
CHAPTER 8 SUSPENSION, DE-LISTING AND ENFORCEMENT**PART A – GENERAL****8.01 Introduction**

- (1) This Chapter sets out the following:
 - (a) the requirements that must be complied with by a listed corporation in respect of voluntary suspension and withdrawal by the listed corporation from the LEAP Market; and
 - (b) the powers of the Exchange with regard to -
 - (i) trading halt, suspension and de-listing of a listed corporation by the Exchange; and
 - (ii) enforcement of these Requirements.
- (2) For the purpose of this Chapter, where the context permits, enforcement proceedings include an appeal by a person against a decision resulting from an enforcement action taken under this Chapter.

PART B – TRADING HALT AND SUSPENSION**8.02 Suspension of trading imposed by the Exchange**

- (1) The Exchange may at any time suspend the trading of listed securities in any of the following circumstances:
 - (a) to facilitate the implementation of any substantial corporate exercise;
 - (b) where, in the opinion of the Exchange, it is necessary or expedient in the interest of maintaining an orderly and fair market in securities traded on the Exchange or for purposes of investor protection;
 - (c) in any circumstances as provided in these Requirements;
 - (d) upon the commencement of a voluntary winding-up of a listed corporation in accordance with the Companies Act; or
 - (e) where the Exchange deems it appropriate for some other reason.
- (2) The Exchange shall suspend trading of the securities of the listed corporation in relation to a take-over offer under the Take-Overs and Mergers Code, on the 6th market day after the end of the offer period if the listed corporation has made an announcement that the offeror does not intend to maintain the listed corporation's listing status pursuant to Rule 6.11(19).

8.03 Voluntary suspension

The Exchange may at any time, at its discretion, suspend trading of the listed securities at the request of the listed corporation in accordance with Appendix 8A.

8.04 Trading Halt

The Exchange may at any time, halt the trading of any listed securities upon the listed corporation releasing a material announcement.

PART C – WITHDRAWAL OF LISTING AND DE-LISTING BY THE EXCHANGE

8.05 Withdrawal of listing

The Exchange may grant a listed corporation's request for withdrawal from the LEAP Market.

8.06 Request for withdrawal

- (1) Subject to Rule 8.07, a listed corporation may not request to withdraw its listing from the LEAP Market, unless -
 - (a) the listed corporation convenes a general meeting to obtain its shareholder approval and a separate meeting for the approval of the holders of any other class of listed securities, if applicable, and the circular sent to the shareholders and the holders of any other class of listed securities includes the information set out in Appendix 8B;
 - (b) the passing of the resolution for the withdrawal of listing is subject to the following conditions:
 - (i) the resolution is approved by a majority of shareholders and holders of any other class of listed securities, if applicable, in number, representing 75% of the total number of issued securities held by the shareholders and other securities holders respectively, present and voting either in person or by proxy at each meeting; and
 - (ii) the number of votes cast against the resolution, if any, by each class of listed securities respectively, if applicable, is not more than 10% of the total number of issued securities held by the shareholders and other securities holders respectively, present and voting either in person or by proxy at each meeting;
 - (c) the shareholders and holders of any other class of listed securities, if applicable, are offered a reasonable cash alternative or other reasonable alternative ("**exit offer**"); and
 - (d) the listed corporation appoints an independent Adviser to advise and make recommendations for the consideration of the shareholders and holders of any other class of listed securities, if applicable, in connection with the withdrawal of its listing as well as the fairness and reasonableness of the exit offer.
- (2) The independent Adviser appointed pursuant to sub-Rule (1)(d) above must -
 - (a) comment as to whether the withdrawal of listing, as well as the exit offer are fair and reasonable in so far as the shareholders and holders of any other class of listed securities are concerned. Such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
 - (b) advise the shareholders and holders of any other class of listed securities on whether they should vote in favour of the withdrawal of listing and exit offer; and
 - (c) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in sub-Rules (a) and (b) above.

8.07 Withdrawal in a take-over offer or a corporate proposal

Notwithstanding Rule 8.06, a listed corporation may withdraw its listing from the LEAP Market in the following circumstances:

- (a) in relation to a take-over offer pursuant to the Take-Overs and Mergers Code, upon 90% or more of its listed shares being held by a shareholder either individually or jointly with associates of the said shareholder; or
- (b) in relation to a corporate proposal undertaken by or in relation to the listed corporation, upon 100% of the listed shares of the listed corporation being held by a shareholder either individually or jointly with associates of the said shareholder,

and the listed corporation has announced the offeror's intention not to maintain the listed corporation's listing status.

8.08 Application for withdrawal

A listed corporation intending to withdraw its listing from the LEAP Market must file with the Exchange an application which includes the following information:

- (a) the full and detailed reasons for the withdrawal;
- (b) the board resolution for the withdrawal;
- (c) the confirmation that the approval of any other relevant authority, if required, has been obtained; and
- (d) the confirmation that the listed corporation has obtained approval of its shareholders and holders of any other class of listed securities, if applicable, in accordance with Rule 8.06.

8.09 De-listing by the Exchange

- (1) The Exchange may at any time de-list a listed corporation from the LEAP Market in any of the following circumstances:
 - (a) where the listed corporation fails to comply with these Requirements; or
 - (b) where in the opinion of the Exchange, circumstances exist which do not warrant the continued listing of a listed corporation.
- (2) The Exchange shall de-list a listed corporation in any one of the following circumstances:
 - (a) upon the commencement of a voluntary winding-up of a listed corporation or its major subsidiary in accordance with the Companies Act;
 - (b) upon a winding-up order being made against a listed corporation or its major subsidiary;
 - (c) upon appointment of a receiver or manager over the assets of the listed corporation or its major subsidiary;
 - (d) where the listed corporation's audited financial statements contain an adverse opinion by its auditors; or
 - (e) in other circumstances as provided under these Requirements.

PART D – ENFORCEMENT**8.10 Breach of undertakings**

For the purpose of this Chapter, any breach of an undertaking given to the Exchange pursuant to these Requirements will be treated as a breach of these Requirements.

8.11 Breach of these Requirements

In the event of any breach of these Requirements by any applicant, listed corporation or its directors, Advisers or any other person to whom these Requirements are directed, the Exchange may take or impose such actions or penalties as it considers appropriate.

8.12 Types of actions or penalties

Without prejudice to any of the powers granted to the Exchange under any written law in relation to the enforcement of these Requirements, the types of action or penalty that the Exchange may take or impose for a breach of these Requirements include any one or more of the following:

- (a) in relation to an applicant, a listed corporation, a director of an applicant or a listed corporation, an Adviser or any other person to whom these Requirements are directed -
 - (i) issuance of a private reprimand;
 - (ii) issuance of a public reprimand;
 - (iii) imposition of a fine not exceeding RM1 million;
 - (iv) issuance of a letter directing the listed corporation or the person in default to rectify the non-compliance, which direction will remain in force until it is revoked;
 - (v) imposition of one or more condition(s) for compliance;
 - (vi) any other action which the Exchange may deem appropriate; or
- (b) in relation to an applicant or listed corporation, in addition to the actions or penalties specified under sub-Rule (a) above -
 - (i) non-acceptance of applications or submissions, with or without conditions imposed;
 - (ii) imposition of condition(s) on the delivery or settlement of trades entered into in respect of the listed corporation's securities;
 - (iii) suspension of trading of the listed securities;
 - (iv) de-listing of a listed corporation;
 - (v) mandating education, training or such other types of programs as may be determined by the Exchange to be undertaken or implemented by the corporation for its directors and/or management; or
- (c) in relation to a director of an applicant or a listed corporation or any other person to whom these Requirements are directed, in addition to the actions or penalties specified under sub-Rule (a) above, imposition of a moratorium on, or prohibition of dealings in, the listed corporation's securities by the relevant director or other person; or

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- (d) in relation to an Adviser, in addition to the actions or penalties specified under sub-Rule (a) above -
- (i) non-acceptance of applications or submissions or documents made or prepared by the Adviser, with or without conditions imposed;
 - (ii) in the case of an Adviser, suspension of any or all rights attaching to registration on the Register of Advisers on such terms and for such period as the Exchange thinks fit; or
 - (iii) removal of the an Adviser from the Register of Advisers.

8.13 Cumulative actions or penalties

If an applicant, a listed corporation, its director, or Adviser or any other person to whom these Requirements are directed fails to comply with an action or penalty taken or imposed by the Exchange under Rule 8.12, the Exchange has the power to commence enforcement proceedings against such applicant, listed corporation, its director or Adviser or any other person to whom the Requirements are directed, and take or impose one or more actions or penalties as provided under Rule 8.12.

8.14 Other rights

The exercise of the powers in Rules 8.11 and 8.12 does not in any way prejudice the other rights of the Exchange against an applicant, a listed corporation, a director, an Adviser or a person to whom the Requirements are directed.

8.15 Publication of enforcement action

The Exchange shall have the power to publish to the public, any action taken against any person under these Requirements in any manner as the Exchange deems fit or expedient.

8.16 Committee or sub-committee to decide

The Exchange will appoint a committee or sub-committee or officer(s) of the Exchange or Exchange Holding Company to discharge the exercise of its powers under Rules 8.11 and 8.12.

8.17 Procedures

The Exchange will determine the procedures applicable to any enforcement action taken under this Chapter. Such procedures may vary to adapt to the circumstances of any particular case as illustrated in Appendix 8C.

8.18 Right of appeal

- (1) A person who is dissatisfied with a decision resulting from an enforcement action taken under this Chapter may appeal against such decision in the manner prescribed by the Exchange from time to time as illustrated in Appendix 8C.
- (2) The Exchange may suspend the enforcement of any such decision that is the subject of the appeal until the disposal of the appeal.

8.19 Unpaid fine is debt owing to the Exchange

A fine or any portion of a fine, or cost ordered by the Exchange, remaining unpaid by a person, is a debt owing by the person to the Exchange.

8.20 Agreed settlement

- (1) A person who is the subject of an investigation or enforcement proceeding by the Exchange may, at any time before the Exchange makes a decision, propose a settlement by agreeing to a set of facts, liability or penalty with the Exchange.
- (2) The Exchange may reject, accept or vary the proposed settlement based on terms that it deems fit.
- (3) Where the Exchange accepts the proposed settlement, the settlement will be recorded as a decision of the Exchange.
- (4) If the Exchange is not agreeable to the proposed settlement, the Exchange may pursuant to Rule 8.17, proceed with a full enforcement proceeding.

8.21 Standard of proof

The Exchange will not find an allegation proven unless the Exchange is satisfied that the allegation is proven on the balance of probabilities.

[End of Chapter]

APPENDIX 8A**Request for suspension**
(Rule 8.03)**1.0 Form and information for a request for suspension**

1.1 Any request for suspension must be made in writing and in the form as may be prescribed by the Exchange. In the addition, a listed corporation must provide to the Exchange any other information as may be requested by the Exchange.

2.0 Situations which may warrant suspension

2.1 The Exchange may approve a listed corporation's request for suspension where -

- (a) the listed corporation requires time to prepare and release an announcement relating to a material transaction, such as -
 - (i) a significant change in the business direction or policy of a listed corporation; or
 - (ii) any other corporate exercise which the Exchange considers to be material;
- (b) where the listed corporation intends to -
 - (i) make a material announcement, including one that falls within paragraph 2.2 below ("**Very Material Announcement**"); or
 - (ii) hold a press conference to make a Very Material Announcement, before the close of trading; or
- (c) any other reason which, in the opinion of the Exchange, justifies a suspension.

2.2 Without limiting the above, an announcement relating to any of the following matters will be regarded as a Very Material Announcement:

- (a) an interim financial report;
- (b) a bonus issue or fund raising exercise;
- (c) a transaction as defined under Rule 7.02(i), where the percentage ratio calculated in accordance with Chapter 7 of these Requirements is 25% or more;
- (d) a notice of take-over being served on a listed corporation which the public has no prior knowledge of; or
- (e) any other corporate exercise.

3.0 Suspension period

3.1 If the Exchange grants a suspension for any of the reasons stated in paragraph 2.1 above, the period of suspension that may be approved by the Exchange is -

- (a) up to 3 market days only; and
- (b) such other period as deemed appropriate by the Exchange.

4.0 Announcements

- 4.1 If a suspension is granted by the Exchange, the listed corporation must make immediate announcement of the relevant information to the Exchange.

[End of Appendix]

APPENDIX 8B**Contents of circular in relation to withdrawal of listing**

(Rule 8.06(1))

- (1) The reasons and facts concerning the withdrawal of securities of the listed corporation.
- (2) The opinion of the board of directors in respect of the withdrawal.
- (3) A letter of opinion of the independent Adviser in connection with the withdrawal of the securities of the listed corporation as well as the fairness and reasonableness of the exit offer by way of an appendix.
- (4) Any other information which the shareholders and holders of any other class of listed securities and their advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

[End of Appendix]

APPENDIX 8C**Enforcement proceedings & related matters**
(Rules 8.17 and 8.18)**PART I FULL ENFORCEMENT PROCEEDING****1.0 Requisite Notice**

- 1.1 When the Exchange proposes to take an enforcement action against a person under these Requirements, the Exchange will serve the person a written notice specifying the nature and particulars of the breach the person is alleged to have committed ("**Requisite Notice**").

2.0 Response to Requisite Notice

- 2.1 A person may submit to the Exchange a written response to the Requisite Notice ("**Response**") within the time stipulated in the Requisite Notice.

3.0 Notification of decision

- 3.1 After the conclusion of an enforcement proceeding, the Exchange will notify the person in writing of the decision including the penalty imposed (if any).

PART II EXPEDITED ENFORCEMENT PROCEEDING**4.0 Procedures relating to an expedited enforcement proceeding**

- 4.1 The Exchange may initiate expedited enforcement proceedings under this Part II against a person whom enforcement action is proposed to be taken, instead of proceedings under Part I, in circumstances the Exchange deems fit, such as in respect of a breach of these Requirements which does not typically attract a penalty beyond -

- (a) a reprimand;
- (b) a fine of more than RM5,000.00; or
- (c) both of the above.

- 4.2 In an expedited enforcement proceeding, the Exchange will notify the person against whom the enforcement action is proposed to be taken, in writing, of the breach and penalty imposed on that breach ("**Determination**").

- 4.3 The person must, within the time specified in the Determination, inform the Exchange in writing whether or not the person agrees with the Determination. A person is deemed to have agreed with the Determination if the person does not respond within the specified time.

- 4.4 If the person agrees or is deemed to have agreed with the Determination, the person must give effect to the penalty imposed. Enforcement action will be recorded as having been taken against the person upon the expiry of the specified time.

- 4.5 If the person does not agree with the Determination, the matter will proceed under Part I. The person may submit a written response to the Determination as if the Determination is a Requisite Notice under Part I. In deliberating the matter, the Exchange is not bound by the Determination and may impose a higher penalty based on the facts or evidence presented during the proceeding under Part I.

5.0 No limitation

- 5.1 Nothing in this Part prevents the Exchange from proceeding with the full enforcement proceeding under Part I for any breach of these Requirements.

PART III APPEAL**6.0 Notice of appeal**

- 6.1 If a person appeals against a decision referred to in Part I above, the person must within the time stated in the notification of decision given under Part I, give to the Exchange a notice in writing ("**Notice of Appeal**") that -

- (a) identifies the decision against which the appeal is made; and
- (b) sets out the ground(s) of the appeal together with representations to justify the ground(s) relied upon.

7.0 Deliberation of appeals

- 7.1 A person may produce evidence that was not presented at the initial enforcement proceeding if -

- (a) the evidence was not available at the time of the initial enforcement proceeding; and
- (b) the evidence would have been likely to have had a determining influence upon the decision appealed against.

- 7.2 The person must produce the new evidence as stated in paragraph 7.1 above when submitting the Notice of Appeal.

- 7.3 The Exchange may produce new evidence arising from the Notice of Appeal submitted by the person.

- 7.4 The Exchange may affirm, vary or set aside the decision appealed against.

8.0 Notification of decision on appeal

- 8.1 After the conclusion of an appeal, the Exchange will notify the person in writing of the decision of the appeal and such decision is final.

PART IV ORAL REPRESENTATIONS**9.0 Request for oral representations etc.**

- 9.1 The Exchange may allow an oral representation, submission or attendance of witnesses for any proceedings commenced against a person.

- 9.2 The person against whom the enforcement action is taken may only request for the oral representation, oral submission or attendance of witnesses if it has submitted –
- (a) a Response as required in Part I; or
 - (b) a Notice of Appeal as required in Part III.

[End of Appendix]