2) For cases which involve court proceedings, a listed corporation has up to 12 months from the date the listing application is approved by the Exchange to complete the implementation of an Issuance Proposal.
- (3) Where the listed corporation has submitted a request for a review of the Exchange's decision, the time period to complete the implementation of an Issuance Proposal will commence from the date on which the decision on the review is conveyed to the listed corporation.
- (4) If the listed corporation fails to complete the implementation of an Issuance Proposal within the prescribed periods above, the Exchange's approvals given in regard to the Issuance Proposal will lapse.

6.61 Extension of implementation time

- (1) The Exchange may, upon a listed corporation's application, in exceptional cases grant an extension of time for a listed corporation to complete an Issuance Proposal. The listed corporation must apply for an extension through its Sponsor, Adviser or Recognised Approved Adviser, as the case may be, no later than 14 days before the Exchange's approval to the listing application expires. The listed corporation must fully justify its application.
- (2) All applications for an extension of time for completion of the Issuance Proposal under this Rule must be accompanied by a confirmation letter by the directors of the listed corporation that, save as disclosed, there has been no material change or development in the circumstances and information relating to the Issuance Proposal.
- (3) Where the Exchange's approval is subject to certain conditions which must be fulfilled within a specified period of time, any application for an extension of time to fulfill the conditions must be fully justified and must be not later than 14 days before the expiry of the specified period.

6.62 Post-implementation obligations

- (1) A listed corporation and its Sponsor, Adviser or Recognised Approved Adviser, as the case may be, must inform the Exchange the dates of completion for all approved Issuance Proposal.
- (2) The listed corporation and its Sponsor, Adviser or Recognised Approved Adviser, as the case may be, must furnish the Exchange with a written confirmation of its compliance with terms and conditions of the Exchange's approval once the Issuance Proposal has been completed.
- (3) The listed corporation and its Sponsor, Adviser or Recognised Approved Adviser, as the case may be, must submit the actual figures once determined where an indicative issue price or number of securities to be issued are provided in the listing application for the Issuance Proposal.

[End of Chapter]

APPENDIX 6A**Part A****Contents of announcement in relation to a new issue of securities**

(Rules 6.08(1), 6.33(2), 6.49 and 6.53)

DETAILS OF THE PROPOSALS

- (1) The number and type of securities to be issued.
- (2) The persons to whom the new issue of securities will be allotted or issued.
- (3) The basis of allotment, where applicable.
- (4) The issue price of the new issue of securities, the basis of determining the issue price and justification for the pricing.
- (5) The ranking of the new issue of securities.
- (6) Whether listing will be sought for the new issue of securities.
- (7) Where applicable, the minimum level of subscription and the basis of determining the minimum level of subscription.
- (8) In the case of a bonus issue -
 - (a) the details of the reserves to be capitalised for the bonus issue if applicable;
 - (b) a statement that the reserves required for capitalisation of the bonus issue complies with Rule 6.31(2)(b) of these Requirements if applicable;
 - (c) where the bonus issue is to be made in stages over a period of time, relevant details of the same including -
 - (i) the extended implementation period;
 - (ii) the tentative books closing dates;
 - (iii) the effects of the bonus issue on reserves, if applicable;
 - (iv) [deleted]
 - (v) a statement as to the potential price effects of the staggered implementation; and
 - (vi) the rationale/justification for the implementation of the bonus issue on a staggered basis; and
 - (d) the number of shares before and after the bonus issue.
- (9) In the case of issue and placement of securities in stages over a period of time, the relevant details of the same including the rationale or justification.
- (10) In the case of a Share Issuance Scheme, the duration of the scheme, basis of determining the exercise price and eligibility.

Appendix 6A
Contents of announcement for new issue of securities

- (11) Where the listed corporation intends to implement more than 1 Employee Share Scheme, the following information in relation to the Employee Share Schemes:
- (a) the number of schemes currently in existence;
 - (b) the following information in relation to options or shares granted to directors under all the existing schemes:
 - (i) aggregate options or shares granted since commencement of the scheme;
 - (ii) aggregate options exercised or shares vested since commencement of the scheme; and
 - (iii) aggregate options or shares outstanding; and
 - (c) for each existing scheme –
 - (i) brief details of each scheme including its expiry date, eligible grantees, maximum number and percentage of total shares issued or vested under the scheme, total number of shares granted, and total number of options exercised or shares vested; and
 - (ii) aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them.

RATIONALE AND JUSTIFICATION FOR THE PROPOSAL

- (12) The purpose of the new issue of securities.
- (13) The justification for embarking on the new issuance of securities rather than other available options.
- (14) In the case of new issue of securities for fund-raising purposes, the details of equity fund-raising exercises undertaken in the past 12 months before the announcement of the new issue of securities, including –
- (a) a description of the equity fund-raising exercise;
 - (b) the total proceeds raised; and
 - (c) the details and status of the utilisation of proceeds.

If there is none, a negative statement to that effect.

UTILISATION OF PROCEEDS

- (15) The gross proceeds from the issue of securities and a detailed statement with regard to the utilisation of such proceeds, where applicable.
- (16) Where the proceeds from the new issue of securities is to be utilised for –
- (a) the existing business of the listed corporation's group of corporations; or
 - (b) a new business to be acquired or undertaken,
- a description and outlook of the industry where the listed corporation's group of corporations operates or will be operating and the prospects of the business in light of the industry outlook.

Appendix 6A
Contents of announcement for new issue of securities

- (17) Where the issuance of securities or proceeds are utilized for acquisition of assets or interests, the relevant information on the transaction as required under Appendix 10A of these Requirements if such acquisition falls within the ambit of Chapter 10 of these Requirements and announcement is required pursuant to Chapter 10.

EFFECTS OF THE PROPOSAL

- (18) The effect of the new issue of securities on the following, in tabular form:
- (a) the share capital (to show effect for each proposal);
 - (b) the net assets per share based on the latest audited consolidated financial statements (to show effect for each proposal);
 - (c) the earnings per share of the group;
 - (d) the substantial shareholding structure (to show effect for each proposal);
 - (e) gearing, where applicable; and
 - (f) any existing convertible securities.

APPROVALS REQUIRED

- (19) The approvals required for the new issue and the estimated time frame for submission of the application to the relevant authorities.

INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSON CONNECTED

- (20) Whether the directors, major shareholders, chief executive or persons connected with them have any interest, direct or indirect, in the issue.

TIMEFRAME FOR COMPLETION / IMPLEMENTATION

- (21) The estimated time frame for completion of the new issue of securities.

FURTHER / ADDITIONAL INFORMATION

- (22) Where a mandate for issue of securities is sought, a statement whether such mandate is a renewal and the details of the previous mandate.

Part B**Additional contents of announcement in relation to an issue of debt securities**

(Rule 6.49)

- (1) The interest rate and interest payment dates.
- (2) The issue and maturity dates.
- (3) The method of redemption.
- (4) Whether guaranteed or secured, and if so, details of such guarantee or security.

Appendix 6A
Contents of announcement for new issue of securities

- (5) The rating of the issue.
- (6) A summary of other material terms of issue.

Part C

Additional contents of announcement in relation to an issue of convertible securities
(Rule 6.53)

- (1) The conversion or exercise price and basis of determining the conversion or exercise price.
- (2) The conversion or exercise period.
- (3) The step-up or step-down pricing mechanism (if any), the amount of step-up or step-down and the time frames for the exercise or conversion price adjustment.
- (4) The number of new securities that will be issued upon full exercise or conversion.
- (5) A summary of material terms of the issue.
- (6) Where applicable, all provisions for changes in the terms of the convertible securities during the tenure of the securities.
- (7) The use of future proceeds arising from the conversion or exercise.

[End of Appendix]

APPENDIX 6B**Part A****Contents of circular in relation to a new issue of securities**

(Rules 6.09(1) and 6.54(1))

COVER PAGE

- (1) A heading drawing attention to the importance of the circular and advising holders of securities who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that the circular has been reviewed by the listed corporation's Sponsor, Adviser or Recognised Approved Adviser, as the case may be.
- (3) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, valuation certificate and report if any, 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.

INTRODUCTION

- (4) The purpose of the circular.

DETAILS OF THE PROPOSALS

- (5) The particulars, terms and conditions of the issue and date on which the new issue of securities was announced.
- (6) The number and type of securities to be issued.
- (7) The persons to whom the new issue of securities will be allotted or issued.
- (8) The basis of allotment, where applicable.
- (9) The issue price of the new issue of securities, the basis of determining the issue price and justification for the pricing.
- (10) The ranking of the new issue of securities and treatment of any fractions.
- (11) Whether listing will be sought for the new issue of securities.
- (12) Where applicable, securities holders' undertakings stating the portion of the new issue of securities which the securities holders have given their written irrevocable undertaking to subscribe for their entitlement in full, including -
 - (a) the names of the securities holders;
 - (b) the number and percentage of the existing issued shares held by them in the listed corporation; and
 - (c) the number and percentage of securities which they are entitled to under the new issue of securities.

Appendix 6B
Contents of circular for new issue of securities

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- (13) Where securities holders have irrevocably undertaken to subscribe for the securities and if applicable, excess application -
- (a) a statement that the securities holders have confirmed that they have sufficient financial resources to take up the securities and such confirmation has been verified by an acceptable independent party such as a Sponsor or Adviser, as the case may be; and
 - (b) a statement as to the consequences of the subscription for the securities on the listed corporation and its securities holders with regard to the Take-Overs and Mergers Code.
- (14) Where applicable, the minimum level of subscription and the basis of determining the minimum level of subscription. In the event that the minimum level is not achieved, to state the impact on the proposal and alternative plans (if any).
- (15) A statement as to whether the new issue of securities will be underwritten and the number and percentage of securities to be underwritten. Where the underwriting arrangements have been entered into, details of the underwriting arrangements, including -
- (a) the name(s) of the underwriter(s);
 - (b) the underwriting commission and the party that will bear the same; and
 - (c) any provisions which may permit the underwriter(s) to withdraw from obligations pursuant to the underwriting agreement and/or terminate the underwriting agreement.
- (16) In the case of a bonus issue -
- (a) the details of the reserves to be capitalised for the bonus issue including the amount to be capitalised and the amount standing to the credit of such account, if applicable;
 - (b) a statement that the reserves required for capitalisation of the bonus issue complies with Rule 6.31(2)(b) and that the available reserves have been confirmed by the external auditors or reporting accountants, if applicable;
 - (c) where the reserves to be capitalised arise from a revaluation of real estates -
 - (i) the name of the independent registered valuer;
 - (ii) the date and method of valuation;
 - (iii) the valuation certificate which must contain all particulars of, and information on, the property being valued in accordance with the SC's Asset Valuation Guidelines; and
 - (iv) a statement that the valuation report and the valuation certificate are available for inspection;
 - (d) where a second opinion valuation has been obtained, the figures for the original valuation and the second opinion valuation;
 - (dA) a statement that the bonus issue complies with Rule 6.31(1A);
 - (e) where the bonus issue is to be made in stages over a period of time, relevant details of the same including -
 - (i) the extended implementation period;

Appendix 6B
Contents of circular for new issue of securities

-
- (ii) the tentative books closing dates;
 - (iii) the effects of the bonus issue on reserves;
 - (iv) [deleted]
 - (v) a statement drawing securities holders' attention to the staggered implementation of the bonus issue and the potential price effects of the staggered implementation; and
 - (vi) the rationale or justification for the implementation of the bonus issue on a staggered basis; and
- (f) the number of shares before and after the bonus issue.
- (17) In the case of issue and placement of securities in stages over a period of time, the relevant details of the same including the rationale or justification.
- (18) In the case of a Share Issuance Scheme -
- (a) the information set out in Appendix 6E;
 - (b) where applicable, the rationale for extending participation in the share scheme to non-executive directors;
 - (c) the performance targets, if any, that must be achieved before the options can be exercised or shares can be vested, and if none, a negative statement to that effect;
 - (d) the potential cost to the listed corporation arising from the grant of options or shares under the scheme;
 - (e) the aggregate maximum allocation to directors and senior management in percentage under the scheme;
 - (f) where the listed corporation intends to implement more than 1 Employee Share Scheme, the following information in relation to the Employee Share Schemes:
 - (i) the number of schemes currently in existence;
 - (ii) the following information in relation to options or shares granted to directors under all the existing schemes:
 - (aa) aggregate options or shares granted since commencement of the scheme;
 - (bb) aggregate options exercised or shares vested since commencement of the scheme; and
 - (cc) aggregate options or shares outstanding; and
 - (iii) for each existing scheme –
 - (aa) brief details of each scheme including its expiry date, eligible grantees, maximum number or percentage of total shares issued or vested under the scheme, total number of shares granted, and total number of options exercised or shares vested; and

Appendix 6B
Contents of circular for new issue of securities

- (bb) aggregate maximum allocation to directors and senior management in percentage, and the actual percentage granted to them;
- (g) where the directors of the listed corporations have a direct or indirect interest in the scheme, the details of the said interest;
- (h) whether the allocation available will be staggered over the duration of the scheme, and –
 - (i) if yes, the maximum allocation available for each financial year during the duration of the scheme; or
 - (ii) if no, the reasons why not; and
- (i) whether there is any vesting period for the options or shares granted under the scheme.
- (19) In the case of issues of shares or convertible securities on a non-pro rata basis pursuant to Rule 6.06, particulars on the persons to whom the securities will be issued including the following:
 - (a) if such person is a corporation, the names of its directors and substantial shareholders together with their respective direct and/or indirect shareholdings, or the website links to such information where the corporation is a statutory institution managing funds belonging to the public; and
 - (b) the amount of securities to be placed to each placee.

RATIONALE AND JUSTIFICATION FOR THE PROPOSAL

- (20) The purpose of the new issue of securities.
- (21) The justifications for embarking on the new issue of securities rather than other available options.
- (22) In the case of new issue of securities for fund-raising purposes, the details of equity fund-raising exercises undertaken in the past 12 months before the announcement of the new issue of securities, including –
 - (a) a description of the equity fund-raising exercise;
 - (b) the total proceeds raised; and
 - (c) the details and status of the utilisation of proceeds.

If there is none, a negative statement to that effect.

UTILISATION OF PROCEEDS

- (23) A statement with regard to -
 - (a) the gross proceeds of the new issue of securities;
 - (b) the proposed utilisation of the gross proceeds including the following information, if the proceeds are to be used for -
 - (i) reducing borrowings, the amount of annual savings in interest payments and the total borrowings of the group as at the latest practicable date;

Appendix 6B
Contents of circular for new issue of securities

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- (ii) expansion, relocation of factory or office premises, the details on the location of the factory or building, total cost of construction, built-up area and production capacity before and after the expansion or relocation (where relevant);
 - (iii) investment, the following information:
 - (aa) the details of the investment; or
 - (bb) if the investment has not been identified, a statement of how the proceeds will be utilised in the meantime, pending identification of the investments; and
 - (iv) working capital, the details and breakdown;
 - (c) the estimated expenses of the new issue of securities; and
 - (d) the time frame for full utilisation of the proceeds.
- (24) Where the proceeds from the new issue of securities is to be utilised for -
- (a) the existing business of the listed corporation's group of corporations; or
 - (b) new business to be acquired or undertaken,
- a description and outlook of the industry where the listed corporation's group of corporations operates or will be operating and the prospects of the business in light of the industry's outlook.
- (25) Where the issuance of securities or proceeds are utilized for acquisition of assets or interests, the relevant information on the transaction as required under Appendix 10A of these Requirements if such acquisition falls within the ambit of Chapter 10 and shareholders' approval is required pursuant to Chapter 10.

EFFECTS OF THE PROPOSAL

- (26) The effects of the new issue of securities on the following, in tabular form:
- (a) the share capital (to show effect for each proposal);
 - (b) the net assets per share based on the latest audited consolidated financial statements (to show effect for each proposal);
 - (c) the earnings per share of the group;
 - (d) the substantial shareholding structure (to show effect for each proposal);
 - (e) gearing, where applicable; and
 - (f) any existing convertible securities.
- (27) A statement setting out all material commitments and contingent liabilities incurred or known to be incurred by the listed corporation.

APPROVALS REQUIRED

- (28) The approvals required for the new issue of securities, dates on which such approvals were obtained, the conditions of the approvals, and the status of compliance.

CONDITIONALITY OF THE PROPOSAL

- (29) The details of any other intended corporate exercise/scheme which have been announced but not yet completed before the printing of the circular and whether the new issue of securities is conditional or inter-conditional upon such and/or any other corporate exercise/scheme.

INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSON CONNECTED

- (30) (a) Whether the new issue of securities is to a director, major shareholder, chief executive or person connected with a director, major shareholder or chief executive.
- (b) If the answer to (a) is in the affirmative, a statement that such person and also the director, major shareholder or chief executive concerned, where the issue is to a person connected with a director, major shareholder or chief executive, must abstain from voting in respect of their direct and/or indirect shareholdings.
- (c) A statement that such interested director, major shareholder or chief executive has/have undertaken that he/they will ensure that the persons connected with him/them will abstain from voting on the resolution approving the issue at the general meeting.
- (d) In the case of an interested director, a statement that the interested director has abstained or will abstain from deliberating and voting on the relevant resolution at the board meeting.

RECOMMENDATION AND BASIS OF RECOMMENDATION

- (31) A statement by the board of directors, excluding interested directors, stating whether the issue is in the best interest of the listed corporation. Where a director disagrees with such statement, a statement by the said director setting out the reasons and the factors taken into consideration in forming that opinion.
- (32) Where voting is required, a recommendation together with the basis of such recommendation from the board of directors, excluding interested directors, as to the voting action that securities holders should take.

TIMEFRAME FOR COMPLETION / IMPLEMENTATION

- (33) The estimated time frame for completion of the new issue of securities and in the case of rights issue or bonus issue, the tentative time table for the implementation of the proposal.

FURTHER / ADDITIONAL INFORMATION

- (34) The monthly highest and lowest market prices of the listed securities transacted for the 12 months preceding the date of the circular and the last transacted price immediately before the announcement of the new issue of securities and as at the latest practicable date before the printing of the circular.
- (35) Any other information which the securities holders and their Sponsor, Adviser or Recognised Approved Adviser, as the case may be, would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

APPENDICES

- (36) In the case of a Share Issuance Scheme, the bylaws of the scheme.

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Contents of circular for new issue of securities

(37) Other information as follows:

- (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the circular misleading;
- (b) where a person is named in the circular as having advised the listed corporation or its directors, a statement -
 - (i) that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name or letter, or both (if applicable) in the form and context in which it is included; and
 - (ii) by the adviser as to whether a conflict of interest exists or is likely to exist in relation to its role as an adviser. If a conflict of interest exists or likely to exist in relation to its role as an adviser, to provide full disclosure of the nature and extent of the conflict of interest or potential conflict of interest, the parties to the conflict; and measures taken for resolving, eliminating, or mitigating the situations of conflict of interest.

For this purpose, "**conflict of interest**" means circumstances or relationships which affect or may affect the ability of the adviser to act independently or objectively or where the adviser has an interest in the outcome of the proposal which interferes or is likely to interfere with its independence and objectivity;

- (c) a statement of all material litigation, claims or arbitration involving the listed corporation and/or any of its subsidiaries, including those pending or threatened against such corporations. The following particulars must be disclosed:
 - (i) the background;
 - (ii) the date of the suit;
 - (iii) the names of the plaintiff(s) and defendant(s);
 - (iv) the estimate of the maximum exposure to liabilities;
 - (v) the directors'/solicitors' opinion of the outcome; and
 - (vi) the status;
- (d) a statement that from the date of the circular until the date of the general meeting the following documents (or copies of the documents) may be inspected at the registered office of the listed corporation:
 - (i) the constitution;
 - (ii) the audited financial statements of the listed corporation or group, or both for the past 2 financial years and the latest unaudited results since the last audited financial statements;
 - (iii) all reports, letters or other documents, statement of financial position, valuations and statements by any expert, any part of which is extracted or referred to in the circular;

Appendix 6B
Contents of circular for new issue of securities

-
- (iv) the letters of consent referred to in subparagraph (b) above;
 - (v) the relevant cause papers in respect of the material litigation referred to in subparagraph (c) above;
 - (vi) the trust deed and/or deed poll (where applicable);
 - (vii) the financial estimate, forecast or projection, as the case may be, together with the auditors' letter (if provided);
 - (viii) the pro forma consolidated statement of financial position together with the auditors' letter (if provided); and
 - (ix) bylaws of the scheme, in the case of a Share Issuance Scheme.

Part B**Additional contents of circular in relation to convertible securities**

(Rule 6.54)(1))

- (1) The maximum number of the underlying securities which would be issued on the exercise of the convertible securities.
- (2) The ranking of the securities arising from the exercise or conversion.
- (3) Whether listing will be sought for the securities that will be issued upon exercise or conversion.
- (4) The period during which the convertible securities may be exercised and the date when this right commences and expires.
- (5) The amount payable on the exercise of the convertible securities and the basis of determining the exercise or conversion price.
- (6) The step-up or step-down pricing mechanism (if any), the amount of step-up or step-down and the time frames for the adjustment of the exercise or conversion price.
- (7) The rights of the holders on the liquidation of the listed corporation.
- (8) The arrangement for the adjustment in the subscription or purchase price and in the number of convertible securities in the event of alteration to the share capital of the listed corporation.
- (9) The rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the listed corporation.
- (10) Where the convertible securities have debt features -
 - (a) the interest rate and interest payment date(s);
 - (b) the method of redemption;
 - (c) whether guaranteed or secured; and if so, details of such guarantee or security; and
 - (d) the rating of the issue.
- (11) A summary of the material terms of the convertible securities.

Appendix 6B
Contents of circular for new issue of securities

- (12) Where applicable, all provisions for changes in the terms of the convertible securities during the tenure of the securities.
- (13) The proposed utilisation of proceeds arising from the exercise or conversion of convertible securities.

[End of Appendix]

APPENDIX 6B(I)**Contents of abridged prospectus**

(Rule 6.18B(2))

- (1) The particulars and information as set out in Division 5 of Part II of the SC's Prospectus Guidelines (Abridged Prospectus) with the following modifications:
 - (a) reference to the SC in the SC's Prospectus Guidelines shall mean a reference to the Exchange; and
 - (b) reference to the Principal Adviser in the SC's Prospectus Guidelines shall mean a reference to the Sponsor or Adviser.
- (2) If the abridged prospectus contains a statement made by any person, or which is based on a statement made by such person, a confirmation that such person has given and has not withdrawn the written consent to –
 - (a) being named in the abridged prospectus; and
 - (b) the inclusion of such statement in the abridged prospectus.

[End of Appendix]

APPENDIX 6C

Timeline for a rights issue
(Rule 6.24)

	Timeline for a rights issue	Time limits	Market days*
1	Books closing date (B) to determine persons entitled to participate in the rights issue		B
2	Public release of the abridged prospectus in respect of the rights issue	1 market day before trading of rights commences	B
3	Trading of rights commences	1 market day after books closing date	B+1
4	Listed corporation issues - (a) the Provisional Allotment Letter (PAL) to the Depository and where applicable, entitled persons of securities which have been exempted from deposit with the Depository; and (b) the following to the entitled persons of deposited securities: (i) the notices of provisional allotment; and (ii) the rights subscription forms.	Within 2 market days after books closing date	B + 2
5	Cessation of trading of rights	5 market days before the last date of acceptance	B + 6
6	Closing date for receipt of applications for and acceptance of the rights	At least 11 market days after the books closing date	B + 11

Note:

- * The number of market days from the books closing date (B) is stated based on minimum or maximum periods allowed, as the case may be.

[End of Appendix]

APPENDIX 6D

Undertaking by a valuer of a listed corporation
(Rules 3.07(1)(b), 6.32(1) and 10.04)

To

Bursa Malaysia Securities Berhad
Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

Dear Sirs,

Compliance with ACE Market Listing Requirements

In consideration of Bursa Malaysia Securities Berhad ("**Bursa Securities**") accepting the valuation report and such other documents prepared by us as required under Bursa Securities ACE Market Listing Requirements ("**Listing Requirements**"), WE[name & company no. of the valuer] having a #registered address/place of business at..... irrevocably and unconditionally UNDERTAKE AND AGREE to comply with the Listing Requirements, including any amendment as may be made from time to time and insofar as the same is applicable to us as a valuer.

**This Undertaking is deemed to have been made in Malaysia and the construction, validity and performance of this Undertaking are governed in all respects by the laws of Malaysia and WE irrevocably submit to the jurisdiction of the Malaysian Courts.

The above Undertaking has been signed by us/me as..... [title/designation] of[name of valuer] pursuant to authority granted to us/me by resolution of the board of directors of the valuer on.....

Yours faithfully,

.....
Name:
Designation:
Date:

Delete as appropriate

** Applicable to a foreign valuer only.

[End of Appendix]

APPENDIX 6E**Contents of bylaws of a Share Issuance Scheme**

(Rules 6.43 and 6.45)

- (1) The persons to whom shares may be issued under the scheme (“**participants**”) and the basis of determining the eligibility of participants.
- (2) The maximum number of options to be offered under the scheme.
- (3) The maximum entitlement for each class or category of participant (where applicable) and the maximum entitlement for any one participant (where applicable).
- (4) The amount payable on application or acceptance and the basis for determining the subscription or sale, or option price, the period in or after which payments or calls, or loans to provide the same, may be paid or called upon.
- (5) The time limit for the scheme.
- (6) The minimum period, if any, for which an option must be held before it can be exercised.
- (7) The voting, dividend, transfer and other rights, including those arising on a liquidation of the listed corporation or the subsidiary, as the case may be, attaching to the shares.
- (8) Formulas for adjustments to the subscription or option price or the number of shares (excluding options already exercised) under the scheme, in the event of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of shares, capital reduction and/or any other variation of capital.
- (9) A provision that the matters relating to paragraphs (1) to (8) above cannot be altered to the advantage of participants without prior shareholder approval.

[End of Appendix]

APPENDIX 6F**Contents of a trust deed/deed poll**
(Rule 6.55(2))

1. The step-up or step-down pricing mechanism (if any) which must be on a fixed basis, i.e. stated in absolute amounts or terms and must not be made conditional upon the occurrence of certain events.
2. The amount of step-up or step-down and the time frames for the exercise or conversion price adjustment.
3. Provisions for changes in the terms of the convertible securities during the tenure of the securities.

[End of Appendix]