

## LAMPIRAN C

## ENHANCEMENTS TO STRENGTHEN THE FRAMEWORK FOR FOREIGN LISTINGS

ACE MARKET LISTING REQUIREMENTS

CHAPTER 1 – DEFINITIONS AND INTERPRETATION	
<b>Rule 1.01</b>	<p>auditor means an auditor who is registered <u>as a registered auditor or recognized as a recognized auditor</u> under section 31O of the Securities Commission Act 1993.</p> <p>principal subsidiary means a subsidiary which accounts for 25% or more of the <del>latest audited consolidated</del> profit after tax <del>of the group</del> or total assets employed <del>of the group of the listed corporation based on the latest published or announced audited financial statements of the listed corporation or audited consolidated financial statements of the listed corporation, as the case may be.</del></p>
<b>Rule 8.23</b>	<p><b>Material dilution</b></p> <p>(1) A listed corporation must obtain shareholder approval in a general meeting for the issue by its principal subsidiary, of shares or convertible securities or options that results or could potentially result in a material dilution of the listed corporation's equity interest in such principal subsidiary.</p> <p>(2) For the purpose of sub-Rule (1) above, <del>unless the context otherwise requires—</del></p> <p>(a) <del>“principal subsidiary” means a subsidiary which accounts for 25% or more of the latest audited consolidated profit after tax of the group or total assets employed of the group; and</del></p> <p>(b) <del>“material dilution” means a percentage reduction amounting to 25% or more.</del></p>
CHAPTER 5 – FOREIGN LISTING	
<b>Rule 5.07</b>	<p><b>Appointment of directors</b></p> <p><del>An applicant—</del></p> <p>(1) <u>An applicant</u> whose operations are entirely or predominantly Malaysian-based must have a majority of directors whose principal or only place of residence is within Malaysia; <del>and</del></p>

	<p>(2) <u>An applicant</u> whose operations are entirely or predominantly foreign-based must have at least <u>one independent</u> directors whose principal or only place of residence is within Malaysia.</p>
<u>Rule 5.07A</u>	<p><b><u>Audit committee</u></b></p> <p><u>In addition to the provisions in these Requirements relating to audit committee, an applicant must also ensure that the audit committee has at least 1 independent director who has a principal or only place of residence in Malaysia.</u></p>
<b>Rule 5.11</b>	<p><b><u>Auditors and Auditing standards</u></b></p> <p>An applicant must -</p> <p>(a) <u>appoint an external auditor from an international accounting firm or an accounting firm with international affiliation; and</u></p> <p>(b) ensure that the auditing standards applied are in accordance with the approved auditing standards applied in Malaysia or the International Standards on Auditing.</p>
<b>Rule 5.14</b>	<p><b><u>Directors and audit committee</u></b></p> <p>A listed corporation must comply with Rules <u>5.07 and 5.07A</u> above as a continuing listing obligation.</p>
<u>Rule 5.15A</u>	<p><b><u>Shareholder approval required to appoint or remove external auditors</u></b></p> <p><u>A listed corporation must obtain prior shareholder approval in a general meeting to appoint or remove its external auditor.</u></p>
<u>Rule 5.25</u>	<p><b><u>Announcement on change of laws</u></b></p> <p><u>A listed corporation must immediately announce to the Exchange, any change in the laws of its country of incorporation or the laws in the country of incorporation of its foreign principal subsidiaries, which may affect the rights of its shareholders. This includes -</u></p> <p>(a) <u>right to attend, speak, vote at shareholders' meetings and the right to appoint proxies;</u></p> <p>(b) <u>right to receive rights offering and any other entitlements;</u></p> <p>(c) <u>withholding taxes on its securities;</u></p>

	<p>(d) <u>foreign shareholding limits on the securities;</u></p> <p>(e) <u>capital controls over cash dividends or other cash distributions payable in respect of its securities;</u></p> <p>(f) <u>repatriation of funds;</u></p> <p>(g) <u>right to transfer shares;</u></p> <p>(h) <u>right to appoint and remove directors and auditors;</u></p> <p>(i) <u>right to requisition a general meeting;</u></p> <p>(j) <u>right to notice of meetings;</u></p> <p>(k) <u>right to inspect any register, minute book or document of the listed corporation and its foreign principal subsidiaries; and</u></p> <p>(l) <u>right of minority shareholders in relation to –</u></p> <p style="padding-left: 40px;">(i) <u>take-overs and mergers;</u></p> <p style="padding-left: 40px;">(ii) <u>suits or enforcement actions against the listed corporation or its foreign principal subsidiaries, their directors and senior management; and</u></p> <p style="padding-left: 40px;">(iii) <u>distribution of assets arising from a winding-up or liquidation of the listed corporation or its foreign principal subsidiaries.</u></p>
<p><b><u>Rule 5.26</u></b></p>	<p><b><u>System of Internal Control</u></b></p> <p><u>A listed corporation and its subsidiaries must ensure that they have in place a system of internal control that will provide a reasonable assurance that -</u></p> <p>(a) <u>assets of the listed corporation and its subsidiaries are safeguarded against loss from unauthorised use or disposition; and</u></p> <p>(b) <u>all transactions are properly authorised and that they are recorded as necessary to enable the preparation of a true and fair view of the financial statements, and to give a proper account of the assets.</u></p>

---

**CHAPTER 8 – CONTINUING LISTING OBLIGATIONS****Rule 8.33****Lodgment of agreement**

Where any agreement has been entered into by a listed corporation or its subsidiaries in connection with any acquisition or disposal of assets or any transaction outside the ordinary course of business of a listed corporation or its subsidiaries, the listed corporation must make available for inspection a copy each of the relevant agreements at the listed corporation's registered office [in Malaysia](#) for a period of 3 months from the date of announcement.

[End of Appendix 4]