

Our Ref: JH/TAC/RO/LD 21/21 [Extended Enhanced Mandate/Covid-19]

23 December 2021

The Company Secretary
(ACE Market Listed Corporations)

Via email

Dear Sir/Madam,

EXTENSION OF THE FOLLOWING ENHANCED GENERAL MANDATE:

- (1) **INCREASED GENERAL MANDATE OF 20% FOR NEW ISSUE OF SECURITIES BY WAY OF PRIVATE PLACEMENTS**
- (2) **GENERAL MANDATE OF 50% BASED ON PRO-RATA ENTITLEMENT FOR NEW ISSUE OF SECURITIES BY WAY OF RIGHTS ISSUE**

(A) **INTRODUCTION**

1. As part of Bursa Malaysia Securities Berhad's ("the Exchange") continuous support and assistance to listed corporations in these trying and challenging times amid the COVID-19 pandemic, the Exchange resolves to extend the implementation period of the increased general mandate of 20% for new issue of securities by way of private placement ("20% General Mandate") and general mandate of 50% based on a pro-rata entitlement for new issue of securities by way of rights issue ("Pro Rata 50% General Mandate").

(B) **BACKGROUND**

2. As part of the COVID-19 pandemic relief measures for listed corporations, the Exchange had, among others, introduced the following to aid listed corporations in secondary fund raisings in 2020:
 - (a) allow listed corporations to issue new shares up to 20% of the total number of issued shares via the 20% General Mandate subject to, among others, the views from the listed corporation's board of directors that the 20% General Mandate is in the best interest of the listed corporation and the 20% General Mandate is in compliance with the constitution¹; and

¹ See the circular to listed corporations dated 16 April 2020:
https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/5e984a285b711a483aa3a02c/files/ACECircular_16Apr2020AdditionalCovidMeasures.pdf?1587040134

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- (b) accord listed corporations with existing controlling shareholders² (“**eligible listed corporations**”) the flexibility to issue new rights shares to their existing shareholders on a pro rata basis, up to 50% of the total number of issued shares via the Pro Rata 50% General Mandate obtained at a general meeting, subject to certain safeguards³.

A listed corporation may utilise the 20% General Mandate or Pro Rata 50% General Mandate to issue new securities until 31 December 2021 (“**Expiry Date**”).

(C) **EXTENSION OF IMPLEMENTATION OF THE 20% GENERAL MANDATE AND PRO RATA 50% GENERAL MANDATE**

3. While the Malaysian economy is expected to improve with the resumption of economic activities, there are still lingering uncertainties from the COVID-19 pandemic given the possibility of outbreaks from new COVID-19 variants of concern and efficacy of vaccinations.
4. In view of this, the Exchange will continue to facilitate a conducive fundraising ecosystem for listed corporations by easing the secondary fund-raising activities.
5. Accordingly, the Exchange is extending the implementation and utilisation of the 20% General Mandate and Pro Rata 50% General Mandate for another 12 months as follows:

5.1 **20% General Mandate**

- (a) The following listed corporation (“**relevant listed corporation**”) will have up to **31 December 2022** to issue new securities using the 20% General Mandate subject to compliance with the requirements in paragraph 5.1(b) below:
 - (i) a listed corporation which has obtained shareholders’ approval for the 20% General Mandate at a general meeting in 2021 but has not utilised it to issue new securities on or before the Expiry Date; or

² Rule 1.01 of the ACE Market Listing Requirements (“**ACE LR**”) defines a “**controlling shareholder** to mean any person who is, or a group of persons who together are, entitled to exercise or control the exercise of more than 33% (or such other percentage as may be prescribed in the Take-Overs and Mergers Code as being the level for triggering a mandatory general offer) of the voting shares in a company, or who is or are in a position to control the composition of a majority of the board of directors of such company.

³ See the circular to listed corporations dated 10 November 2020: https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/5faa5d0d39fba275eed6d0bc/files/ACECircular-MandateForProRataRightsIssue_fair_10Nov2020_.pdf?1613546070

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- (ii) a listed corporation which has not sought shareholders' approval for the 20% General Mandate at a general meeting in 2021.
- (b) The relevant listed corporation must comply with the following requirements:
 - (i) procure its shareholders' approval for the 20% General Mandate at a general meeting;
 - (ii) comply with all the applicable legal requirements, including its constitution or constituent document;
 - (iii) in addition to the existing disclosures required in the statement accompanying the proposed resolution under Rule 6.04(3) of the ACE Market Listing Requirements ("ACE LR")⁴, disclose the views from its board of directors' that the 20% General Mandate is in the best interest of the relevant listed corporation and its shareholders, as well as the basis for such views; and
 - (iv) continue to comply with all the other requirements for new issue of securities under the ACE LR.
- (c) After 31 December 2022, the general mandate of 10% for new issue of securities under Rule 6.04(1) of the ACE LR will be reinstated.
- (d) The extended 20% General Mandate is not available to a listed corporation which has fully or partly utilised the 20% General Mandate to issue new securities on or before the Expiry Date. Such listed corporation will be subjected to the reinstated 10% limit under Rule 6.04(1) of the ACE LR in 2022.

⁴ Rule 6.04(3) of the ACE LR prescribes the following information to be included in the statement accompanying the proposed resolution for the general mandate:

- (a) whether such mandate is new or a renewal;
- (b) where such mandate is a renewal or has been sought for in the preceding year, to specify the following:
 - (i) the proceeds raised from the previous mandate, if any; (ii) the details and status of the utilisation of proceeds; and
- (c) the purpose and utilisation of proceeds from the general mandate sought.

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5.2 Pro Rata 50% General Mandate

- (a) An eligible listed corporation may utilise the Pro Rata 50% General Mandate to issue new securities not exceeding 50% of the total number of issued shares (excluding treasury shares) on a pro rata basis by way of rights issue until **31 December 2022**, subject to compliance with the requirements in this paragraph 5.2.
- (b) The eligible listed corporation must -
 - (i) procure approval of its shareholders for the Pro Rata 50% General Mandate at a general meeting;
 - (ii) comply with all the relevant applicable legal requirements including its constitution, deed or relevant constituent document; and
 - (iii) in addition to the existing disclosures required in the statement accompanying the proposed resolution under Rule 6.04(3) of the ACE LR, include the views of the board of directors that the Pro Rata 50% General Mandate is in the best interest of the eligible listed corporation and its shareholders as well as the basis for such views.
- (c) The Pro Rata 50% General Mandate can be utilised to issue a combination of ordinary shares and convertible equity securities as part of the rights issue subject to compliance with Rule 6.51 of the ACE LR⁵.
- (d) The shares are not priced at more than 30% discount to the theoretical ex-rights price.
- (e) The eligible listed corporation must procure irrevocable letter(s) of undertaking from its existing controlling shareholders to subscribe for their full entitlements.
- (f) The eligible listed corporation must continue to comply with all the other requirements for new issue of securities under the ACE LR, including the obligation to announce the rights issue with information as prescribed in Appendix 6A of the ACE LR upon implementation of the same under the Pro Rata 50% General Mandate.

⁵ Rule 6.51 of the ACE LR stipulates that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities must not exceed 50% of the total number of issued shares of the listed corporation (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

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6. The Exchange will continue to monitor the situation to determine if additional relief measures are required to aid listed corporations during these challenging times.
7. If you have any queries on the above, please do not hesitate to contact Listing Advisory, Listing Department at 03 - 2034 7766 or submit your enquiry via <https://asklisting.bursamalaysia.com>.

Thank you.

Yours faithfully,



REGULATION