
**UPDATES ON QUESTIONS AND ANSWERS IN RELATION TO
BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS**

CHAPTER 3

- 3.14 Must a listed issuer undertaking a corporate proposal which will result in a significant change in the business direction or policy of the listed issuer, comply with the admission procedures requirements under Chapter 3 ~~and Practice Note 21~~?**

Yes, as Bursa Securities will treat such listed issuer as if it were a new applicant seeking admission to the Official List.

CHAPTER 8

- 8.3 On 5 August 2009, pursuant to a take-over offer, Company P holds 76% of the listed shares (excluding treasury shares) of Y Bhd, a listed issuer.**

- (a) — If Company P's intention is to maintain Y Bhd's listing status, what are Y Bhd's key obligations in regard to its non-compliance with the public shareholding spread requirement prescribed under paragraph 8.02(1) of the Main LR?**

Y Bhd must take immediate steps to comply with the public shareholding spread requirement.

Pursuant to paragraph 8.02(3) of the Main LR, Y Bhd must announce that it does not comply with the required shareholding spread prescribed in paragraph 8.02(1) of the Main LR. Y Bhd must include the information set out in paragraph 3.2 of Practice Note 19 in its announcement.

Y Bhd must announce the status of its efforts to comply with the public shareholding spread requirement for each quarter of its financial year in accordance with paragraphs 3.3 and 3.4 of Practice Note 19.

If Y Bhd requires an extension of time to rectify its situation, it must request for an extension under paragraph 8.02(4) of the Main LR. However, even though an extension of time is granted, Y Bhd must comply with the public shareholding spread requirement as soon as possible.

- (b)8.4 On 19 August 2009, pursuant to a take-over offer, Company X holds P's shareholding in Y Bhd increases to 91% of Y Bhd's the listed shares (excluding treasury shares) of Z Bhd, a listed issuer.**

- (i) — If Company P's X's intention is not to maintain YZ Bhd's listing status, what disclosures must Y Bhd make must Z Bhd do?**

Pursuant to paragraph 9.19(48) of the Main LR, YZ Bhd must announce that 91%90% or more of Y Bhd's shares have been are being held by Company P. YX. Z Bhd must include the information set out in Part J of Appendix 9A in the announcement.

After that, Z Bhd may withdraw its listing from the Official List of Bursa Securities under paragraph 16.07 of the Main LR. In requesting to withdraw its listing, Z Bhd need not

comply with the requirements under paragraph 16.06 of the Main LR including the requirement to obtain shareholder approval.

- ~~(ii) If Company P's intention is not to maintain Y Bhd's listing status, what disclosures must Y Bhd make and how can it give effect to the intention not to maintain its listing status?~~

~~Pursuant to paragraph 9.19(48) of the Main LR, Y Bhd must announce that 90% or more of its shares have been held by Company P. Y Bhd must include the information set out in Part J of Appendix 9A in the announcement.~~

~~After that, Y Bhd may withdraw its listing from the Official List of Bursa Securities under paragraph 16.07 of the Main LR. In requesting to withdraw its listing, Y Bhd need not comply with the requirements under paragraph 16.06 of the Main LR including the requirement to obtain shareholder approval.~~

- 8.30 Paragraph 8.23(4)(c) of the Main LR stipulates that the requirements under paragraph 8.23(1), (2) and (3) are not applicable to a company corporation which is registered as a scheduled institution with and supervised by Bank Negara Malaysia under the Banking and Financial Institution Act, 1989 ("BAFIA"). What are instances where a scheduled institution is regarded as being "supervised by Bank Negara Malaysia"?**

A scheduled institution is regarded as being supervised by Bank Negara Malaysia where it is subject to any or all the provisions of Part V, VI, VII, VIII, IX, X and XIII of BAFIA pursuant to Section 24 of BAFIA.

- 8.39 PLC A is a company listed on Bursa Securities. It has a subsidiary, Y Ltd, which is listed on a foreign stock exchange. Y Ltd intends to provide financial assistance to its wholly owned subsidiary. Must PLC A ensure that Y Ltd complies with paragraph 8.23 of the Main LR in providing the financial assistance to its wholly owned subsidiary?**

Yes, any provision of financial assistance granted by Y Ltd must comply with paragraph 8.23 of the Main LR because Y Ltd is considered an "unlisted" subsidiary of PLC A even though it may be listed on a foreign stock exchange. For a subsidiary to be considered "listed" it must be listed on Bursa Securities and not a foreign exchange. Paragraph 8.23 applies to all listed issuers and their subsidiaries. This means that if a listed issuer's subsidiary is also listed on Bursa Securities it would have to comply with paragraph 8.23 anyway in its own capacity as a "listed issuer". No exception is made under this requirement for any subsidiary of a listed issuer from compliance with paragraph 8.23 including a subsidiary that is listed on a foreign stock exchange.

CHAPTER 9

9.21 Website

- (a) Under the Main LR, paragraph 9.21 mandates a listed issuer to have its own website. Is there a timeframe prescribed by Bursa Securities for the listed issuer to set up its website?**

A listed issuer must have its own website by 3 August 2009 when the Main LR takes effect.

- (b) Is a listed issuer required to comply with a prescribed minimum content in respect of its website?**

No. However, a listed issuer must publish on its website all announcements made to Bursa Securities. Further, the listed issuer must ensure that the website is current, informative and contains all information which may be relevant to the listed issuer's shareholders including analyst's briefings.

- (c) When is a listed issuer required to publish announcements on its website?**

A listed issuer is required to publish announcements made to Bursa Securities on its website as soon as practicable after such announcements are released on Bursa Securities' website. The listed issuer must not publish any announcements on its website before the same is released by Bursa Securities.

- (d) Paragraph 9.21(3) of the Main LR requires a listed issuer to ensure that its website contains the email address, name(s) of designated person(s) and their contact numbers to enable the public to forward queries to the listed issuer. What are the queries envisaged by this requirement and must the listed issuer answer all queries?**

This requirement is imposed to enable a listed issuer to improve the investor relations with its stakeholders, especially the shareholders. Hence, a shareholder may forward any query to its listed issuer. The listed issuer should use its best endeavours to respond to the queries.

- (e) Paragraph 9.21(2) of the Main LR requires every listed issuer to publish on its website all announcements made to the Exchange pursuant to the Main LR. How long must a listed issuer maintain such announcements on its website?**

The Main LR does not prescribe the duration for such announcements to be maintained on a listed issuer's website. The listed issuer may exercise its discretion on how long it will maintain its announcements on its website. In any event, a listed issuer should ensure that its website is current, informative and contain all information which may be relevant to its shareholders, as provided under paragraph 9.21(4) of the Main LR.

- (f) Can a listed issuer provide a link in its website that enables its announcements that are posted on Bursa Securities' website to be similarly made available on its website?**

Yes, a listed issuer may do so only if it procures Bursa Malaysia's approval and enters into an agreement with Bursa Malaysia. This is to avoid any issue of copyright infringement by such listed issuer. Further, the listed issuer must ensure that the link will enable announcements to be viewed seamlessly as part of the listed issuer's web pages. The listed issuer may contact Bursa Malaysia's Information Services Division for further details on such arrangements.

(g) Can a group of companies share one website?

Yes, provided that each listed issuer within the group has its own distinctive and designated webpages and shareholders are able to retrieve the information on each of their listed issuers easily. In short, the listed issuers within the group must each ensure compliance of its webpages within the shared website with paragraph 9.21 of the Main LR.

CHAPTER 10

Recurrent Related Party Transaction

10.28 What is meant by “investee company corporation” as used in paragraph 10.08(11)(b) and (q) of the Main LR?

“Investee company corporation” as used in paragraph 10.08(11)(b) and (q) refers to any company corporation in which the listed issuer has direct or indirect shareholdings.

10.47 A Berhad obtains a general mandate from its shareholders on 3 September 2009 for among others, RRPT with its major shareholder, Mr. X, as follows:

- (i) supply of cement for an estimated value of RM2 million; and
- (ii) rental of cranes for an estimated value of RM5 million.

After obtaining the general mandate, assuming -

(a) the actual value of the RRPT entered into by A Berhad with Mr. X up to 3 June 2010 is RM8 million, what is the obligation of A Berhad under the Main LR in regard to the deviation between the estimated and actual value of the RRPT?

Since the actual value of the RRPT entered into by A Berhad with Mr. X exceeded the estimated value of the RRPT by ~~more than 10%~~ or more, A Berhad must immediately announce the deviation to Bursa Securities pursuant to paragraph 10.09(2)(e) of the Main LR (“**Announcement 1**”). A Berhad must include in Announcement 1 the information set out in Annexure PN12-B of Practice Note 12.

(b) up to 15 July 2010, the actual value of the RRPT entered by A Berhad with Mr. X has increased to RM8.6 million, must A Berhad announce the RRPT again?

No, A Berhad is only required to announce the RRPT again when there is an increment of at least RM0.7 million (i.e. 10% of the general mandate estimated value of RM7 million) to the actual amount disclosed in Announcement 1.

10.48 A Bhd’s AGM for its financial year ended 31 December 2008 was held on 8 May 2009 (“2009 AGM”), while the AGM for its financial year ending 31 December 2009 falls on 20 May 2010 (“2010 AGM”). During its 2009 AGM, A Bhd obtained its shareholder mandate for some RRPTs. A Bhd intends to obtain its shareholder approval to renew the RRPTs at the

2010 AGM. Pursuant to paragraph 14 of Annexure PN12-A, in its circular to renew the RRPTs, A Bhd must disclose the actual value transacted of each RRPT from the date on which the mandate was obtained (8 May 2009) up to the latest practicable date before the printing of the circular (assuming it falls on 15 April 2010) (“Actual Value”). Must this Actual Value be audited?

No, the Actual Value need not be audited. A Bhd may extract the Actual Value from its management accounts.

10.49 Pursuant to paragraph 3 of Annexure PN12-A, a listed issuer has to disclose, among others, the “estimated aggregate value of the respective Recurrent Related Party Transactions contemplated under the Mandate” (“Estimated Value”). What are the RRPTs covered under the Estimated Value?

For the purpose of paragraph 3 of Annexure PN12-A, the listed issuer must disclose the Estimated Value in respect of RRPTs expected to be entered into from the date of the current AGM until the date of the next AGM.

10.50 Pursuant to paragraph 10.09(2)(e) of the Main LR, a listed issuer must immediately announce to the Exchange when the actual value of a RRPT (“Actual Value”) entered into by the listed issuer, exceeds the estimated value of the RRPT (“Estimated Value”) disclosed in the circular by 10% or more. Can the listed issuer wait until its next AGM (which is the date on which the current mandate expires) to make this announcement?

No, the listed issuer must make the announcement immediately when it becomes aware that the Actual Value has exceeded the Estimated Value by 10% or more. This applies even though the current mandate has yet to expire. For this purpose, the listed issuer is expected to closely monitor and track the value of the RRPTs transacted, as and when a transaction is entered into.

10.51 A Bhd has obtained a mandate from shareholders for entering into the following RRPTs with companies involving the interests of its director, X:

<u>Transaction No.</u>	<u>Description</u>	<u>Estimated Value (RM)</u>	<u>Actual Value</u>
<u>1</u>	<u>acquisition of stationery</u>	<u>500,000</u>	<u>520,000 (< 10%)</u>
<u>2</u>	<u>provision of secretarial, accounting and registration services</u>	<u>2,500,000</u>	<u>2,800,000 (> 10%)</u>
<u>3</u>	<u>receipt of insurance services/products</u>	<u>4,000,000</u>	<u>3,500,000</u>
	<u>Total</u>	<u>7,000,000</u>	<u>6,820,000</u>

- (a) For the purpose of determining whether the Actual Value of the RRPTs entered into by A Bhd with Mr. X exceeds the Estimated Value, can A Bhd use the aggregated Estimated Value for Transactions 1, 2 and 3 and compare it to the aggregated Actual Value for the 3 transactions?**

Yes, as Transactions 1, 2 and 3 involve the interests of the same related party, pursuant to paragraph 10.12 of the Main LR, A Bhd may aggregate, the Estimated Value and Actual Value of those transactions respectively and determine whether the aggregated Actual Value exceeds the aggregated Estimated Value by 10% or more, in which case an announcement would be required.

- (b) Assuming only the Actual Value of Transaction 2 exceeds 10% of its Estimated Value, but the aggregated Actual Value of Transactions 1, 2 and 3 is below the aggregated Estimated Value of the RRPT or does not exceed the aggregated Estimated Value of the RRPT by 10% or more, Must A Bhd make an announcement under paragraph 10.09(2)(e) of the Main LR relating to Transaction 2 only?**

No, A Bhd need not make such announcement for Transaction 2 only. It only needs to announce under paragraph 10.09(2)(e) of the Main LR if the aggregated Actual Value of Transactions 1, 2 and 3 exceeds the aggregated Estimated Value of the RRPT by 10% or more.

10.52 Pursuant to paragraph 11 of Annexure PN12-A, a listed issuers must disclose the thresholds for the approval of RRPTs within its group of companies.

- (a) What is the “approval” referred to in this paragraph 11?**

It refers to the listed issuer’s internal approval.

- (b) Does Bursa Securities prescribe these thresholds?**

No, the listed issuer may determine the appropriate thresholds for the approval of RRPTs within its group of companies.

- (c) A Bhd currently has its own internal authority matrix for approvals of transactions/procurement. However, this authority matrix makes no distinction between a transaction/procurement which involves the interest of a related party and a transaction/procurement which does not involve the interest of a related party. Can A Bhd use this authority matrix for the purpose of disclosure pursuant to paragraph 11 of Annexure PN12-A?**

Yes, so long as the said authority matrix is wide enough to cover the RRPTs for which shareholder approval is being sought, A Bhd may use its internal authority matrix for the purpose of disclosure under paragraph 11 of Annexure PN12-A.

10.53 Pursuant to paragraph 12 of Annexure PN12-A, a listed issuer must include a statement that at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. If a listed issuer can find only one other contemporaneous transaction with an unrelated third party, would it be deemed in compliance with paragraph 12 of Annexure PN12-A?

Yes, but the listed issuer must disclose in its circular that it has used its best endeavours to locate at least 2 contemporaneous transactions with unrelated third parties, but could only locate one.

CHAPTER 14

14.1 ABC Berhad has fixed the targeted date for announcement of ABC Berhad's 1st quarterly results for 2010 on 15 May 2010. Mr. X, a director of ABC Berhad, intends to deal with the shares of ABC Berhad. If the announcement of ABC Berhad's 1st quarterly results is made on 15 May 2010, what is the closed period for dealings by Mr. X?

Closed period is defined in paragraph 14.02(b) of the ACE LR to mean a period commencing 30 calendar days before the targeted date of announcement of a listed corporation's quarterly results up to the date of announcement of the quarterly results.

As the announcement for the 1st quarterly results of ABC Berhad is made on 15 May 2009, the closed period for dealings by Mr. X will commence from 15 April 2010 until 15 May 2010.

14.8 When an affected person deals in the listed securities of his own listed issuer during the closed period, and the dealing falls within paragraph 14.06¹ of the Main LR ("14.06 Dealings"), are the affected person, the listed issuer and the company secretary exempted from the requirements of both paragraphs 14.08 and 14.09?

No, they are only exempted from the requirement of paragraph 14.08. All 14.06 Dealings are still subject to paragraph 14.09 of the Main LR.

¹ Paragraph 14.06 reads as follows:

The following categories of dealings are exempted from the restrictions or requirements of paragraphs 14.04 and 14.05 respectively:

- (a) the acceptance or exercise of options or rights under an employee share or share option scheme;
- (b) the exercise of warrants;
- (c) the conversion of convertible securities;
- (d) the acceptance of entitlements under an issue or offer of securities, where such issue or offer is made available to all holders of a listed issuer's securities or to all holders of a relevant class of its securities, on the same terms;
- (e) the undertaking to accept, or the acceptance of a take-over offer; and
- (f) the undertaking to accept, or the acceptance of securities as part of a merger by way of a scheme of arrangement.

SCHEDULE OF FEES***Listing fees for convertible equity securities***

13. A Berhad lists its warrants in July 2009. Based on the calculation set out in paragraph 5.3 of the Schedule of Fees of the Main LR, the first annual listing fee for the warrants amounts to RM30,000. Does A Berhad have to pay that amount for 2009 even though the warrants are listed only from July onwards?

Although the annual listing fee is RM30,000, paragraph 5.3(a) of the Schedule of Fees allows the fee to be pro-rated according to the number of months the securities are listed subject to a minimum fee of RM20,000. As the warrants are listed in July 2009, the pro rated fee is RM15,000. However, as the minimum fee is RM20,000, A Berhad has to pay RM20,000 as the annual listing fee for the warrants in year 2009.

1314. A listed issuer issued warrants in March 2009 which are due to expire in March 2014. Based on the calculation set out in paragraph 5.3 of the Schedule of Fees of the Main LR, such listed issuer is required to pay the minimum annual listing fee of RM20,000 in respect of such warrants.

(a) Will the minimum annual listing fee of RM20,000 be pro-rated in 2009?

No, the listed issuer must pay the full amount of the minimum annual listing fee of RM20,000 for year 2009.

(b) Will the minimum annual listing fee of RM20,000 be pro-rated in 2014?

Yes, pursuant to paragraph 5.3 of the Schedule of Fees, the minimum annual listing fee of RM20,000 will be pro-rated according to the number of months the warrants are listed in the year of maturity (i.e. from January until March in year 2014).

So, the minimum annual listing fee payable by the listed issuer for year 2014 is –

= RM20,000/12 months x 3 months

= RM5,000