

2. DIRECTIONS

The following directions shall apply in the reading of the Approved Reasons for Transfer (“**ART**”).

2.1 PRINCIPLES

- 2.1.1 The ART is a direction issued by Bursa Depository Sdn. Bhd (“**Bursa Depository**”) as defined under section 9 of the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”).
- 2.1.2 The examples cited in the ART are not intended to restrict or limit the interpretation or the application of the ART.
- 2.1.3. The enumeration of the supporting documents requested to be submitted in the ART does not in any way restrict Bursa Depository powers in requesting for further documents in circumstances it deems fit.
- 2.1.4. Where the clarification given for a particular ‘Reason Code’ in the ART relates to a specific Act of Parliament (law made by the Parliament of Malaysia), the words and expressions used therein shall bear the meaning as defined in that Act (unless otherwise specified).
- 2.1.5 All questions relating to the interpretation and construction of the ART shall be referred to and decided by Bursa Depository.

2.2 DEFINITIONS OF WORDS AND EXPRESSIONS

2.2.1 In this ART unless the context otherwise requires-

“exempt authorised nominee” means an authorised nominee that is exempted by an order of the Minister under section 62A of the SICDA from the provisions of subsection 25A (1) of the SICDA.

“contract note” means a contract for the sale or purchase transactions of securities entered into on a stock market of a stock exchange.

2.2.2 The following words and expressions shall have the meaning assigned to them respectively under section 2(1) of the SICDA:

“authorised nominee”	“securities account”
“beneficial owner”	“securities”
“depositor”	“stock exchange”
“issuer”	“stock market”
“participating organisation”	

2.3 ABBREVIATIONS

ADA	Authorised Depository Agent	Exempt AN	Exempt Authorised Nominee
ADM	Authorised Direct Member	Bursa Depository	Bursa Malaysia Depository Sdn. Bhd.
AN	Authorised Nominee	SC	Securities Commission
BO	Beneficial Owner	CMSA	Capital Market and Services Act 2007
CA	Companies Act 1965		

APPROVED REASONS FOR TRANSFERS (“ART”)

Reason Code	Reason	Remarks				
		<p><u>Scenario 4</u></p> <p>Borrower to return additional securities credited into the borrower’s CDS account to the lender arising from corporate actions. These additional securities arising from corporate actions will be the securities that differs from the borrowed securities i.e. the securities borrowed were of company XYZ Bhd whereas the securities arising from the corporate actions were of company ABC Berhad or XYZ Bhd warrants. These securities can be from allotment from the issuer, purchase from the market or existing proprietary position held by the borrower.</p> <p>Supporting documents:</p> <ul style="list-style-type: none"> a. Instruction from the borrower/ borrower’s client requesting the borrowing representative to perform the relevant transfer arising from the corporate action, b. Evidence of loan between the borrower and the lender, and c. Evidence of the corporate actions. <table border="0" style="width: 100%; margin-top: 20px;"> <tr> <td style="width: 50%;"><u>Transferor</u></td> <td style="width: 50%;"><u>Transferee</u></td> </tr> <tr> <td>Borrower</td> <td>Lender</td> </tr> </table>	<u>Transferor</u>	<u>Transferee</u>	Borrower	Lender
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APPROVED REASONS FOR TRANSFERS (“ART”)

Category B: Change in Beneficial Ownership

Reason Code	Reason	Remarks												
B1	Take-Over Offer	<p>CLARIFICATION</p> <p>1. This reason allows for the transfers of shares for the purposes of effecting take-over offers and matters relating to the same pursuant to the provisions in Part VI, Division 1 of the CMSA.</p> <p>SUPPORTING DOCUMENTS</p> <p>2. The Form/Letter of Acceptance and any other documents which forms part of the document (“Offer Document”) issued by the person making the takeover offer (“Offeror”), evidencing acceptance by a relevant shareholder of a take-over offer.</p> <p>EXAMPLES</p> <p>3. Transfers of securities pursuant to acceptance of a take-over offer.</p> <p style="padding-left: 40px;"><u>Scenario 1</u></p> <p>3.1. Tan Ah Kow a shareholder in Corporate Bhd., accepts a take-over offer issued by Kamsol Sdn. Bhd i.e. the Offeror to acquire shares in Corporate Bhd.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; padding-left: 80px;"><u>Transferor</u> Tan Ah Kow</td> <td style="width: 50%; padding-left: 80px;"><u>Transferee</u> Kamsol Sdn. Bhd.</td> </tr> <tr> <td colspan="2" style="text-align: center; padding: 10px 0;">Or</td> </tr> <tr> <td colspan="2" style="text-align: center; padding: 10px 0;">The securities account as stated in the Form/Letter of Acceptance and Transfer.</td> </tr> </table> <p style="padding-left: 40px;"><u>Scenario 2</u></p> <p>3.2. Transfer of shares from the securities account of an Offeror i.e. Kamsol Sdn. Bhd. into the securities account of Tan Ah Kow a shareholder in Corporate Bhd., in circumstances where the take-over offer issued by the Offeror to acquire shares in Corporate Bhd. lapsed or over the level of acceptance targeted by the Offeror/where the Offeror rejects the above shareholder’s acceptance of the take-over offer.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; padding-left: 80px;"><u>Transferor</u> Kamsol Sdn. Bhd.</td> <td style="width: 50%; padding-left: 80px;"><u>Transferee</u> Tan Ah Kow</td> </tr> <tr> <td colspan="2" style="text-align: center; padding: 10px 0;">Or</td> </tr> <tr> <td colspan="2" style="text-align: center; padding: 10px 0;">The securities account as stated in the Form/Letter of Acceptance and Transfer.</td> </tr> </table>	<u>Transferor</u> Tan Ah Kow	<u>Transferee</u> Kamsol Sdn. Bhd.	Or		The securities account as stated in the Form/Letter of Acceptance and Transfer.		<u>Transferor</u> Kamsol Sdn. Bhd.	<u>Transferee</u> Tan Ah Kow	Or		The securities account as stated in the Form/Letter of Acceptance and Transfer.	
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APPROVED REASONS FOR TRANSFERS (“ART”)

ART B5 – REASONS WITH PRIOR APPROVAL OF BURSA DEPOSITORY

	DESCRIPTION	REMARKS
1.	Corporate Activities	
1.1.	Corporate exercise approved by the relevant regulatory authorities in Malaysia	<p>CLARIFICATION</p> <p>1.1.1. This reason allows for transfers of securities between securities accounts of depositors arising from the following circumstances:</p> <ul style="list-style-type: none"> i) Pursuant to the provisions in Part VI of the CMSA For example, where the Securities Commission (“SC”) has approved for the proposals submitted pursuant to Section 212 of the CMSA ; or ii) Acquisition of securities by way of a share swap; or iii) Allocation of securities which has been approved by the Ministry of International Trade and Industry (“MITI”)/Ministry of Finance (“MOF”)/Economic Planning Unit (“EPU”) of the Prime Minister’s Department; or iv) Merger of companies as defined in the Company Act, 1965 (“CA”) or local funds. <p>SUPPORTING DOCUMENTS</p> <p>1.1.2. With respect to item 1.1.1.(i), the supporting documents required are as follows:</p> <ul style="list-style-type: none"> i) Letter of approval from SC; ii) Submission of the relevant paper/document by the relevant person to SC explaining inter-alia the proposal and the mode for the execution of the proposal; and iii) Circular to the shareholders/announcement by the public listed company on the proposal. <p>1.1.3. With respect to item 1.1.1.(ii), the supporting documents required are as follows:</p> <ul style="list-style-type: none"> i) Letter of approval from the relevant regulatory authorities in Malaysia; ii) Submission of the relevant paper/document to the relevant regulatory authorities in Malaysia seeking approval of the share swap; and iii) Board Resolutions of the relevant companies (involved in the share swap) approving for the share swap.

APPROVED REASONS FOR TRANSFERS (“ART”)

ART B5 – REASONS WITH PRIOR APPROVAL OF BURSA DEPOSITORY

	DESCRIPTION	REMARKS
2.5	Striking defunct companies off the Register	<p>CLARIFICATION</p> <p>2.5.1. This reason allows for transfers of securities from the securities account of a defunct company (as defined under CA) whose name has been struck off the register pursuant to section 308 of the CA.</p> <p>SUPPORTING DOCUMENTS</p> <p>2.5.2. The following supporting documents are required:</p> <ul style="list-style-type: none"> i) Form 11 Board Resolution of the defunct company authorising for the striking of the name of the company off the register (if relevant); ii) Application to the Registrar Of Company to strike the company off the register; and iii) Acknowledgement by the Registrar Of Company of the above application.
3.	Pursuant to provisions of any written law or an order of court of competent jurisdiction	
3.1.	Provisions of any written law	<p>CLARIFICATION</p> <p>3.1.1. This reason allows for transfers of securities between securities account of depositors to give effect and/or arising from and/or pursuant to the provisions of any written law in Malaysia.</p> <p>SUPPORTING DOCUMENTS</p> <p>3.1.2. The following supporting documents are required:</p> <ul style="list-style-type: none"> i) The letter of request from the applicant who is requesting for the transfer of securities based on the provisions of the written law.