

Our Ref: IS/TAC(ro/fz)/LD19/20 [eCorporate Exercises]

24 April 2020

The Company Secretary
(Main Market Listed Issuers)

Via email

Dear Sir/Madam,

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS (“MAIN LR”) IN RELATION TO APPLICATION OF CORPORATE EXERCISES VIA ELECTRONIC MEANS

(A) INTRODUCTION

1. Pursuant to section 9 of the Capital Markets and Services Act 2007, Bursa Malaysia Securities Berhad (“the Exchange”) has made the amendments to the Main LR in relation to application of corporate exercises via electronic means (“eCorporate Exercises Amendments”).

(B) BACKGROUND

2. Rapid advancements in technologies have reshaped our market and the way businesses are conducted, leading to greater process efficiency and efficacy. Recognising this, the Exchange is leveraging on technology to facilitate securities holders to partake in corporate exercises in a more efficient and expeditious manner.
3. In this regard, the Exchange has amended the requirements relating to new issue of securities under the Main LR to provide securities holders with an option to subscribe for rights shares, exercise convertible securities and participate in a Dividend Reinvestment Scheme (“DRS”)¹, electronically.

¹ Dividend Reinvestment Scheme or DRS means a scheme which enables shareholders to reinvest cash dividend into new shares.

AMENDMENTS TO THE MAIN LR IN RELATION TO APPLICATION OF CORPORATE EXERCISES VIA ELECTRONIC MEANS

4. These amendments complement the Exchange's various digital initiatives to enhance customer experience and further develop an efficient and effective market ecosystem. They are also in line with the aim of the Brokerage Industry Digitisation Group² ("BRIDGe") to drive and accelerate innovation within the Malaysian financial industry for a more seamless end-to-end process within the industry.
5. In finalising the eCorporate Exercises Amendments, we have considered various feedback and comments from the industry, including that received in response to the public consultation paper issued on 26 September 2019.

(C) eCORPORATE EXERCISES AMENDMENTS

6. The eCorporate Exercises Amendments include the following:
 - (a) requiring a listed issuer to facilitate its securities holders to perform the following electronically, in addition to the manual method:
 - (i) subscription and payment for rights issue;
 - (ii) conversion and payment for convertible securities; and
 - (iii) election to participate in a DRS;
 - (b) clarifying that "electronically" means through an internet-based facility made available to securities holders, the use of automated teller machines or any other electronic mode as may be prescribed by the Exchange; and
 - (c) requiring the listed issuer to include the procedures for manual and electronic application in the notice of conversion/exercise of convertible securities and statement accompanying the election notice to participate in the DRS.
7. The eCorporate Exercises Amendments are expected to provide the following benefits:
 - (a) improve efficiency and faster time-to-market for corporate exercises undertaken by listed issuers through expeditious electronic or online processes;

² BRIDGe is established by Securities Commission Malaysia ("SC") and Bank Negara Malaysia ("BNM"), and is a joint working group between the regulators (encompassing SC, BNM and the Exchange) as well as the industry (such as the brokers, banking institutions and share registrars).

AMENDMENTS TO THE MAIN LR IN RELATION TO APPLICATION OF CORPORATE EXERCISES VIA ELECTRONIC MEANS

- (b) enhance customer experience for securities holders through easy and convenient access of documents electronically, as well as online applications and payments; and
- (c) promote better sustainable practices through minimising the use of physical or paper forms.

(D) FULL TEXT OF THE AMENDMENTS

8. The full text of the eCorporate Exercises Amendments is attached in **Appendix 1**. For ease of reference, the amendments are reflected in the following manner:
- portions underlined are text newly inserted / added onto the existing rules; and
 - portions struck through are text deleted.

(E) IMPLEMENTATION

9. The eCorporate Exercises Amendments are effective for any rights issue, DRS or issuance of convertible securities announced on or after 2 February 2021 (“Effective Date”). This is to ensure that there is adequate grace period for the service providers to develop, improvise or enhance their systems for the electronic services pursuant to the eCorporate Exercises Amendments and for the listed issuers to comply with the requirements.
10. A listed issuer may, on a voluntary basis, offer the electronic mode in connection with any rights issue, DRS or issuance of convertible securities announced before the Effective Date, provided that it complies with the requirements under the eCorporate Exercises Amendments.

(F) ADDITIONAL INFORMATION


11. In addition, we have also provided “Questions and Answers” as set out in **Appendix 2** to facilitate a listed issuer’s better understanding of, and compliance with the eCorporate Exercises Amendments.
12. This letter and the above-mentioned document are also available at Bursa Malaysia Berhad’s website at www.bursamalaysia.com.

AMENDMENTS TO THE MAIN LR IN RELATION TO APPLICATION OF CORPORATE EXERCISES VIA ELECTRONIC MEANS

13. If you have any queries on the eCorporate Exercises Amendments above, please contact Listing Advisory & Development, Listing Division at 03-2034 7766.

Thank you

Yours faithfully,



REGULATION

Encls. (2)

APPENDIX 1

AMENDMENTS IN RELATION TO APPLICATION OF CORPORATE EXERCISES VIA
ELECTRONIC MEANSMain Market Listing Requirements

CHAPTER 6 NEW ISSUES OF SECURITIES

PART C - GENERAL REQUIREMENTS FOR NEW ISSUE OF SECURITIES

6.08A Electronic mode of submission and payment

- (1) In addition to the manual method, a listed issuer must facilitate its securities holders to perform the following, electronically:
- (a) subscription and payment for rights issue;
 - (b) conversion and payment for convertible securities; and
 - (c) election to participate in a Dividend Reinvestment Scheme.
- (2) For the purpose of sub-paragraph (1) above, “electronically” means through an internet-based facility made available to securities holders, the use of automated teller machines or any other electronic mode as may be prescribed by the Exchange.

PART E - ADDITIONAL REQUIREMENTS RELATING TO A RIGHTS ISSUE

6.27 Availability of rights subscription forms

- (1) Notwithstanding paragraph 6.08A, aA listed issuer must ensure that make available sufficient copies of the rights subscription form to enable the acceptance of the rights are -
- (a) made available at its registered office and share registrar’s office to enable the acceptance of the rights.; and
 - (b) provided to each Participating Organisation.
- (2) A listed issuer must provide to each Participating Organisation a reasonable number of copies of the rights subscription form upon issue of the notices of provisional allotment and the rights subscription forms to the entitled persons.[Deleted]

PART G(A) - ADDITIONAL REQUIREMENTS RELATING TO DIVIDEND REINVESTMENT SCHEME**6.45C Eligibility and election of entitlement**

- (1) - (3) [No change].
- (4) The listed issuer must include in the statement accompanying the election notice, the following information:
- (a) a statement of the total number of shares that would be issued if all eligible shareholders were to elect to reinvest their cash dividends into new shares for their entire entitlement, and the percentage which that number represents of the total number of issued shares (excluding treasury shares) as at the books closing date; and
 - (b) that any fractional entitlements arising from the allotment of new shares pursuant to the scheme will be settled in cash;~~;-~~ and
 - (c) the procedures for completing the election notice.

PART I - ADDITIONAL REQUIREMENTS RELATING TO AN ISSUE OF CONVERTIBLE SECURITIES**6.57 Notices of conversion or exercise**

A listed issuer must include the following in a notice of conversion or exercise in respect of convertible securities:

- (a) the full title of the security;
- (b) the maturity date;
- (c) the conversion or exercise price;
- (d) the conversion or exercise period;
- (e) the procedures for conversion or exercise of security;
- (f) the mode of payment of the exercise price; and
- (fg) the treatment of the security at maturity.

6.58 Allotment of securities, despatch of notices of allotment and quotation application in respect of conversion or exercise

Within 8 market days after the date of receipt of a ~~subscription~~ conversion or exercise form together with the requisite payment or such other period as may be prescribed or allowed by the Exchange, a listed issuer must -

- (a) issue and/or allot the securities arising from the conversion or exercise of the convertible security;
- (b) despatch a notice of allotment to the holder of the convertible security; and
- (c) apply for the quotation of such securities.

[End of Appendix 1]

APPENDIX 2**QUESTIONS AND ANSWERS****AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS
RELATING TO APPLICATION OF CORPORATE EXERCISES VIA ELECTRONIC MEANS****(As at 24 April 2020)****CHAPTER 6 - NEW ISSUES OF SECURITIES*****Electronic mode for submission and payment of specified corporate exercises*****6.42 Can a listed issuer offer the electronic mode as the only way of performing the corporate exercises as specified under paragraph 6.08A of the Main LR?**

No, a listed issuer must still provide the manual method in addition to the electronic mode. This is to ensure that securities holders may continue to use the manual method to perform the relevant steps or procedures specified, if they choose to do so.

6.43 Where can a securities holder find out about the procedures for the subscription and payment of a rights issue?

The securities holder can obtain such information from the abridged prospectus of a rights issue.

6.44 The facts of the matter are as follows:

- PLC A announces its issuance of convertible securities on 30 June 2020.
- PLC A issues the convertible securities on 1 July 2021.
- Shareholder B intends to exercise/convert its convertible securities on 31 November 2021.

The requirements under paragraph 6.08A of the Main LR comes into effect for any rights issue, Dividend Reinvestment Scheme or issue of convertible securities announced on or after 2 February 2021. Based on the facts above, must PLC A facilitate the exercise/conversion of convertible securities by its securities holders electronically as required under paragraph 6.08A of the Main LR?

No. PLC A is only required to offer the electronic mode for issuance of convertible securities announced on or after 2 February 2021. However, PLC A may opt to offer the electronic mode to the securities holders provided that -

- it complies with all the requirements relating to the provision of electronic mode including the disclosure of the process involved in the notice of conversion or exercise of convertible securities; and
- the trust deed or deed poll in respect of the convertible securities facilitates such electronic mode.

[End of Appendix 2]

Our Ref: IS/TAC(ro/fz)/LD20/20 [eCorporate Exercises]

24 April 2020

The Company Secretary
(ACE Market Listed Corporations)

Via email

Dear Sir/Madam,

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS (“ACE LR”) IN RELATION TO APPLICATION OF CORPORATE EXERCISES VIA ELECTRONIC MEANS

(A) INTRODUCTION

1. Pursuant to section 9 of the Capital Markets and Services Act 2007, Bursa Malaysia Securities Berhad (“**the Exchange**”) has made the amendments to the ACE LR in relation to application of corporate exercises via electronic means (“**eCorporate Exercises Amendments**”).

(B) BACKGROUND

2. Rapid advancements in technologies have reshaped our market and the way businesses are conducted, leading to greater process efficiency and efficacy. Recognising this, the Exchange is leveraging on technology to facilitate securities holders to partake in corporate exercises in a more efficient and expeditious manner.
3. In this regard, the Exchange has amended the requirements relating to new issue of securities under the ACE LR to provide securities holders with an option to subscribe for rights shares, exercise convertible securities and participate in a Dividend Reinvestment Scheme (“**DRS**”)¹, electronically.

¹ Dividend Reinvestment Scheme or DRS means a scheme which enables shareholders to reinvest cash dividend into new shares.

AMENDMENTS TO THE ACE LR IN RELATION TO APPLICATION OF CORPORATE EXERCISES VIA ELECTRONIC MEANS

4. These amendments complement the Exchange's various digital initiatives to enhance customer experience and further develop an efficient and effective market ecosystem. They are also in line with the aim of the Brokerage Industry Digitisation Group² ("BRIDGe") to drive and accelerate innovation within the Malaysian financial industry for a more seamless end-to-end process within the industry.
5. In finalising the eCorporate Exercises Amendments, we have considered various feedback and comments from the industry, including that received in response to the public consultation paper issued on 26 September 2019.

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6. The eCorporate Exercises Amendments include the following:
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 - (ii) conversion and payment for convertible securities; and
 - (iii) election to participate in a DRS;
 - (b) clarifying that "electronically" means through an internet-based facility made available to securities holders, the use of automated teller machines or any other electronic mode as may be prescribed by the Exchange; and
 - (c) requiring the listed corporation to include the procedures for manual and electronic application in the notice of conversion/exercise of convertible securities and statement accompanying the election notice to participate in the DRS.
7. The eCorporate Exercises Amendments are expected to provide the following benefits:
 - (a) improve efficiency and faster time-to-market for corporate exercises undertaken by listed corporations through expeditious electronic or online processes;

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AMENDMENTS TO THE ACE LR IN RELATION TO APPLICATION OF CORPORATE EXERCISES VIA ELECTRONIC MEANS

- (b) enhance customer experience for securities holders through easy and convenient access of documents electronically, as well as online applications and payments; and
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(D) FULL TEXT OF THE AMENDMENTS

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10. A listed corporation may, on a voluntary basis, offer the electronic mode in connection with any rights issue, DRS or issuance of convertible securities announced before the Effective Date, provided that it complies with the requirements under the eCorporate Exercises Amendments.

(F) ADDITIONAL INFORMATION

11. In addition, we have also provided “Questions and Answers” as set out in **Appendix 2** to facilitate a listed corporation’s better understanding of, and compliance with the eCorporate Exercises Amendments.

AMENDMENTS TO THE ACE LR IN RELATION TO APPLICATION OF CORPORATE EXERCISES VIA ELECTRONIC MEANS

12. This letter and the above-mentioned document are also available at Bursa Malaysia Berhad's website at www.bursamalaysia.com.
13. If you have any queries on the eCorporate Exercises Amendments above, please contact Listing Advisory & Development, Listing Division at 03-2034 7766.

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CHAPTER 6 NEW ISSUES OF SECURITIES

PART C - GENERAL REQUIREMENTS FOR NEW ISSUE OF SECURITIES

6.09A Electronic mode of submission and payment

- (1) In addition to the manual method, a listed corporation must facilitate its securities holders to perform the following, electronically:
- (a) subscription and payment for rights issue;
 - (b) conversion and payment for convertible securities; and
 - (c) election to participate in a Dividend Reinvestment Scheme.
- (2) For the purpose of sub-Rule (1) above, “electronically” means through an internet-based facility made available to securities holders, the use of automated teller machines or any other electronic mode as may be prescribed by the Exchange.

PART E - ADDITIONAL REQUIREMENTS RELATING TO A RIGHTS ISSUE

6.28 Availability of rights subscription forms

- (1) Notwithstanding Rule 6.09A, a listed corporation must ensure that ~~make available~~ sufficient copies of the rights subscription form to enable the acceptance of the rights are -
- (a) made available at its registered office and share registrar’s office ~~to enable the acceptance of the rights;~~ and
 - (b) provided to each Participating Organisation.
- (2) ~~A listed corporation must provide to each Participating Organisation a reasonable number of copies of the rights subscription form upon issue of the notices of provisional allotment and the rights subscription forms to the entitled persons. [Deleted]~~

PART G(A) - ADDITIONAL REQUIREMENTS RELATING TO DIVIDEND REINVESTMENT SCHEME**6.46C Eligibility and election of entitlement**

- (1) - (3) [No change].
- (4) The listed corporation must include in the statement accompanying the election notice, the following information:
- (a) a statement of the total number of shares that would be issued if all eligible shareholders were to elect to reinvest their cash dividends into new shares for their entire entitlement, and the percentage which that number represents of the total number of issued shares (excluding treasury shares) as at the books closing date; and
 - (b) that any fractional entitlements arising from the allotment of new shares pursuant to the scheme will be settled in cash; ~~and~~
 - (c) the procedures for completing the election notice.

PART I - ADDITIONAL REQUIREMENTS RELATING TO AN ISSUE OF CONVERTIBLE SECURITIES**6.58 Notices of conversion or exercise**

A listed corporation must include the following in a notice of conversion or exercise in respect of convertible securities:

- (a) the full title of the security;
- (b) the maturity date;
- (c) the conversion or exercise price;
- (d) the conversion or exercise period;
- (e) the procedures for conversion or exercise of security;
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- (fg) the treatment of the security at maturity.

6.59 Allotment of securities, despatch of notices of allotment and quotation application in respect of conversion or exercise

Within 8 market days after the date of receipt of a ~~subscription~~ conversion or exercise form together with the requisite payment or such other period as may be prescribed or allowed by the Exchange, a listed corporation must -

- (a) issue and/or allot the securities arising from the conversion or exercise of the convertible security; and
- (b) despatch a notice of allotment to the holder of the convertible security; and
- (c) apply for the quotation of such securities.

[End of Appendix 1]

APPENDIX 2**QUESTIONS AND ANSWERS****AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS
RELATING TO APPLICATION OF CORPORATE EXERCISES VIA ELECTRONIC MEANS****(As at 24 April 2020)****CHAPTER 6 - NEW ISSUES OF SECURITIES*****Electronic mode for submission and payment of specified corporate exercises*****6.41 Can a listed issuer offer the electronic mode as the only way of performing the corporate exercises as specified under Rule 6.09A of the ACE LR?**

No, a listed corporation must still provide the manual method in addition to the electronic mode. This is to ensure that securities holders may continue to use the manual method to perform the relevant steps or procedures specified, if they choose to do so.

6.42 Where can a securities holder find out about the procedures for the subscription and payment of a rights issue?

The securities holder can obtain such information from the abridged prospectus of a rights issue.

6.43 The facts of the matter are as follows:

- PLC A announces its issuance of convertible securities on 30 June 2020.
- PLC A issues the convertible securities on 1 July 2021.
- Shareholder B intends to exercise/convert its convertible securities on 31 November 2021.

The requirements under Rule 6.09A of the ACE LR comes into effect for any rights issue, Dividend Reinvestment Scheme or issue of convertible securities announced on or after 2 February 2021. Based on the facts above, must PLC A facilitate the exercise/conversion of convertible securities by its securities holders electronically as required under Rule 6.09A of the ACE LR?

No. PLC A is only required to offer the electronic mode for issuance of convertible securities announced on or after 2 February 2021. However, PLC A may opt to offer the electronic mode to the securities holders provided that -

- it complies with all the requirements relating to the provision of electronic mode including the disclosure of the process involved in the notice of conversion or exercise of convertible securities; and
- the trust deed or deed poll in respect of the convertible securities facilitates such electronic mode.

[End of Appendix 2]