

“APPENDIX 1”

SUMMARY OF THE AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS (“MAIN LR”) RELATING TO DISCLOSURE AND CORPORATE GOVERNANCE AMENDMENTS, FUTURE FINANCIAL INFORMATION AMENDMENTS, AND SCMA AND CMSA AMENDMENTS

ENHANCEMENTS TO DISCLOSURE IN ANNUAL REPORTS

- (1) Requiring disclosure of the **management discussion and analysis** of the listed issuer group’s business, operations and performance (including financial performance) and such disclosure must include the minimum content as prescribed in the Main LR *[paragraph (7) in Part A of Appendix 9C and paragraph 2.2 of Practice Note 9]*.
- (2) Requiring disclosure on the **amount of audit fees** and the **amount of non-audit fees** incurred by the listed issuer and on a group basis respectively, as well as the **details on the nature of the services rendered** if the non-audit fees incurred were **significant** *[paragraph (18) in Part A of Appendix 9C]*.
- (3) Requiring disclosure of the **profile particulars of key senior management** as prescribed in the Main LR *[paragraph (4A) in Part A of Appendix 9C]*.
- (4) Refining the existing disclosure requirements relating to the **profile particulars of a director and chief executive** by requiring disclosure of additional information such as gender, and making consequential changes arising from such enhancements *[paragraph (1) of Appendix 8A; Parts A, B and B(A) of Appendix 9A; paragraphs (3) and (4) in Part A of Appendix 9C]*.
- (5) Requiring disclosure of information regarding material contracts, material loans and shareholding in the listed issuer or related corporation, of a **chief executive** (who is not a director) *[paragraphs (21), (22) and (23) in Part A of Appendix 9C]*.
- (6) Clarifying that the **directors’ remuneration** disclosed in the annual reports should include remuneration for services rendered by the listed issuer’s directors to the listed issuer as a group, and requiring such disclosure to include the amount received from the listed issuer and the amount received on a group basis respectively *[paragraph (11) in Part A of Appendix 9C]*.
- (7) Improving the quality of the **audit committee report** in annual reports by requiring disclosure on how the audit committee has met its responsibilities in discharging its functions and duties for the financial year *[paragraph 15.15(3)(d)]*.
- (8) Removing **information which is already prescribed elsewhere or disclosed previously by the listed issuer** from the annual reports and making consequential amendments arising from such deletions *[paragraph 8.17(3); paragraph 9.19(34); new paragraph 9.19(36A); paragraph 5 in Part A of Appendix 9B; paragraphs (14), (15), (16), (17), (19), (20) and (26) in Part A of Appendix 9C; paragraph 12.23 and Appendix 12D]*.

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ENHANCEMENTS ARISING FROM THE INTERNATIONAL STANDARDS ON AUDITING RELATING TO KEY AUDIT MATTERS AND GOING CONCERN

- (9) Requiring **immediate announcement of any modified opinion or material uncertainty related to going concern** in an auditor's report including the **key audit matters, steps taken to address them and the timeline for the steps** *[paragraph 9.19(37)]*.
- (10) Requiring **disclosure in quarterly reports of any modified opinion or material uncertainty related to going concern** in an auditor's report in the annual audited financial statements for the preceding financial year, together with the **status of the key audit matters and steps** taken to address them *[paragraph 15 in Part A of Appendix 9B]*.
- (11) Strengthening the **role of the audit committee** when reviewing financial statements by requiring the audit committee to also focus on, among others, significant matters highlighted in the financial statements and significant judgments made by management *[paragraph 15.12(1)(g)]*.
- (12) Clarifying the **prescribed criteria concerning the going concern** status of a financially distressed listed issuer *[paragraph 2.1(e) of Practice Note 17]*.

ENHANCEMENTS TO IMPROVE SHAREHOLDER ENGAGEMENT AND STRENGTHEN CORPORATE GOVERNANCE PRACTICES OF LISTED ISSUERS

- (13) Requiring any **resolution set out in the notice of any general meeting or notice of resolution** to be voted by poll, the **appointment of at least 1 scrutineer**, and the immediate announcement of the scrutineer's **name**, and making consequential changes *[paragraphs (3) and (4) of Appendix 4A; paragraphs (3) and (4) of Appendix 4B; paragraphs (2) and (3) of Appendix 4B-A; new paragraph 8.29A; paragraphs 9.19(7) and 10.08(7A)]*.
- (14) Requiring publication of a **summary of key matters discussed at annual general meetings** onto a listed issuer's website *[paragraph 9.21(2)]*.

FUTURE FINANCIAL INFORMATION AMENDMENTS

- (15) Requiring a listed issuer and its principal adviser (if appointed) to **comply with the relevant provisions in the SC's Prospectus Guidelines when preparing and disclosing financial estimate, forecast or projection** *[new paragraph 2.19A(1); paragraph 9.16(1)(c)(v) and paragraph 9.32(1)(c)(iv)]*.
- (16) Requiring a listed issuer to ensure the **underlying accounting policies and assumptions** relied on in the preparation of the financial estimate, forecast or projection **are reviewed and reported by external auditors or reporting accountants in accordance with the relevant provisions in the SC's Prospectus Guidelines** *[new paragraph 2.19A(2); paragraph 9.16(1)(c)(v) and paragraph 9.32(1)(c)(iv)]*.

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- (17) Specifying the circumstance in which the **review by the external auditors or reporting accountants is not required** namely when the financial estimate, forecast or projection is required to be **released on an immediate basis in response to a media report** *[paragraph 9.16(1)(c)(v)]*.
- (18) Adopting the definition of “**reporting accountants**” and “**Audit Oversight Board**” under the SC’s Prospectus Guidelines *[paragraph 1.01]*.
- (19) Streamlining all references made to “estimate, forecast or projection” by amending it to “**financial estimate, forecast or projection**” *[paragraph (34)(d) in Part A of Appendix 6B; paragraphs 9.16(1)(c)(v) and 9.16(1)(f); paragraphs 9.19(34) and (36); paragraph 9.32(1)(c)(iv); paragraphs (3)(b), (4) and (5) in Part A of Appendix 9B; paragraph (3) in Part C of Appendix 9B; paragraph (9) of Annexure PN17-A and paragraph 2.1(j) of Practice Note 20]*.

SCMA AND CMSA AMENDMENTS AND OTHER MISCELLANEOUS AMENDMENTS

No.	Paragraph	Amendments
SCMA AND CMSA AMENDMENTS		
(a)	Paragraph 1.01	<p>(i) Streamlining the reference to “Securities Commission Malaysia Act 1993” in the definitions of “auditor” and “SC” with the Securities Commission (Amendment) Act 2015 (“SCMA”).</p> <p>(ii) Introducing a new definition for “Bank Negara Malaysia”, by adopting the same definition in the SCMA.</p> <p>(iii) Introducing a new definition for “securities laws”, by adopting the definition in the SCMA, and with modifications for a foreign issuer.</p>
(b)	Paragraph 1.01 (definition of “ SC ”); paragraph (1) in Part H of Appendix 10B; Annexure PN23-D and Annexure PN23-H of Practice Note 23	Streamlining the reference to “ Securities Commission Malaysia ” in these provisions with the SCMA.
(c)	Paragraph 9.55(1)	Amending the time frame for issuance of annual reports of a business trust to 4 months after the end of the financial year to align with section 256ZO(1)(a) of the Capital Markets and Services (Amendment) Act 2015.

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No.	Paragraph	Amendments
(d)	Paragraphs 15.05(1)(c) and 15.05(2)	<p>(i) Replacing the term “Companies Act 1965” in sub-paragraph 15.05(1)(c) with “corporations laws of the listed issuer’s place of incorporation” to refer to the Companies Act 1965 <u>and</u> the corporations laws applicable to a foreign issuer. This is in view of the deletion of sub-paragraph 15.05(2).</p> <p>(ii) Deleting sub-paragraph 15.05(2) in view of the new definition of “securities laws” in paragraph 1.01 and amendments to sub-paragraph 15.05(1)(c).</p>
(e)	Paragraph 16.02(1)(f)	Replacing the terms “ CMSA, the Securities Industry (Central Depositories) Act 1991, the Securities Commission Act 1993 ” with the term “ securities laws ” in view of the new definition in paragraph 1.01.
OTHER MISCELLANEOUS AMENDMENTS		
(f)	Paragraph 9.53(1)(h)	Removing the requirement for a trustee-manager to immediately announce any deviation of 10% or more between the profit after tax and minority interest stated in a profit estimate, forecast or projection previously announced or disclosed in a public document and the <u>audited financial statements</u> , together with an explanation of the deviation and the reconciliation of the deviation.
(g)	Paragraph 9(b) in Part A of Appendix 9B	Clarifying that the utilisation of proceeds raised from any corporate proposal in the quarterly reports includes proceeds raised from an initial public offering and that explanations will only be required for deviations of 5% or more.
(h)	Paragraph (23)(a) in Part A of Appendix 9C	Removing the phrase “ (excluding bare trustees) ” from the requirement to disclose the names of the substantial shareholders and their direct and deemed interests in sub-paragraph (a) given that such exclusion is already expressly provided for in the definition of “interests in shares” under section 6A of the Companies Act 1965 which this disclosure is based on.

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No.	Paragraph	Amendments
(i)	Paragraph (10) in Part A of Appendix 9C; paragraph 15.23; paragraph 15.26(b) and Practice Note 9	Clarifying that the statement on internal control of the listed issuer as a group must include “ risk management ”.
(j)	Paragraphs 15.08A(2), 15.11 and 15.15(3)(b)	<p>(i) Removing from the audit committee report, the requirement for disclosure of a summary of the terms of reference (“TOR”) of the audit committee, or the key functions, roles and responsibilities of the audit committee. Instead, a listed issuer will be required to make available the TOR of the audit committee on the listed issuer’s website.</p> <p>(ii) Similar amendments are also made to require the listed issuer to make available the TOR of the nominating committee on the listed issuer’s website.</p>
(k)	Paragraph 15.19	Clarifying that a vacancy resulting in non-compliance with requirements on composition of audit committee and the election of an independent chairman of the audit committee, must be filled within 3 months.
(l)	Paragraph 15.20	Clarifying that the review of the terms of office and performance of an audit committee and its members will be carried out by the nominating committee , and amending the timing of such review from once every 3 years to annually .

[End]