
CHAPTER 16 SUSPENSION, DE-LISTING AND ENFORCEMENT**PART A – GENERAL****16.01 Introduction**

- (1) This Chapter sets out the following:
 - (a) the requirements that must be complied with by a listed corporation in respect of voluntary suspension and withdrawal by the listed corporation from the Official List; and
 - (b) the powers of the Exchange with regard to -
 - (i) trading halt, suspension and de-listing of a listed corporation or any class of its listed securities by the Exchange; and
 - (ii) enforcement of these Requirements.
- (2) For the purpose of this Chapter, where the context permits, enforcement proceedings include an appeal by a person against a decision resulting from an enforcement action taken under this Chapter.

PART B – TRADING HALT AND SUSPENSION**16.02 Suspension of trading imposed by the Exchange**

- (1) The Exchange may at any time suspend the trading of listed securities in any of the following circumstances:
 - (a) in the event of any substantial corporate exercise or capital restructuring of a listed corporation including a scheme of arrangement, compromise, amalgamation or selective capital reduction;
 - (b) where, in the opinion of the Exchange, it is necessary or expedient in the interest of maintaining an orderly and fair market in securities traded on the Exchange;
 - (c) in any circumstances as provided in these Requirements;
 - (d) in the event of any breach of these Requirements by a listed corporation;
 - (e) upon notice by the SC to the Exchange that in its opinion a listed corporation has breached or has failed to comply with any provision of the securities laws or the SC's guidelines, or that it is necessary or expedient in the public interest and where it would be for the protection of investors;
 - (f) in the event of maturity of a listed debt security or convertible security;
 - (g) upon the suspension of the trading of such securities listed on another stock exchange;
 - (h) upon the commencement of a voluntary winding-up of a listed corporation in accordance with the Companies Act; or
 - (i) where the Exchange deems it appropriate for some other reason.

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- (2) Subject to sub-Rule (3) below, where the public shareholding spread of a listed corporation is 10% or less of its total listed shares (excluding treasury shares), the Exchange shall suspend trading of the securities of the listed corporation upon expiry of 30 market days from the date of immediate announcement by the listed corporation pursuant to -
- (a) Rule 8.02(3); or
 - (b) Rule 9.19(48) where the listed corporation has announced that the offeror intends to maintain the listed corporation's listing status.

In this regard, the suspension will only be uplifted upon the listed corporation's full compliance with the public shareholding spread requirements under Rule 8.02(1) or as may be determined by the Exchange.

- (3) The Exchange shall suspend trading of the securities of the listed corporation in relation to a take-over offer under the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction, upon expiry of 5 market days from the close of the offer period if the listed corporation has made an announcement that the offeror does not intend to maintain the listed corporation's listing status pursuant to Rule 9.19(48).
- (4) The Exchange will notify the SC of any decision to suspend the trading of any class of the listed securities of a listed corporation pursuant to sub-Rules (1)(b), (d) or (g) above.

[Cross reference: Guidance Notes 2 and 3]

16.03 Voluntary suspension

The Exchange may at any time, at its discretion, suspend trading of the listed securities at the request of the listed corporation.

[Cross reference: Guidance Note 12]

16.04 Trading Halt

Without prejudice to the powers of the Exchange under Rule 16.02, the Exchange may at any time, halt the trading of any listed securities upon –

- (a) the listed corporation releasing a material announcement; or
- (b) the Exchange being notified that the trading of the securities is halted or suspended on the securities exchange where it is quoted.

[Cross reference: Guidance Note 14]

PART C – WITHDRAWAL OF LISTING AND DE-LISTING BY THE EXCHANGE.

16.05 Withdrawal of listing

- (1) The Exchange may grant a listed corporation's request for withdrawal from the Official List.
- (2) The Exchange will notify the SC of any decision to approve a request for withdrawal from the Official List.

16.06 Request for withdrawal

- (1) Subject to Rule 16.07, a listed corporation may not request to withdraw its listing from the Official List, unless -
- (a) the listed corporation convenes a general meeting to obtain its shareholder approval and a separate meeting for the approval of the holders of any other class of listed securities, if applicable, and the circular sent to the shareholders and the holders of any other class of listed securities includes the information set out in Part A of Appendix 16A. The draft circular must be submitted to the Exchange for perusal together with a checklist showing compliance with Part A of Appendix 16A;
 - (b) the passing of the resolution for the withdrawal of listing is subject to the following conditions:
 - (i) the resolution is approved by a majority of shareholders and holders of any other class of listed securities, if applicable, in number, representing 75% of the total number of issued securities held by the shareholders and other securities holders respectively, present and voting either in person or by proxy at each meeting; and
 - (ii) the number of votes cast against the resolution, if any, by each class of listed securities respectively, if applicable, is not more than 10% of the total number of issued securities held by the shareholders and other securities holders respectively, present and voting either in person or by proxy at each meeting.
- Where the constituent document of the listed issuer imposes a stricter condition in respect of the votes required to approve the withdrawal of listing, such stricter condition will apply in substitution of the foregoing provision;
- (c) the shareholders and holders of any other class of listed securities, if applicable, are offered a reasonable cash alternative or other reasonable alternative (“**exit offer**”); and
 - (d) the listed corporation appoints an independent adviser to advise and make recommendations for the consideration of the shareholders and holders of any other class of listed securities, if applicable, in connection with the withdrawal of its listing as well as the fairness and reasonableness of the exit offer.
- (2) The independent adviser referred to in sub-Rule (1)(d) above must be a person who is appropriate to give competent independent advice under the Take-Overs and Mergers Code and approved by the independent directors. Such independent adviser must-
- (a) comment as to whether the withdrawal of listing, as well as the exit offer are fair and reasonable in so far as the shareholders and holders of any other class of listed securities are concerned. Such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion. In arriving at such opinion, the independent adviser should comply with the relevant provisions relating to an independent adviser’s recommendation in Schedule 2, Part III of the Rules on Take-Overs, Mergers and Compulsory Acquisitions;
 - (b) advise the shareholders and holders of any other class of listed securities on whether they should vote in favour of the withdrawal of listing and exit offer; and
 - (c) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in sub-Rules (a) and (b) above.

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- (3) If in the Exchange's opinion, an independent adviser is not independent, the Exchange may disallow such independent adviser to be appointed or continue to act as an independent adviser.

16.07 Withdrawal in a take-over offer or a corporate proposal

Notwithstanding Rule 16.06, a listed corporation may withdraw its listing from the Official List in the following circumstances:

- (a) in relation to a take-over offer pursuant to the Take-Overs and Mergers Code, other than those effected by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction, upon 90% or more of its listed shares (excluding treasury shares) being held by a shareholder either individually or jointly with associates of the said shareholder; or
- (b) in relation to a corporate proposal undertaken by or in relation to the listed corporation, upon 100% of the listed shares of the listed corporation being held by a shareholder either individually or jointly with associates of the said shareholder,

and the listed corporation has announced the offeror's intention not to maintain the listed corporation's listing status.

16.08 Application for withdrawal

A listed corporation intending to withdraw its listing from the Official List must file with the Exchange an application which includes the information set out in Part B of Appendix 16A.

16.09 Additional requirements

The Exchange may at its discretion impose any additional condition for the withdrawal of any listed corporation from listing on the Official List.

16.10 Withdrawal of other securities

Where a listed corporation applies to withdraw its ordinary shares from the Official List, such application will be deemed to apply to the withdrawal of other classes of securities issued by the listed corporation and listed on the Official List.

16.11 De-listing by the Exchange

- (1) The Exchange may at any time de-list a listed corporation or listed securities from the Official List in any of the following circumstances:
- (a) where the listed corporation fails to comply with these Requirements, subject to consultation with the SC;
- (b) in other circumstances as provided under Rules 8.03, 8.03A, 8.04, 8.05, 9.28 and paragraph 2.0 of Guidance Note 20, upon which the Exchange will notify the SC of the same;
- [Cross reference: Guidance Note 20]*
- (c) upon the de-listing of the listed corporation or the de-listing of such securities on another stock exchange;
- (d) in circumstances provided under Rule 4.19(5), subject to consultation with the SC; or

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- (e) where in the opinion of the Exchange, circumstances exist which do not warrant the continued listing of a listed corporation or any class of its listed securities, subject to consultation with the SC where applicable.
- (2) The Exchange shall de-list a listed corporation in any one of the following circumstances:
- (a) pursuant to a directive, requirement or condition imposed by the SC, after which the Exchange will notify the SC of the decision to de-list;
 - (b) upon the maturity or expiry of a class of securities;
 - (c) upon the commencement of a voluntary winding-up of a listed corporation in accordance with the Companies Act; or
 - (d) upon a winding-up order being made against a listed corporation.
- (3) For the purpose of sub-Rule 1(a) above, failure to comply with these Requirements will exclude failure to comply with Rules 8.03, 8.04, 8.05 and 9.28.

[Cross reference: Guidance Notes 2 and 3]

PART D – ENFORCEMENT

16.12 Breach by subsidiaries

A breach of these Requirements by any one of the subsidiaries of a listed corporation will be deemed a breach of these Requirements by the listed corporation.

16.13 Breach by directors

A director of a listed corporation must not -

- (a) cause, aid or abet a breach of these Requirements by such listed corporation; or
- (b) permit, either knowingly or where he had reasonable means of obtaining such knowledge, such listed corporation to commit a breach of these Requirements.

16.14 [Deleted]

16.15 [Deleted]

16.16 Power to obtain documents

The Exchange may, arising from or in relation to its investigation, enforcement or both -

- (a) by notice in writing require an applicant, a listed corporation, its promoters, specified shareholders, directors, officers, employees, advisers or any other person to whom these Requirements are directed, to produce for inspection any documents, books, papers, registers, records or accounts (whether recorded in documentary or electronic form) (referred to collectively as “**Information**” in this Part D) that are held by the person concerned or to which the person concerned has control or access over;
- (b) inspect and make copies of, or take notes from, such Information;
- (c) retain such Information for such periods as the Exchange deems fit; or

- (d) disclose or forward such Information to such authorities or parties as the Exchange deems fit.

16.17 Listed corporation to ensure compliance

Where a direction is issued or an obligation is placed on an officer or other employee of an applicant or a listed corporation under these Requirements, such applicant or listed corporation must ensure that such officer or employee complies with the said direction or obligation.

16.17A Breach of undertakings

For the purpose of this Chapter, any breach of an undertaking given to the Exchange pursuant to these Requirements will be treated as a breach of these Requirements.

16.18 Breach of these Requirements

- (1) In the event of any breach of these Requirements by any applicant, listed corporation or its promoters, specified shareholders, directors, officers, advisers or any other person to whom these Requirements are directed, the Exchange may take or impose such actions or penalties as it considers appropriate.
- (2) The Exchange will notify the SC of any decision to take or impose any action or penalty referred to in Rule 16.19 below, except where the decision is made in consultation with the SC.

16.19 Types of actions or penalties

- (1) Without prejudice to any of the powers granted to the Exchange under any written law in relation to the enforcement of these Requirements, the types of action or penalty that the Exchange may take or impose for a breach of these Requirements include any one or more of the following:
- (a) in relation to applicants and listed corporation -
- (i) issuance of a caution letter;
 - (ii) issuance of a private reprimand;
 - (iii) issuance of a public reprimand;
 - (iv) imposition of a fine not exceeding RM1 million;
 - (v) issuance of a letter directing the listed corporation to rectify the non-compliance, which direction will remain in force until it is revoked;
 - (vi) imposition of one or more condition(s) for compliance;
 - (vii) non-acceptance of applications or submissions, with or without conditions imposed (after consultation with the SC);
 - (viii) imposition of condition(s) on the delivery or settlement of trades entered into in respect of the listed corporation's securities;
 - (ix) suspension of trading of the listed securities;
 - (x) de-listing of any listed securities;
 - (xi) de-listing of a listed corporation or any class of its listed securities; or

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- (xii) mandating education, training or such other types of programs as may be determined by the Exchange to be undertaken or implemented by the corporation for its directors and/or management; or
 - (xiii) any other action which the Exchange may deem appropriate, subject to consultation with the SC;
- (b) in relation to promoters, specified shareholders, directors or officers of an applicant or a listed corporation, a Controlling Person as defined in Rule 2.22 or any other person to whom these Requirements are directed -
- (i) issuance of a caution letter;
 - (ii) issuance of a private reprimand;
 - (iii) issuance of a public reprimand;
 - (iv) imposition of a fine not exceeding RM1 million;
 - (v) issuance of a letter directing the person in default to rectify the non-compliance, which direction will remain in force until it is revoked;
 - (vi) imposition of one or more condition(s) for compliance;
 - (vii) imposition of a moratorium on or prohibition of dealings in the listed corporation's and/or other listed securities by the relevant promoters, specified shareholders, director, officer or other person; or
 - (viii) any other action which the Exchange may deem appropriate, subject to consultation with the SC;
- (c) in relation to advisers -
- (i) issuance of a caution letter;
 - (ii) issuance of a private reprimand;
 - (iii) issuance of a public reprimand;
 - (iv) imposition of a fine not exceeding RM1 million;
 - (v) issuance of a letter directing the adviser to rectify the non-compliance, which direction will remain in force until it is revoked;
 - (vi) imposition of one or more condition(s) for compliance;
 - (vii) non-acceptance of applications or submissions or documents made or prepared by the adviser, with or without conditions imposed (after consultation with the SC);
 - (viii) in the case of an Adviser, Sponsor or Recognised Approved Adviser, suspension of any or all rights attaching to registration on the Register of Sponsors or the approval to act as a Recognised Approved Adviser, as the case may be, on such terms and for such period as the Exchange thinks fit;

- (ix) removal of the Adviser or Sponsor from the Register of Sponsors, or in the case of a Recognised Approved Adviser, withdrawal of the approval to act as a Recognised Approved Adviser; or
 - (x) any other action which the Exchange may deem appropriate, subject to consultation with the SC.
- (2) Where an applicant, a listed corporation or its promoters, specified shareholders, directors, officers or advisers, or any other person to whom these Requirements are directed, has failed to comply with a direction or pay any fine imposed by the Exchange under sub-Rule (1) above, the Exchange may impose additional actions or penalties as specified in sub-Rule (1) on such persons. Such additional actions or penalties may include, without limitation, the imposition of additional fines in such manner as the Exchange deems fit (e.g. additional fines on a daily basis until the full amount due is paid to the Exchange) or suspension of trading or de-listing of securities in the case of a listed corporation.

16.20 Cumulative actions or penalties

If an applicant, a listed corporation or its promoters, specified shareholders, directors, officers, advisers or any other person to whom these Requirements are directed fails to comply with an action or penalty taken or imposed by the Exchange under Rule 16.19, the Exchange has the power to commence enforcement proceedings against such applicant, listed corporation or its promoters, specified shareholders, directors, officers, advisers or any other person to whom these Requirements are directed, and take or impose one or more actions or penalties as provided under Rule 16.19.

16.21 Other rights

The exercise of the powers in Rules 16.18 and 16.19 does not in any way prejudice the other rights of the Exchange against an applicant, a listed corporation, a promoter, specified shareholder a director or officer of a listed corporation, an adviser or a person to whom these Requirements are directed.

16.21A Publication of enforcement action

The Exchange shall have the power to publish to the public, any action taken against any person under these Requirements in any manner as the Exchange deems fit or expedient.

16.22 Confirmation, return or rejection by the Exchange

- (1) The confirmation given by the Exchange that it has no further comments on any document that is submitted to the Exchange for perusal pursuant to these Requirements will not preclude the Exchange from taking enforcement action against the listed corporation, its advisers, or both in the event of any failure by such listed corporation, its advisers, or both to comply with these Requirements pertaining to the form and content of the said document.
- (2) A rejection or return by the Exchange of any application, proposal, statement, information or document presented, submitted or disclosed pursuant to these Requirements will not preclude the Exchange from taking enforcement action against an applicant, a listed corporation, or its promoter, specified shareholder, director or officer, adviser or a person to whom these Requirements are directed in the event of any failure by such person to comply with these Requirements.

16.23 Referral of conduct to other authorities

The Exchange may, at any time, and in its absolute discretion, refer the conduct of any applicant, listed corporation, or its promoters, specified shareholders, directors, officers, advisers or any other person to whom these Requirements are directed, to any relevant authority or professional body, without giving notice to such persons.

16.24 Committee or sub-committee to decide

The Exchange will appoint a committee or sub-committee or officer(s) of the Exchange or Exchange Holding Company to discharge the exercise of its powers under Rules 16.18 and 16.19.

16.25 [Deleted]**16.26 Procedures**

The Exchange will determine the procedures applicable to any enforcement action taken under this Chapter. Such procedures may vary to adapt to the circumstances of any particular case.

[Cross reference: Guidance Note 21]

16.27 Right of appeal

- (1) A person who is dissatisfied with a decision resulting from an enforcement action taken under this Chapter may appeal against such decision in the manner prescribed by the Exchange from time to time.

[Cross reference: Guidance Note 21]

- (2) The Exchange may suspend the enforcement of any such decision that is the subject of the appeal until the disposal of the appeal.

16.28 Unpaid fine is debt owing to the Exchange

A fine or any portion of a fine, or cost ordered by the Exchange, remaining unpaid by a person, is a debt owing by the person to the Exchange.

16.29 Agreed settlement

- (1) A person who is the subject of an enforcement proceeding by the Exchange may, at any time before the Exchange makes a decision, propose a settlement of the enforcement proceeding by agreeing to a set of facts, liability or penalty with the Exchange.
- (2) The Exchange may reject, accept or vary the proposed settlement based on terms that it deems fit.
- (3) Where the Exchange accepts the proposed settlement, the settlement will be recorded as a decision of the Exchange.
- (4) If the Exchange is not agreeable to the proposed settlement, the Exchange may pursuant to Rule 16.26, proceed with a full enforcement proceeding.

[Cross reference: Guidance Note 21]

16.30 Standard of proof

The Exchange will not find an allegation proven unless the Exchange is satisfied that the allegation is proven on the balance of probabilities.

[End of Chapter]

Appendix 16A
Contents of circular and application for withdrawal of listing

APPENDIX 16A**Part A****Contents of circular in relation to withdrawal of listing**

(Rule 16.06(a))

- (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 or Adviser, as the case may be.
- (3) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.
- (4) The reasons and facts concerning the withdrawal of securities of the listed corporation.
- (5) The opinion of the board of directors in respect of the withdrawal.
- (6) A letter of opinion of the independent adviser in connection with the withdrawal of the securities of the listed corporation as well as the fairness and reasonableness of the exit offer by way of an appendix.
- (7) An appendix containing the following information:
 - (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 that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name and/or letter (where applicable) in the form and context in which it is included;
 - (c) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the listed corporation or its subsidiaries within 2 years immediately preceding the date of the circular. The following particulars must be disclosed in respect of each such contract:
 - (i) the date of the contract;
 - (ii) the parties of the contract;
 - (iii) the general nature; and
 - (iv) the consideration and mode of satisfaction;

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Contents of circular and application for withdrawal of listing

- (d) a statement of all material litigation, claims or arbitration involving the listed corporation 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;
- (e) a statement that from the date of the circular to 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/group 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;
 - (iv) the letters of consent referred to in subparagraph (b) above;
 - (v) the material contracts referred to in subparagraph (c) above; and
 - (vi) the relevant cause papers in respect of the material litigation referred to in subparagraph (d) above.
- (8) Any other information which the shareholders and holders of any other class of listed securities and their advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

Part B**Contents of application for withdrawal**

(Rule 16.08)

- (1) The full and detailed reasons for the withdrawal.
- (2) The board resolution for the withdrawal.
- (3) The confirmation that the approval of any other relevant authority, if required, has been obtained.
- (4) The confirmation that the listed corporation has obtained approval of its shareholders and the holders of any other class of listed securities, if applicable, in accordance with Rule 16.06.

Appendix 16A
Contents of circular and application for withdrawal of listing

- (5) Any other information or explanation as may be required by the Exchange.

[End of Appendix]