

AMENDMENTS TO THE ACE LR
CONSEQUENTIAL TO THE FINANCIAL SERVICES ACT 2013

ACE Market Listing Requirements

CHAPTER 2 GENERAL

PART H – OTHERS

2.27 Issuance of new securities in foreign currency

- (1) An issue of securities by a listed corporation will be quoted in Ringgit or such other foreign currency as may be allowed by the Exchange.
- (2) A listed corporation must consult the Exchange and obtain the approval of Bank Negara Malaysia ~~the Controller of Foreign Exchange~~ if it prefers the securities to be quoted in foreign currency.

[End of amendments to Chapter 2]

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CHAPTER 5 FOREIGN LISTING

PART B – ADMISSION

5.06 Approval of Bank Negara Malaysia ~~Controller of Foreign Exchange~~

An applicant or the offerors of the securities in the applicant, must, where applicable, obtain the prior approval of Bank Negara Malaysia ~~the Controller of Foreign Exchange~~ for the utilisation of proceeds from the offering of securities.

[End of amendments to Chapter 5]

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CHAPTER 8 CONTINUING LISTING OBLIGATIONS**PART B – CONTINUING LISTING CRITERIA****8.03 Cash Companies**

(1)-(3) [No change].

(4) A Cash Company must place at least 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal undertaken by the Cash Company) in an account opened with a financial institution licensed by Bank Negara Malaysia and operated by a custodian. Any interest generated by the monies held in the account must accrue to the account. For the purpose of this sub-Rule (4), “custodian” means any of the following who is independent of the Cash Company:

- (a) a trust company registered under the Trust Companies Act 1949 or incorporated pursuant to the Public Trust Corporation Act 1995 and is in the List of Registered Trustees in relation to Unit Trust Funds issued by the SC; or
- (b) a licensed bank or ~~licensed investment bank merchant bank~~ as defined in the ~~Financial Services Act 2013~~Banking and Financial Institutions Act 1989.

The Cash Company must ensure that the amount in the above account is not withdrawn, except for the following purposes:

- (i) implementing a proposal to acquire a new core business approved by the Exchange; or
- (ii) pro-rata distributions to shareholders pursuant to sub-Rule (9) below.

(5)-(9) [No change]

[Cross reference: Guidance Notes 2 and 20]

PART H – OTHERS**8.25 Provision of financial assistance**

(1) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and subject to sub-Rule (2) below, a listed corporation or its subsidiaries not listed on any stock exchange may only -

- (a) lend or advance any money; or
- (b) guarantee, indemnify or provide collateral for a debt,

(“provision of financial assistance”) to or in favour of the following:

- (i) directors or employees of the listed corporation or its subsidiaries;
- (ii) persons to whom the provision of financial assistance -
 - (aa) is necessary to facilitate the ordinary course of business of the listed corporation or its subsidiaries; or

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(bb) pursuant to the ordinary course of business of the listed corporation or its subsidiaries,

such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its moneylending business; or

(iii) the subsidiaries, associated companies or joint arrangements of the listed corporation, the listed corporation (in the case of the subsidiaries providing the financial assistance) or its immediate holding company which is listed.

For the purpose of this sub-Rule (iii), a “**joint arrangement**” has the meaning given to it under the approved accounting standards.

(2) Where a listed corporation or its subsidiaries provide financial assistance -

(a) the board of directors of such listed corporation must ensure -

(i) that the provision of the financial assistance referred to in sub-Rule (1) above is fair and reasonable to the listed corporation and is not to the detriment of the listed corporation and its shareholders; and

(ii) where a listed corporation or its subsidiary lends or advances money in the ordinary course of business as a moneylender (“**moneylending company**” and “**moneylending operations**”), that the board of directors of the listed corporation oversees the moneylending operations and the management of credit risk of the moneylending company including ensuring that adequate policies and procedures are put in place which must be reviewed regularly to enable –

(aa) maintenance of sound credit-granting standards;

(bb) maintenance of a clear and defined credit approval process including a list of the approving party(ies), which must include the board of directors of the listed corporation, for different quantum of financial assistance granted by the moneylending company;

(cc) monitoring and control of credit risk; and

(dd) timely identification and administration of problem credits;

(b) where it is a related party transaction as defined in Rule 10.02, the listed corporation complies with the requirements of Rule 10.08 in addition to this provision;

(c) where the provision of financial assistance is to the associated company or the joint arrangement of the listed corporation, and the aggregate amount provided or to be provided at any time to each associated company or joint arrangement compared to the net tangible assets of the group is 5% or more, the listed corporation must issue a circular to its shareholders and seek shareholder approval in a general meeting, of such provision of financial assistance, unless the listed corporation complies with the requirements in sub-Rule (1)(ii) above, in which case, the requirement to issue a circular and seek shareholder approval is dispensed with;

(d) where shareholder approval is required pursuant to sub-Rules (b) or (c) above, the listed corporation must state in its circular, the proposed utilisation of the amount of the financial assistance; and

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- (e) in addition to the announcement as may be required by the Exchange, the listed corporation must announce the information set out in Appendix 8D in relation to each moneylending company for each quarter of its financial year, if any, not later than 7 market days after the end of each quarter of a financial year.
- (3) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and without limiting the generality of Part D of Chapter 2 -
- (a) a listed corporation or its directors must give the Exchange any information, document or explanation that the Exchange requests for in relation to moneylending operations in accordance with the instructions or requests of the Exchange, including but not limited to the following information in relation to the 20 debtors of each moneylending company having the highest amount of outstanding loans and/or advances (“Loans”) (with aggregation of Loans granted to persons connected with each other):
- (i) the names of the debtors and, in relation to each debtor, a statement as to whether the debtor is a related a party;
 - (ii) the outstanding Loan amounts with aggregation of Loans granted to persons connected to each other, and the breakdown into principal and interest owing;
 - (iii) the salient terms of the outstanding Loans including the interest rate, terms as to the repayment of interest and principal and the security provided; and
 - (iv) the length of default on interest and/or principal, if applicable; and
- (b) the Exchange may, at its absolute discretion, forward such information, document or explanation to the relevant authorities including the SC.
- (4) Sub-Rules (1), (2) and (3) above do not apply to -
- (a) any provision of financial assistance provided to or in favour of the listed corporation or wholly owned subsidiaries of the listed corporation;
 - (b) a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate; or
 - (c) ~~a corporation which is registered as a scheduled institution with and supervised by Bank Negara Malaysia under the Banking and Financial Institutions Act 1989; or [deleted]~~
 - (d) share financing or share margin financing carried out by a listed corporation or its unlisted subsidiary not listed on any stock exchange which is a Participating Organisation.

[Cross reference: Guidance Note 4]

[End of amendments to Chapter 8]

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CHAPTER 10 TRANSACTIONS**PART E – RELATED PARTY TRANSACTIONS****10.08 Related party transactions**

(1-10) [No change]

(11) The following transactions are not normally regarded as related party transactions:

(a)-(l) [no change].

(m) a transaction between the listed corporation or any of its subsidiaries and another person where there are no other interested relationships except for -

(i) common major shareholders; or

(ii) a person connected with a major shareholder being a major shareholder of the other person,

provided that the following conditions are satisfied:

(aa) the major shareholder and/or the person connected with the major shareholder is/are not the largest shareholder of the listed corporation;

(bb) the major shareholder and/or the person connected with the major shareholder is/are not a party to the said transaction, initiator, agent or involved in any other manner in the said transaction;

(cc) the major shareholder does not have any representative in an executive capacity on the board of directors of the listed corporation or any of its subsidiaries; and

(dd) the major shareholder is -

(A) a statutory institution who is managing funds belonging to the general public;

(B) a closed end fund, unit trust or investment fund (but excluding an investment holding corporation); or

(C) an insurance corporation whose activities are regulated by any written law relating to insurance and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as the Exchange deems appropriate, and the said insurance corporation is managing its insurance funds (together with its own shareholders' funds or otherwise). For the purposes of this sub-Rule, "insurance funds" has the meaning given in section 2 of the [Financial Services Act 2013](#)~~Insurance Act 1996~~;

[End of amendments to Chapter 10]

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GUIDANCE NOTE 4

PROVISION OF FINANCIAL ASSISTANCE

Details	Cross References
Effective date:	22 May 2006 Rule 8.25
Revision date:	3 August 2009, 27 January 2015, <u>13 July</u> <u>2015</u>

1.0-2.0 [No change]

3.0 Disclosure obligations

- 3.1 A listed corporation must announce the financial assistance rendered or made by the said listed corporation or its subsidiaries not listed on any stock exchange pursuant to Rule 8.25(1)(ii) of the Listing Requirements for each quarter of its financial year, if any, simultaneously with its quarterly report pursuant to Rule 9.22 of the Listing Requirements and in any event not later than 2 months after the end of each quarter of a financial year. The listed corporation must include in its announcement the information set out in Annexure GN4-A.
- 3.2 Paragraph 3.1 above does not apply to provision of financial assistance in respect of the business of ~~leasing, factoring,~~ share financing, share margin financing or hire purchase carried out by a listed corporation or its subsidiaries not listed on any stock exchange in the ordinary course of business, or such other similar business that may be determined by the Exchange.
- 3.3 Where a listed corporation and/or its subsidiary lends or advances money in the ordinary course of its business as a moneylender pursuant to Rule 8.25(1)(ii) of the Listing Requirements, the listed corporation must include in its announcement referred to in paragraph 3.1 above the information prescribed under Appendix 8D of the Listing Requirements.

Annexure GN4-A [No change]

[End of amendments to Guidance Note 4]

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GUIDANCE NOTE 9

**REQUIREMENTS FOR DIRECTORS AND SIGNATORY OF STATUTORY
DECLARATION FOR ACCOUNTS**

Details	Cross References
Effective date:	3 July 2006
Revision date:	Rules 1.01, 9.27, 15.06, 15.07 and 15.09
	3 August 2009, 1 June 2013, <u>13 July</u> <u>2015</u>

1.0-4.0 [No change].

5.0 Paragraph (g)

5.1 [No change].

5.2 However, “**transactions**” in paragraph 5.1 above excludes transactions -

(a)-(b) [no change].

(c) for the following goods and services, provided that they are sold or rendered based on a non-negotiable fixed price or rate, which is published or publicly quoted and the material terms including the prices or charges are applied consistently to all customers or classes of customers:

- (i) provision or usage of public utility services such as water, electricity and telecommunications and data, postal or courier services, services by licensed ~~institutions, persons~~ as defined under the Financial Services Act 2013 ~~Banking and Financial Institutions Act 1989~~ (other than professional advisory services which are subject to paragraph 4.1 above), insurance, unit trusts, stockbroking services, public transport, education, medical services, provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and
- (ii) such other types of goods or services that may be prescribed by the Exchange from time to time.

5.3-7.0 [No change].

[End of amendments to Guidance Note 9]

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GUIDANCE NOTE 15

LISTING PROCEDURES FOR INITIAL ADMISSION

Details	Cross References
Effective date: 3 August 2009	Rules 3.02, 5.02, 8.18 and 15.03
Revision date: 22 September 2011, 3 January 2012, 1 April 2015, <u>13 July 2015</u>	

ANNEXURE GN15-A

PART A

Listing application for admission of securities

(paragraph 3.1(a); paragraph 3.1(a) of Guidance Note 16; Rule 5.02(5) of the Listing Requirements)

Please tick wherever applicable. If not applicable, please indicate "N/A"
[You may tick more than one box, where applicable]

Delete as appropriate

3.	Currency denomination which the new securities will be listed and quoted	(a) Ringgit Malaysia ("RM") <input type="checkbox"/> (b) Others: (Please indicate) ----- In the event the new securities are listed and quoted in currencies other than RM, whether the approval of <u>Bank Negara Malaysia</u> the Controller of Foreign Exchange has been obtained? <div style="text-align: right;"> Yes <input type="checkbox"/> No <input type="checkbox"/> </div>
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[End of amendments to Guidance Note 15]

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GUIDANCE NOTE 17

LISTING PROCEDURES FOR NEW ISSUES OF SECURITIES

Details	Cross References
Effective date:	3 August 2009
Revision date:	Rules 6.02, 6.12, 6.18, 6.30, 6.37, 6.47 and 6.50
	3 January 2012, 26 September 2012, 27 January 2015, 1 April 2015, <u>13 July</u> <u>2015</u>

ANNEXURE GN17-B

Part A

Listing application in relation to a new issue of securities
(paragraphs 6.1(a), 7.1 and 8.1)

Please tick wherever applicable. If not applicable, please indicate "N/A"
[You may tick more than one box, where applicable]

Delete as appropriate

9.	Currency denomination which the new securities will be listed and quoted	<p>(a) Ringgit Malaysia ("RM") <input type="checkbox"/></p> <p>(b) Others: (Please indicate)</p> <p>-----</p> <p>In the event the new securities are listed and quoted in currencies other than RM, whether the approval of Bank Negara Malaysia the Controller of Foreign Exchange has been obtained?</p> <p style="text-align: right;">Yes <input type="checkbox"/></p> <p style="text-align: right;">No <input type="checkbox"/></p>
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[End of amendments to the ACE Market Listing Requirements]