

Our Ref: IS/RO/fz/LD16/20 [AdditionalReliefMeasures/Covid-19]

16 April 2020

The Company Secretary
(Main Market Listed Issuers)

Via email

Dear Sir/Madam,

ADDITIONAL TEMPORARY RELIEF MEASURES TO LISTED ISSUERS:

- (A) FURTHER EXTENSION OF TIME FOR SUBMISSION OF QUARTERLY AND ANNUAL REPORTS;
 - (B) INCREASED GENERAL MANDATE LIMIT FOR NEW ISSUE OF SECURITIES; AND
 - (C) FURTHER RELIEF MEASURES TO LISTED ISSUERS WITH UNSATISFACTORY FINANCIAL CONDITION
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(A) **INTRODUCTION**

1. Bursa Malaysia Securities Berhad (“the Exchange”) is committed to assist and support listed issuers in these trying and challenging times due to the COVID-19 pandemic. Hence, further to our letters to listed issuers dated 17, 24 and 26 March 2020, the Exchange is pleased to announce additional relief measures for listed issuers to ease compliance and facilitate their capital raising in a timely and cost-effective manner.

(B) **BACKGROUND**

2. The Government had, on 10 April 2020, announced the second extension of the Movement Control Order (“MCO”) for another 2 weeks, from 15 April until 28 April 2020 (“Extended MCO Period”), throughout the country.
3. On our part, the Exchange continues to assess if any further relief measures are necessary to aid and facilitate listed issuers in sustaining their business or easing their compliance with our rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak and MCO.
4. In this regard, the Exchange has introduced additional relief measures for listed issuers as set out below.

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(C) FURTHER EXTENSION OF TIME FOR SUBMISSION OF QUARTERLY REPORTS AND ANNUAL REPORTS

- 5. The Exchange noted that since the entire month of April 2020 is subject to the MCO and Extended MCO Period, listed issuers with financial statements due by 31 May 2020, may not have sufficient time to prepare and issue their financial statements. Further, auditors are unable to perform the onsite audit on listed issuers, resulting in potential delay in finalising the audited financial statements for listed issuers.
- 6. In view of the above, the Exchange will grant an extension of time until 30 June 2020 for the issuance of the following:
 - (a) quarterly reports (“QR”) and annual reports that include annual audited financial statements and the auditors’ and directors’ reports (“AR”) which are due by 31 May 2020; and
 - (b) QRs and ARs which are due by 30 April 2020 (which had been extended to 31 May 2020 via our letter to listed issuers dated 26 March 2020).
- 7. Notwithstanding the extension in **paragraph 6** above, the Exchange would like to remind listed issuers of the following:
 - (a) listed issuers must continue to comply with the continuing disclosure obligations under the Main Market Listing Requirements (“Main LR”), including the obligation to make immediate announcement of any material information under paragraph 9.03; and
 - (b) if the preparation of the QR and AR is not adversely affected by the extended MCO and COVID-19 pandemic, and listed issuers are able to issue the said reports within the prescribed timelines under the Main LR, they must continue to do so without any undue delay.

This is to ensure that shareholders and investors continue to receive material and financial information in a timely manner.

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(D) INCREASED GENERAL MANDATE LIMIT FOR NEW ISSUE OF SECURITIES

8. The Exchange recognises the need for listed issuers to raise funds quickly and efficiently during this challenging time, to ensure the long-term sustainability and interest of the listed issuers and their shareholders.
9. Hence, the Exchange will, as an interim measure, allow a listed issuer to seek a higher general mandate under paragraph 6.03 of the Main LR of not more than 20%¹ of the total number of issued shares (excluding treasury shares) for issue of new securities (“20% General Mandate”) provided that the following are being complied with:
 - (a) the listed issuer procures its shareholder approval for the 20% General Mandate at a general meeting;
 - (b) the listed issuer complies with all the relevant applicable legal requirements, including its constitution or relevant constituent document; and
 - (c) in addition to the existing disclosures required in the statement accompanying the proposed resolution under paragraph 6.03(3) of the Main LR, the listed issuer must also disclose the views from its board of directors’ that the 20% General Mandate is in the best interest of the listed issuer and its shareholders, as well as the basis for such views.
10. The 20% General Mandate may be utilised by a listed issuer to issue new securities until 31 December 2021. After that, the 10% limit under paragraph 6.03(1) of the Main LR will be reinstated.
11. The listed issuer must also continue to comply with all the other requirements for new issue of securities under the Main LR.
12. The Exchange seeks to give listed issuers additional fundraising flexibility through the 20% Mandate to meet their funding requirements such as working capital and operational expenditure, expeditiously and efficiently, during this challenging time.

¹ Instead of 10% under the existing requirement in paragraph 6.03(1) of the Main LR.

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- 13. The Exchange takes cognisance that the COVID-19 pandemic and the unprecedented measures imposed by the Government through the MCO and Extended MCO Period, may adversely affect both the operations and financial conditions of listed issuers. Therefore, it is important for listed issuers to focus on sustaining their businesses and operations.
- 14. Hence, the Exchange will be granting affected listed issuers relief from complying with the obligations under paragraph 8.04 and Practice Note 17 (“PN17”) of the Main LR (“PN17 Relief Measures”).
- 15. The PN17 Relief Measures will be available to a listed issuer (“Affected Listed Issuer”) that triggers any of the following criteria under PN17 of the Main LR (“Suspended Criteria”) from 17 April 2020 to 30 June 2021 (“Relief Period”):
 - (a) its shareholders’ equity on a consolidated basis is 25% or less of its share capital (excluding treasury shares) and such shareholders’ equity is less than RM40 million²;
 - (b) auditors have highlighted a material uncertainty related to going concern or expressed a qualification on the listed issuer’s ability to continue as a going concern in its latest audited financial statements and its shareholders’ equity on a consolidated basis is 50% or less of its share capital (excluding treasury shares)³; and
 - (c) default in payment by the listed issuer, its major subsidiary or major associated company, as the case may be, as announced pursuant to paragraph 9.19A of the Main LR and the listed issuer is unable to provide a solvency declaration to the Exchange⁴.

² Paragraph 2.1(a) of PN17 of the Main LR.

³ Paragraph 2.1(e) of PN17 of the Main LR.

⁴ Paragraph 2.1(f) of PN17 of the Main LR.

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16. Under the PN17 Relief Measures -

- (a) an Affected Listed Issuer that triggers any of the Suspended Criteria during the Relief Period will not be classified as a PN17 listed issuer and will not be required to comply with the obligations pursuant to paragraph 8.04 and PN17 of the Main LR for a period of 12 months from the date of triggering the criteria;
- (b) the Affected Listed Issuer will still be required to make an immediate announcement that it has triggered the Suspended Criteria and the relief provided (“**Relief Announcement**”);
- (c) upon the expiry of the 12 months from the Relief Announcement, the Affected Listed Issuer must re-assess its condition and announce whether it continues to trigger any of the criteria in PN17 of the Main LR (“**said Announcement**”); and
- (d) if the Affected Listed Issuer continues to trigger any of the criteria in PN17 of the Main LR, it will then be classified as a PN17 listed issuer and must comply with all the obligations under paragraph 8.04 and PN17 of the Main LR, including the obligation to submit a regularisation plan to the relevant authorities within 12 months from the said Announcement.

Please see **Annexure A** for an illustration of the PN17 Relief Measures.

17. The Exchange had, on 26 March 2020, granted extension of time for financially distressed listed issuers under PN17 to submit their regularisation plan (from the existing 12 months to 24 months from the date they first announce they triggered the PN17 criteria). This applies to listed issuers which trigger the criteria in 2019 and 2020.

To aid understanding and provide clarity on the measures granted so far, we set out below a snapshot of the measures granted to listed issuers with unsatisfactory financial condition:

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Triggering Criteria and Period	Listed issuer triggers the Suspended Criteria between 2 January 2019 and 16 April 2020 (both dates inclusive)	Listed issuer triggers the Suspended Criteria between 17 April 2020 and 30 June 2021 (both dates inclusive)	Listed issuer triggers the PN17 criteria other than the Suspended Criteria between 2 January 2019 and 31 December 2020 (both dates inclusive)
Relief Measure Applicable	The listed issuer is classified as a PN17 listed issuer but accorded with a longer timeframe of 24 months (instead of the existing 12 months) for submission of regularisation plan as provided in our letter dated 26 March 2020.	The listed issuer will not be classified as a PN17 listed issuer and the PN17 Relief Measures as set out in paragraph 16 above are applicable.	The listed issuer will be classified as a PN17 listed issuer but accorded with a longer timeframe of 24 months (instead of the existing 12 months) for submission of regularisation plan as provided in our letter dated 26 March 2020.

- 18. The Exchange will continue to monitor the situation and will determine if further measures are required.
- 19. In the meantime, if you have any queries on the above, please do not hesitate to contact Listing Advisory, Listing Department at 03-2034 7766.

Thank you.

Yours faithfully,



REGULATION

An illustration of a scenario where PLC A triggers one of the Suspended Criteria on 30 April 2020

Relief Period from obligation pursuant to paragraph 8.04 of the Main LR

