

# **Bursa Malaysia - IPO Overview**

## **Main Market**

Listing on the Main Market of Bursa Malaysia (“Main Market”) is for established companies with a track record.

### **1. Regulatory Background**

#### **1.1 Overview of Regulatory Requirements**

The main requirements for listing on the Main Market are found in the Capital Markets and Services Act 2007 ("CMSA") and the Main Market Listing Requirements.

#### **1.2 Regulatory Entities**

The Securities Commission ("SC") and Bursa Malaysia are the regulatory bodies for companies wishing to list on the Main Market.

#### **1.3 Required Approvals**

A company seeking to list on the Main Market must obtain approval from the (i) SC and (ii) Bursa Malaysia.

The SC review proposals for listing on the Main Market under section 212 of the CMSA. In this regard, the SC reviews the listing proposal to ensure compliance with the Equity Guidelines, and other factors such as corporate governance and potential conflict of interest.

If the applicant is a manufacturing company operating in Malaysia, the approval from the Ministry of International Trade and Industry is also required.

### **2. Listing Criteria**

#### **2.1 Suitability/Eligibility of Listing Applicant**

Any company seeking to list on the Main Market must comply with the relevant admission procedures and requirements prescribed by the SC and Bursa Malaysia. An applicant whose core business is not that of infrastructure project must satisfy either the profit test or the market capitalisation test. An applicant whose core business is that of infrastructure project, the applicant must satisfy the infrastructure project corporation test.

#### **2.2 Track Record Requirement**

##### Profit Test

The applicant (either at the corporation or group level) must have an uninterrupted profit of three to five full financial years based on audited financial statements prior to submission to the SC, with an aggregate Profit After Tax of at least RM20 million and a Profit After Tax of at least RM6 million for the most recent financial year.

Where a listing of a corporation is sought based on the strength of its group, at least one corporation (which is the qualifying corporation) within the group must be able to fulfill the profit requirements. If no single corporation is able to fulfill the profit requirements, a listing based on the strength of the group's proforma accounts may be considered provided that the corporations within the group which collectively fulfill the profit requirements are involved in the same core business and have common controlling shareholders over the profit track record period.

The applicant or the qualifying corporation must have been incorporated and operating in the same core business over the profit track record period prior to submission to the SC. Where listing is sought based on the strength of group proforma accounts, the corporation which is the single largest contributor to the after-tax profits of the group on an average basis for the most recent three full financial years must satisfy the operating history requirements.

#### Market Capitalisation Test

The applicant's ordinary shares must have a total market capitalisation of at least RM500 million based on the issue or offer price as stated in the listing prospectus and the enlarged issued and paid-up share capital upon listing.

Where a group of corporations is seeking listing based on the strength of the group, the corporations within the group must have common controlling shareholders for at least one full financial year prior to submission to the SC.

The applicant or the corporation within the group representing the core business must have been incorporated and have been generating operating revenue for at least one full financial year prior to submission to the SC.

#### Infrastructure Project Corporation Test

The applicant, either directly or through its subsidiary company, must have the right to build and operate an infrastructure project, whether located in Malaysia or outside Malaysia with project costs of not less than RM500 million and for which a concession or licence has been awarded by a government or a state agency, in or outside of Malaysia, with a remaining concession or licence period of at least 15 years from the date of submission to the SC. The SC may consider the listing proposal by an applicant with a shorter remaining concession or licence period from the date of submission to the SC, if the applicant fulfils the profit requirements under the profit test.

### **2.3 Minimum Market Capitalisation**

Please refer to section 2.2.

## **2.4 Sufficiency of Working Capital**

An applicant must have a healthy financial position, with sufficient level of working capital for at least 12 months from the date of the listing prospectus, positive cash flow from operating activities (if listing is sought under the profit test and market capitalisation test) and no accumulated losses based on its latest audited balance sheet at the time of submission to the SC (if listing is sought under the profit test).

## **2.5 Eligibility for Electronic Settlement**

There are no requirements for electronic settlement.

## **3. Overseas Companies**

Foreign incorporated companies can list on Bursa Malaysia by way of (i) primary listing or (ii) secondary listing on the Main Market.

An applicant must establish a share transfer or share registration office in Malaysia. If the foreign corporation's operations are entirely or predominantly Malaysian-based, it must have a majority of directors whose principal or only place of residence is within Malaysia. If its operations are entirely or predominantly foreign-based then it must have at least one director whose principal or only place of residence is within Malaysia.

A foreign corporation with a primary listing must immediately announce to Bursa Malaysia any change in the interest or interests of a substantial shareholder in its voting shares upon notification by the substantial shareholder. The foreign corporation must state the name of the shareholder and full particulars of the change, including the date of the change, the number of shares involved and the reasons the change occurred.

A foreign company must also appoint an agent or representative in Malaysia to be responsible for communication with Bursa Malaysia on behalf of the company.

All information or documents presented, submitted or disclosed pursuant to the Main Market Listing Requirements must be in English.

Secondary listing are only allowed for the Main Market. The foreign companies must have a primary listing on the main market of a foreign stock exchange which is a member of the World Federation of Exchanges.

## **4. Shareholding Requirements**

### **4.1 Public Float**

25% of the total listed shares (excluding treasury shares) must be in public hands following admission on Bursa Malaysia.

#### **4.2 Restrictions on Major Shareholders**

There are no restrictions on substantial shareholders holding a specified amount of shares subject to the requirement provided in section 4.3 below.

#### **4.3 Spread of Shareholders**

For the Main Market, the company must have at least 25% of the total number of shares for which listing is sought in the hands of a minimum number of 1,000 public shareholders each holding not less than 100 shares.

Companies with Malaysian-based operations seeking listing on the Main Market are required to allocate 50% of the public spread requirement to Bumiputera investors at the point of listing. This includes the portion made available for subscription via balloting, 50% of which are to be made available to retail Bumiputera investors.

However the Bumiputera equity requirement only applies to companies with Malaysian-based operations seeking listing. Companies with MSC status, BioNexus status and companies with predominantly foreign-based operations are exempted from the Bumiputera equity requirement. Although the Bumiputera equity requirement does not apply to these companies, they are required to notify the SC. For a corporation with predominantly foreign-based operations the determination is based on the profit contribution from domestic and foreign operations of the group for the past year, in which the profits after tax derived from the foreign-based operations are higher than the Malaysian-based operations i.e. more than 50%.

#### **4.4 Post IPO Lock-up**

A moratorium will be imposed on the shares held by the promoters of all applicants for the Main Market as follows:-

- (a) For a listing under the profit test or market capitalisation test, the promoters are not allowed to sell, transfer or assign their entire shareholdings in the applicant as at the date of listing, for six months from the date of admission to Bursa Malaysia; and
- (b) For a listing under the infrastructure project corporation test, the promoters are not allowed to sell, transfer or assign their entire shareholdings in the applicant as at the date of listing on Bursa Securities, for six months from the date of admission to Bursa Malaysia. Upon expiry of the 6 months period, subsequent selling down is permitted subject to certain conditions.

### **5. Listing Procedure and Timetable**

Any company intending to seek a listing on the exchange must initiate discussions and select a suitable adviser or sponsor who will take a central role in the flotation process.

The adviser must be approved by the SC pursuant to Chapter 3 of the SC's Principal Adviser Guidelines.

The adviser will then work with the company to draw up a flotation timetable. During the initial period, the company along with the adviser may engage in pre-consultation with SC on the structuring of the IPO, if necessary. At this stage, the adviser together with the Company and all other experts, such as solicitors, reporting accountants, market analysts or researchers will form a due diligence working group ("DDWG") to commence due diligence on the company for verification of information in the prospectus. At the same time, the adviser will draft the prospectus and all necessary applications to be submitted to SC and all other relevant authorities.

The DDWG will attend verification meetings to verify the contents of the Prospectus and all the necessary applications. Thereafter, the application and a copy of the prospectus will be submitted to the SC and any other relevant authorities, as may be required.

Depending on the complexity of the initial public offering proposal, the time necessary for preparing a listing can vary. However, the general timeframe for the listing process itself can be broadly explained as follows:-

- (i) The prospectus will be made publicly available on the SC website for 15 market days to enable the public specifically to assess the documents and submit their comments to the SC. During this period, the securities cannot be offered to the public and applications for the securities cannot be made or accepted.
- (ii) The SC may require changes to the prospectus depending on the nature of comments received. The processing of the application and prospectus clearance by the SC may take approximately 60 market days. As soon as all approvals are obtained from SC and all other relevant authorities, the prospectus will then be registered with SC and the Registrar of Companies.
- (iii) Subsequently the prospectus is launched and the securities will be listed and quoted.

The listing process for the Main Market (from the kick-off meeting to the day of listing) will normally take up to six to nine months, depending on the structure and complexity of the listing scheme. However, the validity of the approval from the SC is for a period of six months from the date of approval. The applicant may apply for an extension of time, if needed.

## **5.1 Marketing the Offer**

The company's placement agents (who are usually the adviser/ sponsor) often take the lead role in the marketing process. The placement agents and directors of the company will run a high intensity marketing drive in the weeks leading up to the listing in order to convince as many investors as possible of the benefits of

investing in that particular company's shares. It is important that all documentation used (usually an Information Memorandum that is registered with the SC) in the marketing process accurately reflects the information contained in the prospectus.

## **5.2 Required Documentation**

Application for an IPO must be accompanied by the relevant information and documents as specified in the SC Guidelines. This will include an application term sheet, cover letter, a registerable prospectus and any other information and documents as may be required by SC. If necessary, the SC may also request a valuation report, foreign legal opinion and comparison of law report in respect of the application.

## **5.3 Publication of the Prospectus**

A corporation approved for listing and quotation on Bursa Securities is required to publish a summary advertisement of its prospectus in one national language newspaper and an English newspaper which are widely circulated.

Copies of the prospectus are available for download or viewing from the Bursa Malaysia website. Hard copies of the prospectus will be available at the office of the applicant, issuing house or stock broking firms throughout the country.

## **6. Documentary Requirements**

### **6.1 Contents of the Main Listing Document**

A prospectus is required to contain the following, amongst other things:-

- (a) indicative timetable of the opening and closing dates of the issue and/or offer;
- (b) corporate information on the directors which shall include names, designation, and address;
- (c) information summary which summarises the key information about the offer/issue and corporation/group;
- (d) details of the public offering which include the number and type of securities as well as the rights attaching to the securities;
- (e) risk factors which are specific to the corporation/group and its industry, and to the securities being offered which had or could materially affect, directly or indirectly, the business, operating results, and financial condition of the corporation/group;
- (f) information about the corporation and group which includes information on the background of the company and details of subsidiary and associated corporations;

- (g) future plans, strategies and prospects of the corporation/group;
- (h) related-party transactions/conflict of interest; and
- (i) financial information which includes historical and future financial information.

## **6.2 Other Documents**

In addition to the prospectus, all reports that are referenced in the prospectus, any underwriting or placing agreement and audited accounts must be submitted along with the documents mentioned in section 5.2.

## **6.3 Articles/Constitutional Documents**

All companies must have articles of association which are compatible with the requirements of a publicly listed company as provided in the Main Market Listing Requirements.

## **7. Financial Information**

### **7.1 Audited Financial Statements**

A prospectus must contain a report in respect of the audited financial statements of the corporation provided in the prospectus prepared by a firm of public accountants registered in Malaysia. In the case of a foreign- incorporated issuer, a professional accountant who is qualified under the Accountants Act 1967 and from an international accounting firm must confirm that the issuer's financial statements comply with the approved accounting standards as defined in the Financial Reporting Act 1997 which include International Accounting Standards and the International Financial reporting Standards ("IFRS").

### **7.2 Applicable Accounting Standards**

Please refer to section 7.1.

### **7.3 Period Covered by Accounts**

The company must present a table of the income statement of the corporation/group (proforma or actual for the past three financial years and latest financial period (where applicable)).

### **7.4 Overseas Companies**

Please refer to section 7.1.

### **7.5 Proforma Financial Information**

A proforma consolidated balance sheet for the most recent financial year and/or latest audited financial period should be disclosed.

## **7.6 Interim Financial Information**

If the date of the prospectus issuance is later than six months after the end of the last financial year, interim audited financial statements must be provided.

## **8. Parties Involved**

### **8.1 Sponsor**

Sponsorship is not required for companies listed on the Main Market but is required for the ACE Market.

### **8.2 Other Advisers**

#### Lawyer

The lawyers will advise on the legal requirements for a listing, complete the legal due diligence and assist in drafting the prospectus.

#### Reporting Accountant

The reporting accountants in a listing have an entirely different purpose to the auditors of the company, although they can be the same firm. The reporting accountant will prepare and issue the Reporting Accountants' Report and Proforma Financial Information for inclusion in the application to the SC and the Prospectus. They will also assist in replying to queries raised by the relevant authorities pertaining to the financial information and to review and comment on the Management Discussion and Analysis.

#### Market Researcher

To prepare the IMR Report and business and industry overview write up in connection with the Proposal which is to be included as a part of the prospectus.

#### Registered Valuer

Where applicable, the Valuers will be responsible for the valuation report or valuation certificate of the assets/properties.

## **9. Listing Costs**

### **9.1 Listing Fees**

The company will need to pay regulatory fees due to SC and Bursa Malaysia. For SC, the processing fee for a Main Market application is RM80,000 plus an additional 0.05% of the total market value of securities to be listed and nominal value of any additional securities issued or to be issued but not listed, subject to

maximum of RM800,000. As for secondary listings of foreign listed corporations in Malaysia, the fee payable is RM50,000. The fee for the registration of the Prospectus is RM15,000.

For Bursa Malaysia, there is an initial listing fee and an annual fee for shares. The initial listing fee would be 0.01% of the total market value of the issued capital of the listed issuer subject to a minimum fee of RM20,000 and a maximum fee of RM200,000. The annual fee would be 0.0025% of the total market value of the issued capital of the listed issue subject to a minimum fee of RM20,000 and a maximum fee of RM100,000.

## **9.2 Professional Fees**

Total professional fees normally range from RM1.5 million to RM2.0 million depending on the structure and complexity of the listing scheme. This excludes underwriting, placement and brokerage fees which range from 2% to 3% of the value of the shares. Due to the variable nature of each IPO it is difficult to break down the estimated costs any further.

## **9.3 Lawyers' and Accountants' Fees**

Lawyers' and accountants' fees are usually on a negotiated basis. Lawyers' fees normally start from RM 120,000.00 (up to and until the stage of submission to the SC and Bursa Malaysia), depending on the structure and complexity of the listing scheme.

## **10. Corporate Governance Requirements**

The SC Guidelines provide that an applicant submitting a proposal to SC is expected to have good corporate governance practices. In considering a proposal, the SC would take into account the applicant's corporate governance record, including any previous actions taken against the applicant for any breach of relevant laws, guidelines or rules issued by the SC and Bursa Malaysia.

Bursa Malaysia adheres to the standards of corporate governance practices as guided by the Malaysian Code of Corporate Governance (Code) which was revised on March 2012. The Code provides a list of principles and best practices for corporate governance. The Main Market Listing Requirements provide that a listed corporation must include in its annual report:

- (a) a narrative statement of how the listed issuer has applied the principles set out in the Code; and
- (b) a statement on the extent of compliance with the best practices in the Code in which it must specifically identify and give reasons for any areas of non-compliance and the alternatives to the best practices adopted by the listed issuer, if any.

## **11. Continuing Obligations**

The Main Market Listing Requirements set out the continuing obligations of a listed company. These include the need to:-

- (a) meet certain eligibility requirements on a continuing basis in order to remain listed;
- (b) observe the public shareholders spread requirement;
- (c) maintain a certain level of financial condition and operations;
- (d) disclose to the public all material information necessary for informed investing and ensuring that all who invest in its securities enjoy equal access to such information;
- (e) clarify, confirm or deny any rumours that contain material information that the company is aware of;
- (f) undertake a due enquiry to seek the cause for any unusual price movement, trading activity or both;
- (g) maintain and control insider information;
- (h) make immediate announcements to Bursa Malaysia for certain events; and
- (i) create and maintain its own website.

## **12. Our Office**

Our firm can give legal advice to foreign clients seeking to list on Bursa Malaysia. For advice on IPOs please contact Mr. HY Chong ([chong.hy@azmandavidson.com.my](mailto:chong.hy@azmandavidson.com.my)).

## **ACE Market**

The ACE Market of Bursa Malaysia caters for growth platform companies from all business sectors.

### **1 Regulatory Background**

#### **1.1 Overview of Regulatory Requirements**

The main requirements for listing on the ACE Market are found in the ACE Market Listing Requirements and the Capital Markets and Services Act 2007 ("CMSA").

#### **1.2 Regulatory Entities**

Bursa Malaysia and SC are the regulatory bodies for companies wishing to list on the ACE Market.

#### **1.3 Required Approvals**

A company seeking to list on the ACE Market must obtain the consent of Bursa Malaysia. For ACE Market listing application, SC's approval under Section 212 is not required. Therefore, the Equity Guidelines do not apply to proposals undertaken by corporations seeking listing on the ACE Market unless it is for a proposed transfer of listing from the ACE Market to the Main Market.

However, the IPO prospectus is subject to SC's review pursuant to sections 232 and 237 of the CMSA for offerings of securities on the ACE Market. The IPO prospectus is reviewed for adequacy of disclosure and compliance with the Prospectus Guidelines.

### **2 Listing Criteria**

#### **2.1 Suitability/Eligibility of Listing Applicant**

There are no specific minimum eligibility requirements for admittance to the ACE Market as there is no minimum operating track record or profit requirement. Any type of company can be listed on the ACE Market provided the ACE Market Listing Requirements, where relevant, have been complied with.

#### **2.2 Sufficiency of Working Capital**

An applicant must have sufficient working capital available for its present requirements and for at least 12 months from the date of its prospectus for an initial public offering.

#### **2.3 Eligibility for Electronic Settlement**

There are no requirements for electronic settlement.

### **3 Overseas Companies**

Foreign companies are only allowed to seek a primary listing on the ACE Market.

### **4 Shareholding Requirements**

#### **4.1 Public Float**

25% of the paid-up capital must be in public hands following admission on Bursa Malaysia.

#### **4.2 Restrictions on Major Shareholders**

There are no restrictions on substantial shareholders holding a specified amount of shares subject to the requirement provided in section 4.3 below.

#### **4.3 Spread of Shareholders**

The company must have at least 25% of the total number of shares for which listing is sought in the hands of a minimum number of 200 public shareholders holding not less than 100 shares each. A company which has or will be having shares listed on another share exchange may have these shares included for the purpose of computing the shareholding spread.

For listing on the ACE Market, companies are required to allocate 12.5% of their enlarged issued and paid-up share capital to Bumiputera investors recognized by the Ministry of International Trade and Industry within 1 year after achieving the profit record required for a listing on the Main Market, or 5 years after being listed on the ACE Market, whichever is the earlier. This also applies to all companies currently listed on the ACE Market that have yet to comply with the Bumiputera equity requirements.

However the Bumiputera equity requirements only apply to companies with Malaysian-based operations seeking listing. Companies with MSC status, BioNexus status and companies with predominantly foreign-based operations are exempted from the Bumiputera equity requirement. Although the Bumiputera equity requirement does not apply to these companies, they are required to notify the SC.

#### **4.4 Post IPO Lock-up**

A moratorium will be imposed on the sale, transfer or assignment of shares held by promoters of an applicant for a period of 6 months from the date of admission to Bursa Malaysia. Upon the expiry of the 6 months period, the company must ensure that the promoters' aggregate shareholdings amounting to at least 45% of the nominal issued and paid-up ordinary share capital of the companies remain under moratorium for another period of 6 months. Thereafter, subsequent selling down is permitted subject to certain conditions..

## **5 Listing Procedure and Timetable**

The procedures for listing are similar to the Main Market.

Bursa Malaysia will process the application within 40 market days from the date of submission.

The listing process for ACE Market will normally take approximately seven months (from the time of the kick-off meeting to the day of listing), depending on the structure and complexity of the listing scheme. Upon approval, the company will be given 6 months to choose the right time to list.

### **5.1 Marketing the Offer**

The company's placement agents often take the lead role in the marketing process. The placement agents and directors of the company will run a high intensity marketing drive in the weeks leading up to the listing in order to convince as many investors as possible of the benefits of investing in that particular company's shares. It is important that all documentation used in the marketing process accurately reflects the information contained in the prospectus.

### **5.2 Required Documentation**

Initial Listing application form (to be made to Bursa Malaysia), together with a copy of the Prospectus and declarations/undertakings by the applicant and Sponsor.

### **5.3 Publication of the Prospectus**

A corporation approved for listing and quotation on Bursa Securities is required to publish a summary advertisement of its prospectus in one national newspaper in the Malay language and in an English newspaper which are widely circulated.

Copies of the prospectus are available for download or viewing from the Bursa Malaysia website. Hard copies of the prospectus will be available at the office of the applicant.

## **6 Documentary Requirements**

### **6.1 Contents of the Listing Document**

A prospectus is required to contain the following, amongst other things:-

- (a) indicative timetable of the opening and closing dates of the issue and/or offer;
- (b) corporate information on the directors which shall include names, designation, and address;

- (c) information summary which summarises the key information about the offer/issue and corporation/group;
- (d) details of the public offering which includes the number and type of securities as well as the rights attaching to the securities;
- (e) information about the corporation and group which includes information on the background of the company and details of subsidiary and associated corporations;
- (f) future plans, strategies and prospects of the corporation/group;
- (g) related-party transactions/conflict of interest; and
- (h) financial information which includes historical and future financial information.

## **6.2 Other Documents**

In addition to the prospectus, all reports that are referenced in the prospectus, any underwriting or placing agreement and audited accounts must be submitted along with the prospectus mentioned in section 5.2.

## **6.3 Articles/Constitutional Documents**

All companies must have articles of association which are compatible with the requirements of a publicly listed company as provided in the ACE Market Listing Requirements.

## **7 Financial Information**

### **7.1 Audited Financial Statements**

A prospectus must contain a report in respect of the audited financial statements of the corporation provided in the prospectus prepared by a firm of public accountants registered in Malaysia. In the case of a foreign-incorporated issuer, a professional accountant who is qualified under the Accountants Act 1967 and from an international accounting firm must confirm that the issuer's financial statements comply with the approved accounting standards as defined in the Financial Reporting Act 1997 which include International Accounting Standards.

### **7.2 Applicable Accounting Standards**

Please refer to section 7.1.

### **7.3 Period Covered by Accounts**

The company must present a table of the income statement of the corporation/group (proforma or actual for the past three to five financial years (or

such shorter period for which the corporation/group has been in operation) and latest financial period (where applicable)).

#### **7.4 Overseas Companies**

Please refer to section 7.1.

#### **7.5 Proforma Financial Information**

A proforma consolidated balance sheet for the most recent financial year and/or latest audited financial period should be disclosed.

#### **7.6 Interim Financial Information**

If the date of the prospectus issuance is later than six months after the end of the last financial year, interim audited financial statements must be provided.

### **8 Parties Involved**

#### **8.1 Sponsor**

Companies intending to list on the ACE Market must engage a Sponsor to assess the suitability of the company and prepare it for listing. Sponsors will need to remain with the company for at least 3 years post listing.

#### **8.2 Other Advisers**

Please refer Section 8.2 of the Main Market.

### **9 Listing Costs**

#### **9.1. Listing Fees**

A fixed processing fee of RM30,000 is charged for listings on the ACE Market.

The company will need to pay regulatory fees due to the SC and Bursa Malaysia. For SC, the fees payable would be RM10,000 for the submission of the prospectus and RM5,000 for the registration of the prospectus.

For Bursa Malaysia, there is an initial listing fee and an annual fee for shares. The initial listing fee would be 0.01% of the total market value of the issued capital of the listed issuer subject to a minimum fee of RM10,000 and a maximum fee of RM20,000. The annual fee depend on the nominal value of the issued capital of the listed corporation as at 31 December of each year. If it is less than RM50 million, then the annual fee would be RM10,000. If it is more than RM50 million then the annual fee would be RM20,000.

#### **9.2. Professional Fees**

Total professional fees normally range from RM1.2 million to RM2 million depending on the structure and complexity of the listing scheme. This excludes underwriting, placement and brokerage fees which range from 1% to 3% of the value of the shares. Due to the variable nature of each IPO it is difficult to break down the estimated costs any further.

### **9.3. Lawyers' and Accountants' Fees**

Lawyers' and accountants' fees are usually on a negotiated basis. Lawyers' fees normally start from RM 120,000.00 (up until the stage of submission to the SC and Bursa Malaysia), depending on the structure and complexity of the listing scheme.

## **10 Corporate Governance Requirements**

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- (a) a narrative statement of how the listed issuer has applied the principles set out in the Code; and
- (b) a statement on the extent of compliance with the best practices in the Code in which it must specifically identify and give reasons for any areas of non-compliance and the alternatives to the best practices adopted by the listed issuer, if any.

## **11 Continuing Obligations**

The ACE Market Listing Requirements set out the continuing obligations of a listed company. These include the need to:-

- (a) meet certain eligibility requirements on a continuing basis in order to remain listed;
- (b) observe the public shareholders spread requirement;
- (c) maintain a certain level of financial condition and operations;
- (d) disclose to the public all material information necessary for informed investing and ensuring that all who invest in its securities enjoy equal access to such information;
- (e) clarify, confirm or deny any rumours that contain material information that the company is aware of;
- (f) undertake a due enquiry to seek the cause for any unusual price movement, trading activity or both;

- (g) maintain and control insider information;
- (h) make immediate announcements to Bursa Malaysia for certain events;
- (i) create and maintain its own website;
- (j) make announcements to Bursa Malaysia of an interim financial report on a quarterly basis not later than 2 months after the end of each quarter of a financial year; and
- (k) prepare an annual audited financial statements on a consolidated basis.

Apart from the above continuing obligations, a foreign company must:

- (a) immediately announce to Bursa Malaysia any change in the interest or interests of a substantial shareholder in its voting shares upon notification by the substantial shareholder; and
- (b) announce to the Bursa Malaysia concurrently all information required to be publicly disclosed to its domestic regulatory authorities and other stock exchange if applicable.

## **12 Our Office**

Our firm can give legal advice to foreign clients seeking to list on Bursa Malaysia. For advice on IPOs please contact Mr. HY Chong ([chong.hy@azmandavidson.com.my](mailto:chong.hy@azmandavidson.com.my)).

**March 2013**

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