
BURSA MALAYSIA SECURITIES BERHAD
GUIDANCE NOTE 15A**TRANSFER OF LISTED CORPORATIONS TO THE ACE MARKET**

Details	Cross References
Effective date: 1 April 2023	Rules 3A.02(1) and 3A.03(3)

1.0 Introduction

- 1.1 This Guidance Note sets out the procedures and other requirements relating to an application for transfer of listing pursuant to Rule 3A.02 of the Listing Requirements.

2.0 Procedures relating to transfer of listing

- 2.1 A transfer applicant must, as part of the transfer of listing to the ACE Market, request for a withdrawal of listing from the LEAP Market in accordance with Rules 8.06 and 8.08 of the LEAP Market Listing Requirements with modifications where the transfer applicant must offer its shareholders and holders of any other class of listed securities, if applicable, the following:
- (a) an exit offer in accordance with Rule 8.06(1)(c) of the LEAP Market Listing Requirements, in which case the transfer applicant must ensure full compliance with Rule 8.06, including Rules 8.06(1)(d) and 8.06(2) in respect of the exit offer only; or
 - (b) any other exit mechanism that is equitable for shareholders and holders of any other class of securities, if applicable, subject to the transfer applicant consulting the Exchange and submitting the proposed exit mechanism to the Exchange for perusal. The transfer applicant must not proceed until the Exchange has notified that it has no further comments.
- 2.2 The following procedures apply to a transfer applicant, with the necessary modifications, as may be applicable:
- (a) the transfer applicant immediately announces to the Exchange, the proposed transfer of listing to the ACE Market and the withdrawal of listing from the LEAP Market together with the exit offer or exit mechanism to its existing shareholders and holders of any other class of securities, if applicable, (collectively, the “**proposal**”), upon approval of its board of directors. The transfer applicant must include the information set out in Part A of Annexure GN15A-A in the announcement;
 - (b) the transfer applicant issues a circular which includes the information set out in Part B of Annexure GN15A-A to its shareholders;

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- (c) the transfer applicant seeks shareholders' approval for the proposal in a general meeting;
- (d) the transfer applicant submits the documents and information as may be specified by the Exchange for purposes of the pre-admission consultation under Rule 4.06A of the Listing Requirements ("**pre-admission consultation pack**") to the Exchange;
- (e) the transfer applicant files with the Exchange an application for the proposed transfer of listing, comprising the listing application, the final copy of its prospectus and the application for withdrawal of listing from the LEAP Market together with supporting documents;
- (f) the Exchange grants approval for the withdrawal of listing from the LEAP Market and the admission of securities on the ACE Market, and approves-in-principle the prospectus for registration;
- (g) the transfer applicant implements the exit offer or exit mechanism for its existing shareholders and holders of any other class of securities, if applicable;
- (h) the Exchange registers the prospectus;
- (i) the transfer applicant —
 - (i) issues its prospectus and the offer period opens;
 - (ii) advertises its prospectus;
 - (iii) provides the Exchange with such number of copies of the printed prospectus as may be determined by the Exchange from time to time; and
 - (iv) announces to the Exchange the indicative timetable of the issuance of shares to the public containing the information set out in paragraph 8.1 of Guidance Note 15;
- (j) the transfer applicant announces the level of subscription and the basis of allocation;
- (k) the transfer applicant issues the securities and notices of allotment;
- (l) the transfer applicant announces to the Exchange the withdrawal and the transfer date;
- (m) the transfer applicant announces to the Exchange the relevant information in accordance with paragraph 8.2 of Guidance Note 15; and
- (n) the securities are admitted to the Official List and quoted on the Exchange.

3.0 Information on price discovery mechanism

- 3.1 A transfer applicant must include the information on the price discovery mechanism as set out in Rule 3A.03 of the Listing Requirements as part of its application for the transfer of listing to the ACE Market.

ANNEXURE GN15A-A**PART A****Contents of announcement in relation to the proposal****DETAILS OF THE PROPOSAL**

1. Details of the proposal including the rationale and justification.
2. A statement whether the proposal is subject to the approval of shareholders and the relevant government authorities, and in the case of approval from relevant government authorities, the estimated timeframe for submission of the application to such authorities.
3. Information on the new issuance of securities in accordance with Part A of Appendix 6A.
4. Details of the withdrawal of listing of the transfer applicant from the LEAP Market and the exit offer or exit mechanism, as the case may be.
5. Impact of the proposal on the transfer applicant and its shareholders.
6. Effects of the proposal.
7. Information on the transfer applicant including –
 - (a) a brief history of the corporation or business for the past 3 years or since inception, whichever is the later, and if reorganised as a result of merger, consolidation or reorganisation, similarly the history of the predecessor corporations;
 - (b) the type and number of shares making up the share capital;
 - (c) the shareholding spread;
 - (d) the number of years the corporation has been listed on the LEAP Market;
 - (e) the status or progress of the business plan as disclosed in the information memorandum issued pursuant to the transfer applicant's initial listing on the LEAP Market, including any changes made to such plan and the reasons for such changes;
 - (f) the details and status of the utilisation of proceeds raised by the transfer applicant during its initial listing on the LEAP Market. If the proceeds raised have not been fully utilised, reasons why such proceeds remain unutilised and the purpose of the additional fundraising; and
 - (g) profit and dividend record of the corporation/group based on the audited or proforma (whichever applicable) financial statements for the past 3 to 5 financial years (or such shorter period that the corporation/group has been in operation) and the latest interim financial statements. Where there is any material fluctuation in turnover or profits in any of the years, an explanation of this. There should be a tabulation showing the following:
 - (i) revenue;
 - (ii) gross profit and gross profit margin;

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- (iii) EBITDA – earnings before interest, taxation, depreciation and amortisation;
 - (iv) other income;
 - (v) finance costs;
 - (vi) share of profits and losses of associates and joint ventures;
 - (vii) profit/loss before tax and profit/loss before tax margin;
 - (viii) tax expense;
 - (ix) profit/loss for the year and profit/loss margin;
 - (x) profit/loss attributable to non-controlling interest and equity holders of the parent;
and
 - (xi) basic and diluted earnings per share.
8. Approvals required and the estimated time frame for submission of the application to the relevant authorities.
9. Interest of directors, major shareholders, chief executive and persons connected with such directors, major shareholders or chief executive.
10. A statement by the board of directors, excluding interested directors, stating whether the proposal is in the best interests of the transfer applicant. Where a director disagrees with such statement, a statement by the said director setting out the reasons and the factors taken into consideration in forming that opinion.
11. Timeframe for completion and implementation of the proposal.
12. The consequences if the proposal is not implemented.

Part B**Contents of circular to shareholders in relation to the proposal****COVER PAGE**

1. A heading drawing attention to the importance of the circular and advising holders of securities who are in any doubt as to what action to take, to consult appropriate independent advisers.
2. A statement that the circular has been reviewed by the transfer applicant's Sponsor or Joint Transfer Sponsor, as the case may be.
3. A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, valuation certificate and report if any, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.

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4. The purpose of the circular.

DETAILS OF THE PROPOSAL

5. The details of the proposal, including the following:
- (a) details of the proposed withdrawal of listing from the LEAP Market, including the exit offer or exit mechanism, as the case may be;
 - (b) details of the proposed listing on the ACE Market;
 - (c) details of the new issue of securities in accordance with Part A of Appendix 6B, where applicable;
 - (d) the price discovery mechanism. The price discovery mechanism must –
 - (i) reflect the current valuation ascribed to ACE Market listed corporations in similar business or sector as the transfer applicant; and
 - (ii) be supported with sound and verifiable bases and justifications; and
 - (e) impact of the proposal and price discovery mechanism on the transfer applicant and its shareholders.

RATIONALE AND JUSTIFICATION FOR THE PROPOSAL

6. The rationale and justification for the proposal.

RISKS OF THE PROPOSAL

7. The risks in relation to the proposal including the consequences if the proposal is not implemented.

EFFECTS OF THE PROPOSAL

8. The effect of the proposal on the transfer applicant, which includes the effect of the proposal on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' direct and/or indirect shareholding of the transfer applicant, in tabular form.

APPROVALS REQUIRED

9. A statement on whether the proposal is subject to approval of the shareholders and the relevant government authorities.
10. In the case of approval from the relevant government authorities, the conditions imposed and status of compliance.

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CONDITIONALITY OF THE PROPOSAL

11. The details of any other intended corporate exercise/scheme which have been announced but not yet completed before the printing of the circular and whether the proposal is conditional or inter-conditional upon such and/or any other corporate exercise/scheme.

INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSON CONNECTED

12. A statement on whether the directors, major shareholders or persons connected with a director or major shareholder, have any interest, direct or indirect, in the proposal, and the nature and extent of their interests.

DIRECTORS' RECOMMENDATION AND BASIS OF RECOMMENDATION

13. A statement by the board of directors, excluding interested directors, stating whether the proposal is in the best interests of the transfer applicant.
14. Where voting is required, a recommendation together with the basis of such recommendation from the board of directors, excluding interested directors, as to the voting action that shareholders should take.

INDEPENDENT ADVISER'S LETTER

15. If a transfer applicant provides an exit offer in accordance with Rule 8.06(1)(c) of the LEAP Market Listing Requirements, a separate letter by the independent adviser incorporating –
- (a) a comment as to whether the exit offer is fair and reasonable in so far as the shareholders and holders of any other class of listed securities are concerned. Such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion. In arriving at such opinion, the independent adviser should comply with the relevant provisions relating to an independent adviser's recommendation in Schedule 2, Part III of the Rules on Take-Overs, Mergers and Compulsory Acquisitions; and
 - (b) its advice to the shareholders and holders of any other class of listed securities on whether they should vote in favour of the exit offer.

TENTATIVE TIMEFRAME FOR COMPLETION / IMPLEMENTATION

16. The tentative timetable for the implementation of the proposal.

FURTHER / ADDITIONAL INFORMATION

17. Status or progress of the business plan as disclosed in the information memorandum issued pursuant to the transfer applicant's initial listing on the LEAP Market, including any changes made to such plan and the reasons for such changes.
18. The details and status of the utilisation of proceeds raised by the transfer applicant during its initial listing on the LEAP Market. If the proceeds raised have not been fully utilised, reasons why such proceeds remain unutilised and the purpose of the additional fundraising.

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19. Any other information which the shareholders and their advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

APPENDICES

20. Other information as follows:

- (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the transfer applicant and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the circular misleading;
- (b) details of material commitments and contingent liabilities incurred or known to be incurred by the transfer applicant;
- (c) where a person is named in the circular as having advised the transfer applicant or its directors, a statement –
 - (i) that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name and/or letter (if applicable) in the form and context in which it is included; and
 - (ii) by the adviser as to whether conflict of interest exists or is likely to exist in relation to its role as an adviser. If a conflict of interest exists or likely to exist in relation to its role as an adviser, to provide full disclosure of the nature and extent of the conflict of interest or potential conflict of interest, the parties to the conflict, and measures taken for resolving, eliminating, or mitigating the situations of conflict of interest.

For this purpose, "**conflict of interest**" means circumstances or relationships which affect or may affect the ability of the adviser to act independently and objectively or where the adviser has an interest in the outcome of the proposal which interferes or is likely to interfere with its independence and objectivity; and

- (d) a statement that for a period from the date of the circular to the date of the extraordinary general meeting, the following documents (or copies of the documents) in respect of the transfer applicant may be inspected at the registered office of the transfer applicant:
 - (i) the constitution;
 - (ii) the audited financial statements for each of the 2 financial years preceding the publication of the circular and the latest unaudited results since the last audited financial statements;
 - (iii) all reports, letters or other documents, statement of financial position, valuations and statements by any adviser, any part of which is extracted or referred to in the circular; and
 - (iv) the letters of consent referred to in subparagraph 20(c) above.

[End of Annexure]