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## COVID-19: Additional Relief Measures Announced By Bursa Malaysia

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In light of the imposition of the Full Movement Control Order (FMCO), which is effective from 1 June 2021 and presently in place until 28 June 2021, Bursa Malaysia Berhad (Bursa Malaysia) has announced additional relief measures on 16 June 2021 to assist listed issuers.

### 1. Extension of time to submit financial statements

The issuance of quarterly reports (QR) and annual reports (AR) for the Main and ACE Markets as well as semi-annual and annual audited financial statements for the LEAP Market are now automatically extended for 1 month as follows:

Existing Due Date for Issuance	Extended Due Date
31 July 2021	31 August 2021 <sup>1</sup>
31 August 2021	30 September 2021

Notwithstanding the 1-month extension, listed issuers are reminded that:

- (a) They must continue to comply with the continuing disclosure obligations under the respective listing requirements including the obligations to make immediate announcement of any material information.
- (b) In the event the preparation of the QR and AR is not adversely affected by the FMCO and COVID-19 pandemic, and the listed issuers are able to issue the reports within the prescribed timelines under the respective listing requirements, they must proceed to do so without any undue delay.

<sup>1</sup> The extension does not apply to QR and AR due on 30 June 2021 (which had been extended to 31 July 2021 previously by Bursa Malaysia).

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## 2. Relief period for listed issuers with unsatisfactory financial conditions and inadequate level of operations

In addition to the relief measures previously granted<sup>2</sup> to listed issuers that had triggered the criteria under Practice Note 17 of the Main Market Listing Requirements (PN17) and Guidance Note 3 of the ACE Market Listing Requirements (GN3), as well as those with inadequate level of operations under the respective listing requirements, Bursa Malaysia has now introduced:

- (a) An 18-month relief period for a listed issuer that triggers the PN17 or GN3 suspended criteria\* between 1 July 2021 and 31 December 2021 where such listed issuer will not be classified as a PN17 or GN3 listed issuer during such period.
- (b) A 12-month relief period for a listed issuer who, between 1 July 2021 and 31 December 2021, announces that its business or operations were insignificant.

The PN17 suspended criteria<sup>3</sup> are as follows:

- (a) The consolidated shareholders' equity (less than RM40 million) of the listed issuer is 25% or less of the share capital (excluding treasury shares) of the listed issuer;
- (b) A material uncertainty in relation to the going concern as highlighted by the auditors or a qualification on the listed issuer's ability to continue as a going concern in the listed issuer's latest audited financial statements and the consolidated shareholders' equity of the listed issuer is 50% or less of share capital (excluding treasury shares) of the listed issuer; or

<sup>2</sup> On 26 March 2020, 16 April 2020 and 17 February 2021.

<sup>3</sup> Paragraphs 2.1(a), (e) and (f) respectively of PN17 of the Main Market Listing Requirements.

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- (c) A default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to paragraph 9.19A of the Main Market Listing Requirements and the listed issuer is unable to provide a solvency declaration to the Bursa Malaysia Securities Berhad (Bursa Securities).

The GN3 suspended criteria<sup>4</sup> are as follows:

- (a) The listed corporation's shareholders' equity is 25% or less of the share capital;
- (b) Where the listed corporation has incurred loss in any 1 full financial year (FFY) commencing on or after its listing, which equal to or exceed the amount of its shareholders' equity at the end of the said financial year and the shareholders' equity is equal to or less than 50% of the share capital of the listed corporation at the end of the said financial year;
- (c) Where the listed corporation has incurred aggregated losses in any 2 consecutive FFYs commencing on or after its listing (said financial period):
  - (i) which exceed the amount of its shareholders' equity at the end of the said financial period;
  - (ii) in relation to the said financial period, the loss incurred in the second FFY is 50% or more of the loss incurred in the first FFY; and
  - (iii) the shareholders' equity is equal to or less than 50% of the share capital of the listed corporation at the end of the said financial period;

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<sup>4</sup> Paragraphs 2.1(a), (b), (c), (g) and (h) respectively of GN3 of the ACE Market Listing Requirements.

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- (d) A material uncertainty related to going concern as highlighted by the auditors or a qualification on the listed corporation's ability to continue as a going concern in the listed corporation's latest audited financial statements and the shareholders' equity of the listed corporation is 50% or less of the share capital of the listed corporation; or
- (e) A default in payment by a listed corporation, its major subsidiary or major associated company, as the case may be, as announced by a listed corporation pursuant to Rule 9.19A of the ACE Market Listing Requirements and the listed corporation is unable to provide a solvency declaration to Bursa Securities.

Authored by Lily Lee Zai-Lii and Charmaine Lim Ming Li, who are respectively an Associate and a Paralegal in the firm's Capital Markets and M&A Practice.

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