

**QUESTIONS & ANSWERS  
AMENDMENTS IN RELATION TO SUSTAINABILITY  
REPORTING REQUIREMENTS AND OTHER ENHANCEMENTS**

## APPENDIX 2

## QUESTIONS AND ANSWERS

**AMENDMENTS TO THE ACE MARKET LISTING REQUIREMENTS IN RELATION TO THE  
SUSTAINABILITY REPORTING REQUIREMENTS AND OTHER ENHANCEMENTS**

**CHAPTER 4 – SPONSORS AND RECOGNISED APPROVED ADVISERS*****Definition of “Public Document”***

- 4.1** ~~[Deleted] Does “Public Document”<sup>4</sup> as referred to in certain rules such as Rules 4.02 and 4.10 of the ACE LR, include an announcement made by a Sponsored Corporation?~~

~~Yes, “Public Document” means any document issued by a Sponsored Corporation to the public or holders of any class of securities. This includes an announcement made to Bursa Securities for dissemination to the public.~~

***Resignation and termination of a Sponsor***

- 4.11** **X is the Sponsor who makes an application for listing on behalf of A Bhd. A Bhd is listed on the ACE Market on 3 September 20~~25~~09. Based on Rule 3.21 of the ACE LR, A Bhd must secure and maintain the services of a Sponsor for at least 3 full financial years after its admission to the Official List, and extended to at least 1 full financial year after the applicant has generated operating revenue. A Bhd financial period ends on 31 December 20~~26~~10.**

- (a)** **Can X resign or A Bhd terminate X’s appointment as the Sponsor of A Bhd before 31 December 20~~26~~10?**

No, based on Rule 4.18 of the ACE LR, X who makes a listing application on behalf of an applicant must act as the Sponsor for at least 1 full financial year after admission. During the said period, X cannot resign, neither can A Bhd terminate X’s appointment as its Sponsor.

- (b)** **Can X resign as A Bhd’s Sponsor after 31 December 20~~26~~10?**

It depends on whether A Bhd has found a replacement Sponsor to succeed X. Based on Rule 4.19(1), if a replacement Sponsor has been found, X can resign by notifying Bursa Securities of the proposed resignation, together with the detailed reasons for the resignation. However, if no replacement Sponsor has been found, X must seek the Exchange’s prior approval for its proposed resignation, together with the detailed reasons for the resignation.

<sup>4</sup> ~~Rule 4.02 of the ACE LR defines “Public Document” as any document issued by an applicant or a listed corporation to the public or to the holders of any class of securities in a listed corporation pursuant to the ACE LR.~~

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- (c) On 1 June 2027~~41~~, X decides to resign as a Sponsor in A Bhd. A Bhd agrees to X's resignation and has found Y as its new Sponsor, who is willing to take over as A Bhd's Sponsor immediately. Must X seek Bursa Securities' approval for its resignation?

No, pursuant to Rule 4.19(1)(a) of the ACE LR, X only needs to notify Bursa Securities together with detailed reasons for its resignation.

- (d) If X intends to resign as A Bhd's Sponsor but A Bhd refuses to accept X's resignation, what can X do to end the sponsorship?

Notwithstanding A Bhd's objection, X may apply to Bursa Securities to resign as A Bhd's Sponsor. X must provide the detailed reasons for its application. Based on Rule 4.19(3) of the ACE LR, Bursa Securities will not grant its approval unless there are exceptional circumstances which warrant the consideration of Bursa Securities.

- (e) Further to Question (d) above, what are the exceptional circumstances under which Bursa Securities may consider in allowing a resignation or termination of X as A Bhd's Sponsor?

Generally, Bursa Securities will consider whether the parties have acted "reasonably". The exceptional circumstances which Bursa Securities may consider X's resignation or termination as A Bhd's Sponsor include circumstances where –

- (i) there is an irreconcilable breakdown in the relationship between X and A Bhd; or
- (ii) X is no longer qualified to act as a Sponsor for any reasons, including not having the minimum number of Qualified Person or being removed from the Register of Sponsors by Bursa Securities.

The parties must substantiate their application with the relevant facts and information.

- (f) Assuming X resigns as A Bhd's Sponsor and A Bhd appoints Y as its new Sponsor for the remaining sponsorship period. Must A Bhd still include a statement in the Public Documents that ~~names its admission was sponsored by X as the Sponsor responsible for its admission,~~ for the remaining sponsorship period?

Yes, pursuant to Rule 4.27(2) of the ACE LR, even though X has ceased to be A Bhd's Sponsor, A Bhd must still include X's name as ~~its listing the s~~Sponsor ~~responsible for its admission,~~ in all Public Documents issued by A Bhd during the remaining sponsorship period.

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- (g) In a case where *A Bhd* applies for and obtains an exemption from Bursa Securities from continued compliance with the remaining sponsorship period pursuant to Rule 3.21(2A), must *A Bhd* still state *X's name as the Sponsor responsible for its admission*, in the Public Documents ~~that its admission was sponsored by X~~ after the date the exemption was obtained?

~~No, *A Bhd* would not be required to state that its admission was sponsored by X in the Public Documents issued after the effective date of the exemption. Yes, pursuant to Rule 4.27(2)(a)(ii) of the ACE LR, *A Bhd* is required to state the name of X as the Sponsor responsible for its admission in all Public Documents, for 2 full financial years from the date of its admission.~~

- (h) If *A Bhd* plans to undertake a corporate proposal during the sponsorship period and appoints Z as its Adviser, must *A Bhd* state the name of X in the Public Documents related to the corporate proposal ("said documents")?

Yes. Under Rule 4.27(2) of the ACE LR, *A Bhd* must continue to state the name of X in all its Public Documents including the said documents, during the Sponsorship Period. In doing so, *A Bhd* must ensure that the statement does not imply that X is responsible for the corporate proposal. For example, *A Bhd* may provide the following statement in the said documents:

*"X was responsible for the admission of A Bhd to the ACE Market on 1 September 2025. X is not the Adviser for the current corporate proposal and assumes no responsibility for the contents of this document and the corporate proposal undertaken by A Bhd."*

## **CHAPTER 8 – CONTINUING LISTING OBLIGATIONS**

### *Mode of conducting general meetings*

**8.62** Under Rule 8.29A of the ACE LR, a listed corporation must hold its general meeting at a physical venue in Malaysia ("Main Venue") and if the listed corporation holds its general meeting at another physical venue concurrently or utilises virtual meeting technology for shareholders to attend the general meeting remotely, it must -

- put in place the required processes, infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders; and
- ensure all shareholders are accorded with similar rights to speak and vote at the general meeting.

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**(a) Can a listed corporation hold its general meeting at the Main Venue only?**

A listed corporation may, under Rule 8.29A of the ACE LR, hold its general meeting at the Main Venue only. However, in deciding the mode of conducting general meetings, the listed corporation should aim to promote a wider shareholder engagement and encourage their participation at meetings. The mode of meeting should not be a means of managing attendance or limiting the ability of shareholders to participate in meetings, raise questions and vote.

**(b) How does a listed corporation provide “a smooth broadcast of the general meeting and interactive participation by shareholders” at its general meeting?**

A listed corporation may provide a smooth broadcast of its general meeting and interactive shareholder participation by using reliable technology or infrastructure that is able to –

- (i) support both video and audio broadcast of the general meeting which is accessible by shareholders with good internet connection. The broadcast must enable shareholders to follow the proceedings and participate in the meeting in real-time without undue interruption;
- (ii) allow shareholders to raise questions and communicate their views verbally and electronically in real-time; and
- (iii) allow shareholders to cast their votes by electronic means in real-time.

The listed corporation should also provide guidance to shareholders on the requirements and methods of participating in the general meeting and undertake contingency planning to mitigate potential technical disruptions during the meeting.

**(c) How does a listed corporation ensure the shareholders are accorded with similar rights to speak and vote at the general meeting, particularly those who are attending the meeting remotely?**

A listed corporation may do so by providing the tools, infrastructure or technology that allows shareholders to submit real-time questions electronically and where possible, verbally as well.

The listed corporation must ensure that all shareholders, whether attending in-person at the Main Venue or remotely are treated fairly and equally with respect to their rights to speak and vote. The listed corporation must also address and respond to all questions received in-person or remotely objectively and promptly.

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**8.63 A listed corporation holds its general meeting at a Main Venue and concurrently uses virtual meeting technology (“hybrid meeting”).**

**(a) How does the listed corporation determine the quorum of the hybrid meeting?**

The quorum of the hybrid meeting can be determined by the number of shareholders present in-person at the meeting and shareholders logged-in at the start of the meeting.

**(b) Must the chairperson of the general meeting be present in-person at the Main Venue?**

Yes. As required under section 327 of the Companies Act 2016, the chairperson of the meeting must be present in-person at the Main Venue.

**(c) Must the listed corporation’s constitution contain expressed provisions allowing it to utilise virtual meeting technology to conduct hybrid meetings?**

A listed corporation may conduct hybrid meetings provided its constitution does not prohibit it from doing so (e.g. there are no express provisions requiring physical meeting venue only). Notwithstanding this, to ensure that the listed corporation’s constitution is updated and comprehensive, it should proceed to amend the relevant provisions in its constitution that may be inconsistent with the requirements for the listed corporation to conduct hybrid meetings as set out in Rule 8.29A(2) of the ACE LR.

***Disclosure of Sustainability Statement in Annual Report***

**9.46 ~~[Deleted]~~ A listed corporation is required to make a Sustainability Statement in its annual reports issued for financial years ending on or after 31 December 2018. If a listed corporation voluntarily makes a Sustainability Statement in its annual report issued for the financial year ending on 31 December 2017, is the listed corporation still required to provide a description of its and its subsidiaries’ corporate social responsibility activities or practices, in its annual report issued for the financial year ending on 31 December 2017?**

~~No. The listed corporation is not required to provide a description of its and its subsidiaries’ corporate social responsibility statement activities or practices, if it has made a Sustainability Statement in its annual report issued for the financial year ending on 31 December 2017.~~

**9.46A ~~[Deleted]~~ Is it mandatory for a listed corporation to comply with the Sustainability Reporting Guide issued by the Exchange when it prepares its Sustainability Statement?**

~~No. As stated under paragraph 6.1 of Guidance Note 11, a listed corporation is only **encouraged as a best practice** to refer to the Sustainability Reporting Guide when preparing its Sustainability Statement. Whilst adherence to the Sustainability Reporting Guide is voluntary, the Exchange would strongly encourage listed corporations to refer to the Sustainability Reporting Guide, to the extent possible, when preparing their Sustainability Statement.~~

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**9.46B Can a listed corporation issue a standalone Sustainability Statement separately from its annual report?**

Yes, the listed corporation may do so provided that the standalone Sustainability Statement –

- (a) complies with paragraph 6.0 Guidance Note 11 of the ACE LR; and
- (b) is issued concurrently with the annual report.

**9.46C Assuming that a listed corporation chooses to issue a standalone Sustainability Statement that satisfies the requirements in Question 9.46B above, must the listed corporation send a hard copy of the standalone Sustainability Statement to its shareholders who request for a hard copy of the annual report?**

Yes. As the standalone Sustainability Statement forms part of the annual report, the listed corporation must send a hard copy of the standalone Sustainability Statement together with its annual report to its shareholder who has requested for a hard copy of the annual report.

**9.46D Under paragraph 6.2(b)(ii) of Guidance Note 11 of the ACE LR, a listed corporation must disclose, among others, whether its Sustainability Statement has been subjected to an independent assurance performed in accordance with recognised assurance standards. What are these recognised assurance standards?**

The recognised assurance standards refer to -

- (a) the International Standard on Sustainability Assurance (“ISSA”) 5000, *General Requirements for Sustainability Assurance Engagements*;
- (b) the International Standard on Assurance Engagements (“ISAE”) 3000; or
- (c) the International Organization for Standardization (“ISO”).

**9.46E Under paragraph 6.3 of Guidance Note 11 of the ACE LR, a listed corporation should consider the relevant resources or guidance materials as may be referred to by the Exchange from time to time when preparing the Sustainability Statement. What are these resources or guidance materials?**

The resources and guidance materials here refer to those offered by **PACE (Policy, Assumptions, Calculators and Education)**, an initiative established by the Advisory Committee of Sustainability Reporting<sup>2</sup> to support listed corporations in using the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures*. PACE offers a wide range of resources, including policy guidance, emissions calculators, and capacity building programs, to ensure companies of all sizes can meet the sustainability reporting requirements. The resources and guidance materials can be found on PACE's website at: <https://www.sc.com.my/nsrf/pace>

<sup>2</sup> The Advisory Committee of Sustainability Reporting (“ACSR”) is an inter-agency committee which comprise representatives from Securities Commission Malaysia, Audit Oversight Board of the Securities Commission Malaysia, Bank Negara Malaysia, Companies Commission of Malaysia, Bursa Malaysia, and the Financial Reporting Foundation.

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**Saving and Transitional Provisions for Sustainability Statement**

**9.46F Under paragraph 4.4 Guidance Note 11A of the ACE LR, a listed corporation should refer to the Sustainability Reporting Guide issued by the Exchange when preparing its Sustainability Statement. Is it mandatory for a listed corporation to comply with the Sustainability Reporting Guide issued by the Exchange when it prepares its Sustainability Statement?**

Whilst adherence to the Sustainability Reporting Guide is voluntary, the Exchange would strongly encourage listed corporations to refer to the Sustainability Reporting Guide when preparing their Sustainability Statements in annual reports issued prior to the Effective Date set out in paragraph 1.1 of Guidance Note 11A of the ACE LR.

**[END OF APPENDIX 2]**