

Our Ref: IS/ET(ro)/LD02/17 [LR application arising from CA 2016]

2 February 2017

The Company Secretary
(Listed Issuers)

Via email

Dear Sir/Madam,

**APPLICATION OF THE MAIN MARKET LISTING REQUIREMENTS ARISING FROM
THE NEW COMPANIES ACT 2016**

1. BACKGROUND

- 1.1 The Companies Act 2016 (“**CA 2016**”) was gazetted on 15 September 2016 and came into effect on 31 January 2017 (with the exception of section 241 and Division 8, Part III).
- 1.2 Consequential to the CA 2016, Bursa Malaysia Securities Berhad (“**the Exchange**”) will be amending the Main Market Listing Requirements (“**Main LR**”) and consulting the market on the proposed changes to the Main LR (“**Consultation on CA**”). In the meantime, we have set out below, the application of key provisions of the Main LR that are affected by the CA 2016.

2. APPLICATION OF THE KEY PROVISIONS OF THE MAIN LR

No par value

- 2.1 One of the key changes introduced under the CA 2016 is the abolishment of the par value for shares. Arising from the migration to no par value regime, concepts such as –
- (a) par or nominal value, authorised capital, share premium, capital redemption reserve and share discounts are no longer relevant; and
 - (b) paid-up capital, issued capital and partly paid shares are still relevant although they will now refer to the total consideration paid or agreed to be paid for the shares issued, instead of being based on the nominal or par value of the shares.

Page 1 of 5

APPLICATION OF THE MAIN MARKET LISTING REQUIREMENTS ARISING FROM THE NEW COMPANIES ACT 2016

2.2 In view of the above, application of the affected key Main LR provisions should be as follows:

No.	Application	Examples of Affected Provisions
(a)	<p>Application based on <u>number</u> of issued shares</p> <p>References to the “nominal value or amount” of shares or the “issued share capital” or “issued and paid-up capital” should now be taken to refer to the total number of issued shares or the total number of voting shares, as the case may be.</p> <p>This applies to the calculation of percentage thresholds, changes in shareholding interests or entitlements in a listed issuer.</p>	<ul style="list-style-type: none"> • Paragraph 1.01 - definition of “major shareholder” • Paragraph 5.13 • Paragraphs 6.03(1); 6.21(2); 6.37(3)(b); 6.38; 6.45C(4)(a); 6.50; and Appendix 6B, Part A, paragraph 20(b) • Paragraph 7.40 • Paragraphs 8.12 and 8.13 • Paragraphs 9.19(25) and (26); and Appendix 9A, Part G, paragraph (b) • Paragraph 10.02(g)(iv) • Paragraph 12.09 • Appendix 13C, Part A, paragraph 2(c); Appendix 13D, paragraph 5(a); and Appendix 13E, paragraph 10(a) • Practice Note 13, paragraph 3.2(a)
(b)	<p>Application based on share capital in terms of <u>value</u></p> <p>References to “issued and paid up capital” should now be taken to refer to the share capital or issued share capital.</p> <p>This applies to the following:</p> <ul style="list-style-type: none"> • relevant disclosures made in connection with a corporate proposal or transaction; 	<ul style="list-style-type: none"> • Appendix 6A, Part A, paragraph 9(a); and Appendix 6B, Part A, paragraph 16(a) • Appendix 8E in relation to listed corporations • Appendix 10B, Part A, paragraph 28(d)(iii) • Paragraph 13.05(b) • Practice Note 19, paragraphs 2.3(a) and 4.2(a)

APPLICATION OF THE MAIN MARKET LISTING REQUIREMENTS ARISING FROM THE NEW COMPANIES ACT 2016

No.	Application	Examples of Affected Provisions
	<ul style="list-style-type: none"> determination of whether the announcement requirement in relation to a Recurrent Related Party Transaction is triggered; determination of the adequacy of the listed issuer's level of operations; and determination of whether the listed issuer's financial condition warrants continued trading or listing. 	<ul style="list-style-type: none"> Annexure PN21-A, Part A, paragraphs 4D(d) and 5F; and Part B, paragraph 1(d) under the heading "Particulars" Annexure PN22-A, Part A, paragraph 7 Annexure PN22-E, Part B, paragraph 2 Annexure PN23-I, Part A, paragraph 7(d) Paragraph 10.09(1) Paragraph 8.03A(7)(b) Practice Note 17, paragraphs 2.1(a) and (e)
(c)	<p><i>Application based on share capital in terms of <u>value and number</u></i></p> <p>References to "authorised capital" or "issued and paid-up capital" should now be taken to refer to the share capital and number of issued shares.</p> <p>This is for purposes of disclosures made in connection with a corporate proposal or transaction.</p>	<ul style="list-style-type: none"> Appendix 10A, Part A, paragraph 6(c)(v); and Part B, paragraph 3; Appendix 10B, Part A, paragraph 28(b); and Part B, paragraphs 2 and 5 Practice Note 21, paragraph 8.2(b) Practice Note 28, paragraph 13.2(d); and Annexure PN28-B, Part C, paragraph 1(a)

Share buy-back

- 2.3 As share premium is no longer relevant under the CA 2016, a listed issuer must ensure that the proposed purchase(s) of its own shares is made wholly out of retained profits only.

APPLICATION OF THE MAIN MARKET LISTING REQUIREMENTS ARISING FROM THE NEW COMPANIES ACT 2016

Constitution of a company

- 2.4 Under section 619(3) of the CA 2016, the memorandum and articles of association of an existing company shall continue to have effect as if made or adopted under the CA 2016 unless otherwise resolved by the company. Listed issuers, however, are required to continue to maintain a constitution pursuant to the Main LR. Chapter 7 of the Main LR which currently sets out the provisions that listed issuers are required to incorporate in their articles of association may, however, be reviewed as part of the Consultation on CA.

Electronic communications with shareholders

- 2.5 Under the CA 2016, companies are now allowed to communicate with their shareholders through electronic means. In this regard, the Exchange is in the midst of developing a framework to facilitate electronic communication and will be consulting the market on the same. In the meantime, if a listed issuer intends to implement electronic communication prior to the issuance of the relevant rule changes, it should consult the Exchange.

Announcements relating to shareholdings and share buy-back

- 2.6 Pending changes to the Bursa LINK templates, listed issuers should continue to use the existing templates for announcements of changes to interests in shareholdings as well as share buy-back related activities.

References in the Companies Act 1965

- 2.7 In view of paragraph 1.09(4) of the Main LR, references in the Main LR to specific sections of the Companies Act 1965 will be construed as references to the corresponding sections in the CA 2016.

**APPLICATION OF THE MAIN MARKET LISTING REQUIREMENTS ARISING FROM
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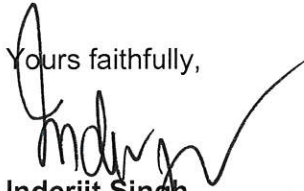
3. CONTACT PERSONS

If you have any queries on the above or the application of the Main LR consequential to the CA 2016, please do not hesitate to contact the following persons from Listing Advisory & Development, Listing Division at 03-2034 7766:

- (a) Ms. Tiffany Yan Wei Mee;
- (b) Pn. Razalina Suriati Abdullah; or
- (c) Ms. Sim Wai Ling.

Thank you.

Yours faithfully,



Inderjit Singh
Senior Executive Vice President
Listing Division
Regulation