

## APPENDIX 1

AMENDMENTS TO THE ACE MARKET LISTING REQUIREMENTS IN RELATION TO PUBLIC SECURITY  
HOLDING SPREADACE Market Listing Requirements

## CHAPTER 3 ADMISSION

## PART B - ADMISSION

## 3.10 Shareholding spread

- (1) An applicant must have at least 25% of the total number of shares for which listing is sought in the hands of a minimum number of 200 public shareholders holding not less than 100 shares each. The Exchange may accept a percentage lower than the 25% threshold if it is satisfied that such lower percentage is sufficient for a liquid market in such shares.
- (2) [No change].

[Cross-reference: Guidance Note 13]

[End of Chapter 3]

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**CHAPTER 8 CONTINUING LISTING OBLIGATIONS****PART B - CONTINUING LISTING CRITERIA****8.02 Compliance with shareholding spread requirement**

- (1) A listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. The Exchange may accept a percentage lower than ~~the 25% of the total number of listed shares (excluding treasury shares) threshold~~ if it is satisfied that such lower percentage is sufficient for a liquid market in such shares.
- (2) ~~For~~ listed corporations which have shares listed on other stock exchange(s), may have these shares ~~listed on the other stock exchange(s) are~~ included for the purpose of computing the percentage of shareholding spread referred to in sub-Rule (1) above.
- (3) - (5) [No change].

[Cross reference: Guidance Note 13]

[End of Chapter 8]

## GUIDANCE NOTE 13

### PUBLIC SHAREHOLDING SPREAD

Details	Cross References
Effective date:	2 July 2007
Revision date:	3 August 2009, 2 January 2018, <u>1 March 2021</u>
	Rules <u>3.10</u> , 8.02, 16.02

#### 1.0 Introduction

1.1 This Guidance Note ~~prescribes~~ sets out the following:

- (a) ~~the information that listed corporations must include in~~ in relation to an application for a lower percentage of public shareholding spread pursuant to Rules 3.10(1) or 8.02(1) of the Listing Requirements -
- (i) ~~the considerations which the Exchange may take into account when considering such application; and~~
  - (ii) ~~the information that an applicant or listed corporation must provide in its~~ an application to the Exchange for acceptance of a lower percentage of public shareholding spread pursuant to Rule 8.02(1) of the Listing Requirements; and
- (b) ~~in relation to compliance with the public shareholding spread -~~
- (i) ~~the notification requirements applicable to a listed corporation approved with a lower public shareholding spread;~~
  - (ii) ~~the Exchange's right to review its decision on lower public shareholding spread granted to a listed corporation;~~
  - (iii) ~~the disclosure requirements in the event a listed corporation fails to comply with the required public shareholding spread; and~~
  - (iv) ~~the information that a listed corporation must include in an application to the Exchange for an extension of time to rectify non-compliance with~~ the public shareholding spread; and
- (b) the disclosure requirements that a listed corporation must comply with if it ~~in the event a listed corporation (i) fails to comply with the required public shareholding spread; and (ii) triggers a suspension pursuant to Rules 16.02(1) and (2) of the Listing Requirements.~~

## 2.0 Application for acceptance of a lower percentage of public shareholding spread

2.1 Rules 3.10(1) and 8.02(1) of the Listing Requirements provides that an applicant or listed corporation must comply with the following public shareholding spread (“Required Public Spread”):

(a) an applicant must have at least 25% of the total number of shares for which listing is sought, or such lower percentage as may be allowed by the Exchange, in the hands of a minimum number of 200 public shareholders holding not less than 100 shares each; and

(b) a listed corporation must, on a continuing basis, ensure that at least 25% of its total listed shares (excluding treasury shares) or such lower percentage ~~of shareholding spread~~ as may be allowed by the Exchange are in the hands of public shareholders (“Required Public Shareholding Spread”).

2.2 The Exchange may, on the application by an applicant or a listed corporation, accept a percentage lower than the 25% threshold of the total number of listed shares (excluding treasury shares) if it is satisfied that such lower percentage is sufficient for a liquid market in such shares (“Acceptance of Lower Public Spread”), provided that all the conditions below are met:-

(a) The applicant or listed corporation meets the market capitalisation requirements for the Lower Public Spread as set out in the table below:

<u>No.</u>	<u>Market Capitalisation *</u>	<u>Minimum acceptable Lower Public Spread</u>
<u>(i)</u>	<u>RM1 billion or more but less than RM3 billion</u>	<u>20%</u>
<u>(ii)</u>	<u>RM3 billion or more</u>	<u>15%</u>

\* Computation of market capitalisation:

(aa) an applicant’s expected market capitalisation as at the date of the listing application; or

(bb) a listed corporation’s average market capitalisation based on the daily closing price of its shares during the 12-month period preceding the application to the Exchange;

and

(b) The Exchange is satisfied that:

(i) there is, or will be, sufficient liquid market in the shares of the applicant or listed corporation;

(ii) there is, or will be, orderly and fair trading in the shares of the applicant or listed corporation;

(iii) the applicant or listed corporation and its directors have satisfactory corporate governance conduct and compliance record with the Listing Requirements and securities laws; and

(iv) there is reasonable justification necessitating the Lower Public Spread for the applicant or listed corporation.

2.2A In respect of an applicant which proposes to apply for a Lower Public Spread, it must include the following information in its application:

(a) the applicant's expected market capitalisation as at the date of the listing application; and

(b) the reason for not being able to comply with the 25% threshold and justification necessitating the Lower Public Spread.

2.3 In ~~this respect, of~~ a listed corporation which proposes to apply for ~~a~~Acceptance of Lower Public Spread, it must include the following information in its application:

(a) - (e) [no change];

(f) the percentage of listed shares (excluding treasury shares) held by the top 30 shareholders, the names and shareholdings of each of these shareholders; ~~and~~

(g) the percentage of public shareholding spread over the last 2 years;

(h) any enforcement action taken, or investigation or enforcement proceedings commenced, against the listed corporation and its directors by the relevant regulatory authority in the last 3 years pertaining to their corporate governance conduct and compliance with the Listing Requirements or securities laws. If none, a negative statement to that effect; and

(i) the reason for non-compliance with the Required Public Spread and justification necessitating the Lower Public Spread.

#### 2A.0 Notification of specified changes after the grant of Lower Public Spread

2A.1 A listed corporation approved with a Lower Public Spread must immediately notify the Exchange when it becomes aware of any of the following:

(a) any decrease in its issued share capital;

(b) any decrease in its public shareholding spread below the approved Lower Public Spread; and

(c) any decrease of its average market capitalisation for the preceding 12 months to below the prescribed threshold as set out in paragraph 2.2(a) above.

#### 2B.0 The Exchange's right to further review

2B.1 The Exchange reserves the right to review its decision for a Lower Public Spread at any time, if the listed corporation no longer meets any of the conditions for Lower Public Spread under paragraph 2.2 above.

#### **3.0 Disclosure requirements in the event of non-compliance with the Required Public Spread**

3.1 Rule 8.02(3) of the Listing Requirements provides that a listed corporation must announce to the Exchange that it does not comply with the Required Public ~~Shareholding~~ Spread immediately upon it becoming aware of this ("Non-Compliance Announcement").

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- 3.2 The listed corporation must include the following information in its Non-Compliance Announcement:
- (a) - (b) [no change];
  - (c) steps taken or proposed to be taken by the listed corporation to comply with the Required Public ~~Shareholding~~ Spread (“Rectification Plan”) including the following:
    - (i) - (ii) [no change];
  - (d) [no change].
- 3.3 After the Non-Compliance Announcement, a listed corporation which does not comply with the Required Public ~~Shareholding~~ Spread must announce the status of its efforts to comply with the Required Shareholding Spread (“Status Announcement”). The listed corporation must make the Status Announcement for each quarter of its financial year simultaneously with the quarterly reports and in any event, not later than 2 months after the end of each quarter of a financial year.
- 3.4 [No change].
- 3.5 For the avoidance of doubt, upon compliance with the Required Public ~~Shareholding~~ Spread ~~or Acceptance of Lower Spread~~ by the Exchange, the listed corporation is no longer required to make any Status Announcement.
- 4.0 Applications for extensions of time for compliance and related disclosure requirements**
- 4.1 Pursuant to Rule 8.02(4) of the Listing Requirements, a listed corporation which does not comply with the Required Public ~~Shareholding~~ Spread may apply to the Exchange for an extension of time to rectify its public shareholding spread.
- 4.2 In this respect, a listed corporation must include the following information in the application for extension of time:
- (a) - (e) [no change];
  - (f) the reason for non-compliance with the Required Public ~~Shareholding~~ Spread;
  - (g) - (l) [no change].
- 4.3 - 4.4 [No change].
- 5.0 Suspension where the public shareholding spread is 10% or less and related disclosure requirements**
- 5.1 [No change].
- 5.2 The suspension in trading imposed by the Exchange under paragraph 5.1 above will only be uplifted upon full compliance with the Required Public ~~Shareholding~~ Spread or as may be determined by the Exchange.
- 5.3 [No change].
- 5.4 The listed corporation must include the following information in the above announcement:
- (a) - (c) [no change];
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- (d) a statement that once the suspension pursuant to Rule 16.02(2) of the Listing Requirements is effected, it will only be uplifted by the Exchange upon full compliance with the Required Public ~~Shareholding~~ Spread or as may be determined by the Exchange;
- (e) - (h) [no change].

[End of Appendix 1]