IN THE FEDERAL COURT OF MALAYSIA

(APPELLATE JURISDICTION)

CIVIL APPEAL NO: 02(f)-39-07/2021(W)

BETWEEN

BURSA MALAYSIA SECURITIES BERHAD
(COMPANY NO: 635998-W) ... APPELLANT

AND

MOHD AFRIZAN BIN HUSAIN
(NRIC NO: 670821-03-5159) .... RESPONDENT

In the Matter of the Court of Appeal of Malaysia

(Appellate Jurisdiction)

Civil Appeal No. W-02(A)-696-06/2020

Between

Bursa Malaysia Securities Berhad
(Company No: 635998-W) ... Appellant

And

Mohd Afrizan Bin Husain
(NRIC No: 670821-03-5159) ... Respondent

In the High Court of Malaya At Kuala Lumpur
(Appellate & Special Powers Division)
Judicial Review Application No. WA-25-362-08/2019

Between

Mohd Afrizan Bin Husain
(NRIC No: 670821-03-5159) ... Applicant

And

Bursa Malaysia Securities Berhad
(Company No: 635998-W) ... Respondent

CORAM:

NALLINI PATHMANATHAN, FCJ
ZALEHA BINTI YUSOF, FCJ
RHODZARIAH BINTI BUJANG, FCJ

GROUNDS OF JUDGMENT

[1] This entire appeal turns on what is perhaps one of the most misused words in all legal language namely "shall". Here it is the use of the word "shall" in **Rule 16.11(2) of the ACE [Access, Certainty, Efficiency] Market Listing Requirements ('AMLR' or 'Rules')** that has given rise to the present conundrum before us.

[2] The salient facts are not in dispute and are set out below.

Background Facts & Decisions of the Courts Below

[3] On 17 August 2017, the KL High Court wound up Wintoni Group Berhad ('Wintoni'), a listed corporation on the ACE Market of the appellant, Bursa Malaysia Securities Berhad ('Bursa'). The respondent, Mohd Afrizan bin Husain ('Afrizan') was appointed the liquidator of Wintoni in the winding up order.

[4] On 20 September 2017, Afrizan provided a letter of undertaking ('LOU') to Bursa pursuant to **Rule 2.22 of the ACE [Access, Certainty, Efficiency] Market Listing Requirements ('AMLR')** to the effect that in consideration of Bursa allowing the continued listing of Wintoni on the Official List, he would comply with the **AMLR** (including any amendment) applicable to him.

[5] However, on 31 October 2017, Afrizan issued a General Announcement stating that he would not prepare Wintoni's annual report that includes the annual audited financial statements together with the auditors' and directors' reports for the financial year ended 31 December 2016 and any financial statements for any subsequent financial periods.

[6] On 13 March 2018, Bursa conducted an inquiry in relation to the delay in announcement of Wintoni's quarterly reports for the financial period ended 30 September 2017 and 31

December 2017 (due on 30 November 2017 and 28 February 2018 respectively).

[7] Through emails on 15 March 2018 and 21 March 2018, Afrizan took the stand that as Wintoni had ceased operations, he would not prepare the relevant financial statements. He had not delegated compliance with the **AMLR** to the directors and did not arrange for the directors and/ or management or any agent to comply with the **AMLR**.

[8] On 10 October 2018, Bursa issued a requisite notice together with a Listing Committee (LC) memo, giving notice to Afrizan on the proposed enforcement action against him and specifying the nature and particulars of his breach of the **AMLR**. In his response dated 9 November 2018, Afrizan reiterated his earlier stance.

[9] On 15 November 2018, the LC deliberated on the facts and evidence presented to them, including Afrizan's representations and found that he had breached the **AMLR**. The LC imposed a public reprimand on him and directed him to do the necessary to ensure announcement/issuance of the Financial Statements [collectively referring to annual reports for the financial year ended 31 December 2016 and 31 December 2017 and the quarterly reports for the financial period ended 30 September 2017, 31 December 2017, 31 March 2018 and 30 June 2018] and any other outstanding financial statements, within 3 months from the date of notification of the LC's decision.

[10] On 11 January 2019, Mohd Afrizan appealed to the Appeals Committee (AC) on the ground that he did not have to comply with the listing requirements as once a listed corporation is wound up, it will immediately be de-listed and the winding up provisions of the **Companies Act 2016** would be applicable.

[11] The AC vide letter dated 6 May 2019 upheld the LC's decision on the basis that Bursa had the power and discretion not to de-list Wintoni pending final disposal of court proceedings challenging the winding up order and as long as Wintoni remained on the Official List, Afrizan was bound to comply and to ensure Wintoni's compliance with the **AMLR**. On the same date, Bursa announced Mohd Afrizan's public reprimand.

[12] Afrizan instituted judicial review proceedings in respect of the decisions of the LC and the AC. Leave was granted on 4 September 2019.

[13] In the meantime on 17 September 2019, pursuant to a consent judgment [Post-Companies Winding Up No. WA-28PW-507-11/2018], Wintoni's winding up was terminated by the Kuala Lumpur High Court and Afrizan ceased to be Wintoni's liquidator.

[14] On 15 June 2020, the High Court granted Afrizan the reliefs sought, namely an order of certiorari against Bursa to strike out the decisions of the LC dated 18 December 2018 and the AC dated 6 May 2019; a mandamus order against Bursa to announce that the public reprimand against Afrizan is null and

void within 14 days from the date of the court order; and ordered Bursa to pay Afrizan costs of RM8,000-00.

[15] In brief, the High Court was of the view that:

(a) Preparation of the outstanding Financial Statements requested by Bursa is inconsistent with the statutory duties of the liquidator under the **Companies Act 2016**. This is the responsibility of the company directors even though the liquidator has been appointed so Bursa should have sought the outstanding Financial Statements from them instead of from Afrizan. Bursa was clearly acting unreasonably and without legal basis;

(b) Afrizan, as a court-appointed liquidator, is an agent of the court and subject to the court's supervision pursuant to **section 486 of the Companies Act 2016**. He cannot do what is outside the scope of his powers and his primary duty is to wind up the business of Wintoni;

(c) The LOU is general and does not specify that Afrizan is to prepare Wintoni's Financial Statements and related reports. Afrizan also averred that the LOU was a condition of gaining access to Bursa's website for the making of public announcements in relation to Wintoni when necessary;

(d) The LOU is null and void pursuant to **section 24 of the Contracts Act 1950** as it is not in accordance with legal provisions and principles;

(e) **Rule 16.11(2) AMLR** is a mandatory provision stipulating that Bursa "shall" de-list Wintoni when the court makes the winding up order. This provision is clearly distinguishable from the discretionary provision of **Rule 16.11(1) AMLR** which uses the word "may";

(f) It is important that listed corporations which have been issued with a winding up order such as Wintoni, be de-listed in order to protect investors and prospective investors.

[16] On 3 August 2020, Bursa obtained a stay of execution of the High Court order until the disposal of their appeal to the Court of Appeal.

[17] On 20 January 2021, the Court of Appeal unanimously dismissed Bursa's appeal and affirmed the decision of the High Court. The Court of Appeal also granted an interim stay to Bursa, pending filing of a formal application within 7 days.

[18] The Court of Appeal agreed with the High Court's views and held that the LC and AC decisions are tainted with illegality, error of law and irrationality such that the said decisions are amenable to judicial review. The issues before the Court of

Appeal were the effect of **Rule 16.11(2) of the AMLR** and of Afrizan's LOU. On the former, the Court of Appeal held that upon a literal interpretation of the said **Rule**, it is non-negotiable that the said **Rule** stipulates mandatory requirements for de-listing. Further, Bursa cannot rely on **Rule 2.07(2)** to waive a mandatory requirement of the **AMLR**.

[19] On the latter issue, the Court of Appeal held that Afrizan's LOU was qualified by the words "in so far as the same apply to me" and since he had no duty to ensure Wintoni's timely issuance of financial statements, he was not in breach of the **AMLR**.

[20] By a consent order recorded in the Court of Appeal on 12 July 2021, parties agreed to stay the execution of the mandamus order in para (b) of the High Court order affirmed by the Court of Appeal (which ordered Bursa to announce that the public reprimand against Afrizan is null and void within 14 days from the date of the court order).

The Federal Court

[21] On 29 June 2021, the Federal Court allowed leave to appeal on the following questions:

1) Whether compliance with the Listing Requirements is consistent with and/or within the scope of the liquidator's powers and/or duties under the Companies Act 2016 or otherwise in law.

2) Whether on a proper construction/interpretation of Rule/Paragraph 16.11(2) of the Listing Requirements, Bursa Securities is not obliged to immediately and summarily de-list a listed corporation upon the listed corporation being served with a winding-up order without regard to any appeals/legal challenges to the winding-up order but should only do so upon a final determination on the said appeals/legal challenges.

3) Alternatively, whether Bursa Securities is entitled to exercise its discretion to modify and/or waive compliance of its own rules, including Rule/Paragraph 16.11(2) of the Listing Requirements by virtue of, amongst others, Rule 2.07(2) of the **AMLR** and Paragraph 2.06(2) of the Main LR.

4) If: -
   (i) the answer to Question 1 is in the affirmative; and
   (ii) the answer to Question 2 and/or 3 is in the affirmative

   whether the liquidator, as the person in control of the management of a listed corporation in liquidation, must undertake to continue to comply with the Listing Requirements as consideration for the continued listing of a listed corporation in liquidation.

5) Whether a director in a listed corporation in liquidation can continue to ensure compliance of the

Listing Requirements by the listed corporation without the authorisation by the liquidator and/or Court.

[22] We heard the appeal on 5 January 2022. Before us, Bursa's counsel submitted that the heart of the matter would be Q2 & Q3 with the remaining Q1, Q4 & Q5 dealt with separately. Bursa's counsel proposed that Q1 – Q4 ought to be answered in the affirmative and Q5 be answered in the negative

[23] On the other hand, Afrizan's counsel submitted that the heart of the matter would be Q1 & Q5. Afrizan's counsel proposed that Q5 ought to be answered in the affirmative and Q1 in the negative. Q2 & Q3, it was submitted, should be answered in the negative while Q4 was academic.

[24] Counsel for Bursa put forward twofold submissions before us, namely that:-

(i) **Rule 16.11(2) of the AMLR** does not necessarily result in mandatory de-listing; and

(ii) Alternatively, if the court was not with Bursa on (i) above, such de-listing, even if mandatory, does not have to be immediate.

[25] Counsel for Bursa explained that if de-listing was immediately effected, the de-listed company would no longer be in a position to trade on the Exchange, and the inherent value of the listing would be lost. In order to get relisted, the company

would have to submit a fresh application for listing. That could take up to 2 years as listing is a lengthy process.

[26] Counsel for Bursa emphasised that besides owing duties to the shareholders and protecting the investing public, Bursa also owed duties to the wider public as de-listing a company would have a knock-on effect on other listed companies that are related or connected to the de-listed company as the shares of these related or connected listed companies might also be affected.

[27] Counsel for Afrizan was more concerned with the liability of his client. He placed on record that he had no quarrel with Bursa's power to de-list a company. He submitted that **Rule 16.11(2)** is mandatory in nature, but accepted that it does not prescribe any time limit for de-listing a company that has been wound up. Where no time is stipulated for performance, it ought to be done with all convenient speed. (See **section 47 of the Contracts Act 1950** and **section 54(2) of the Interpretation Acts 1948 and 1967 ('Interpretation Acts')**. However despite this submission, counsel for Afrizan stated that he accepted that it was up to the wound-up company to take whatever steps it saw fit to challenge its winding up, and for all legal avenues to be exhausted. If still unsuccessful, then Bursa could de-list.

[28] Counsel for Afrizan also contended that his client did not have to comply with the **AMLR** under the LOU which was a qualified LOU, and that it is the obligation of the directors to comply with the **AMLR**. This contention was maintained despite

reliance by Bursa on the case of **Tan Sri Dato' Hj Lamin bin Hj Mohd Yunus v Bursa Malaysia Securities Berhad [2012] 6 MLJ 182** that held that the powers of a director ceases on appointment of a liquidator. Counsel was not able to provide the court with an authority to the effect that a liquidator is exonerated because directors still retain the duty to comply with the **AMLR**, post-liquidation.

REASONS FOR OUR DECISION

[29] The appeal was allowed for the following reasons.

What is the Nature of the Listing Rules?

[30] In order to comprehend the nature of the listing rules, it is necessary to have regard to the source of the **AMLR**. The **AMLR** are issued pursuant to **section 378 of the Capital Markets and Securities Act 2007 ('CSMA')** which provide as follows:

> **Power to make regulations**
>
> (1) The Commission may, with the approval of the Minister, make such regulations as may be necessary or expedient for-
>
> (a) giving full effect to the provisions of this Act;
>
> (b) carrying out or achieving the objects and purposes of this Act; or
>
> (c) the further, better or convenient implementation of the provisions of this Act.

(2) Without prejudice to the generality of subsection (1), regulations made under this section may provide for-

(a) forms for the purposes of this Act;

(b) fees to be paid for the purposes of this Act;

(c) the regulation of the purchase and sales of capital market products;

(d) the standards with respect to the qualification, experience and training of licensed person and directors of public listed corporations;

(e) the conduct of business on a stock exchange, derivatives exchange or approved clearing house; or

(f) the exemption of any specified person or any person who is a member of a specified class of persons from any of the provisions of this Act, subject to terms and conditions.

(emphasis added)

[31] It is apparent from **section 378** that the power to make such regulations is conferred by Parliament on the Securities Commission which must obtain the approval of the Minister in order for the regulations to take effect. The **AMLR** therefore trace their roots back to statute. In other words, the **AMLR** are of statutory origin and therefore have statutory force.

[32] This conclusion is strengthened by the fact that there is recourse to the courts, expressly provided for in **section 360 of the CMSA**, which provides as follows:

> **Power of court to make certain orders**
>
> (1) Where-
>
> (a)…
> (b)…
> (c) on an application by an exchange holding company, a stock exchange, a derivatives exchange or an approved clearing house, as the case may be, it appears to the court that-
>
> (i) any person has contravened a relevant requirement; or
> (ii) any person has contravened a relevant requirement and that there are steps which could be taken for remedying the contravention or mitigating the effect of such contravention; or
>
> (d) …
>
> the court may, without prejudice to any order it would be entitled to make otherwise than pursuant to this section, make one or more of the following orders:
>
> (A) …
> (B) …
> (C) …
> (D) …
> (E) …
> (F) …
> (G) …

(H) …

(I) …

(J) **where a person has refused or failed, is refusing or failing, or is proposing to refuse or fail, to do any act or thing that he is required to do under a relevant requirement, an order requiring such person to do such act or thing**;

(K) …

(L) …

(M) …

(N) …

(O) …

(P) …

(2) If an application is made to a court for an order under subsection (1), the court may, if in its opinion it is desirable to do so, before considering the application, make an interim order of the kind applied for and such order shall be expressed to have effect pending the determination of the application.

…

(4) Where an application is made to the court for an order under paragraph (1)(J), the court may grant the order-

(a) **where the court is satisfied that the person has refused or failed to do the required act or thing, whether or not it appears to the court that the person intends to again refuse or fail, or continue to refuse or fail, to do the required act or thing**; or

(b) **where it appears to the court that in the event that such an order is not granted, it is likely that the person will refuse or fail to do the required act or thing, whether or not the person has previously refused or failed to do the act or**

thing and whether or not there is any imminent risk of damage to any person if the person required to do such act or thing refuses or fails to do so.

....

(10) A person who contravenes-

(a) an order under subsection (1) that is applicable to him;
(b) ...
(c) ...

commits an offence and shall, on conviction, be liable to a fine not exceeding one million ringgit or to imprisonment for a term not exceeding ten years or to both.

(11) ...

(12) The court may rescind, vary or discharge an order made by it under this section or suspend the operation of such an order.

(13) For the purposes of this section, "relevant requirement"-

(a) in relation to an application by the Commission under this section, means a requirement-

(i) which is imposed by or under this Act or any securities laws;
(ii) which is imposed as a condition or restriction of any approval or licence that is given or issued under or pursuant to this Act or any securities laws;
(iii) **which is imposed by or under the rules of a stock exchange, a derivatives exchange or an approved clearing house**; or

(iv) which is imposed by or under any other law and the contravention of which constitutes an offence which the Commission has the power to prosecute with the consent in writing of the Public Prosecutor;

(b) in relation to an application by the exchange holding company, a stock exchange, a derivatives exchange or an approved clearing house, means a requirement which is imposed by or under the rules of the stock exchange, the derivatives exchange or approved clearing house, as the case may be; and

(c) in relation to an application by the aggrieved person, means a requirement-

(i) which is imposed by or under this Act;
(ii) **which is imposed as a condition or restriction of any approval or licence that is given or issued under or pursuant to this Act or any securities laws**; or
(iii) **which is imposed by or under the rules of a stock exchange, a derivatives exchange or an approved clearing house**.

(14) An application made pursuant to this section shall not prejudice any other action that may be taken by the Commission, exchange holding company, stock exchange, derivatives exchange, approved clearing house or aggrieved person, as the case may be, under any securities laws or any other law or rules.

(emphasis added)

[33] **Section 360** is extensive and provides the requisite basis for the provisions of the **CMSA** to be fully complied with. When the provisions of the **CMSA** are construed holistically,

particularly **sections 378 and 360**, it follows that these provisions read together give statutory recognition and significance to the **AMLR**. The **AMLR** therefore have statutory force. We are fortified in our conclusions by the following case law from Malaysia and Australia.

Malaysia

[34] In the High Court case of **Tan Sri Dato' Hi Lamin bin Hi Mohd Yunus v Bursa Malaysia Securities Bhd [2012] 7 MLJ 85** the applicant applied for judicial review under O. 53 of the Rules of the High Court 1980 for an order of certiorari to quash the decision of Bursa's Appeals Committee imposing the punishment of public reprimand and fine of RM43,000 on the applicant for breach of Bursa's Listing Requirements. Aziah Ali J dismissed the application. In doing so she stated that the listing requirements have statutory force, referring to the Australian case of **Fai Insurance Ltd v Pioneer Concrete Services (No 2) 1986 10 ACLR 801)**:

> [18] It is submitted that **the LR which is derived from the CMSA has statutory force** (s 354 of the CMSA; *Fai Insurance Ltd v Pioneer Concrete Services (No 2) 1986 10 ACLR 801*). Therefore the duties of the directors, ie the applicants herein, under the LR, are in fact statutory duties which are imposed on them as long as the company is listed. The appointment of the PL cannot by itself, in the absence of any such provision within the CMSA or any other Act, absolve the directors from their obligations under the LR.
>
> ....

> [30] Counsel for the applicants rightly submits that **in pursuance of s 11 of the CMSA, the respondent drew up rules as contained in the LR to regulate the conduct and activities of its members. I agree with counsel for the respondent that the LR has statutory force and the duties imposed by the LR upon the applicant are statutory duties in view of the fact that the LR is derived from the CMSA.**
>
> (own emphasis added)

[35] That decision, on appeal, was affirmed by the Court of Appeal in **Tan Sri Dato' Hj Lamin Hj Mohd Yunus v. Bursa Malaysia Securities Bhd & Other Appeals [2012] 3 CLJ 837 ("Lamin")**. The Court of Appeal expressly agreed that the listing requirements have statutory force:

> [23] At the outset, we must stress that **the LR has statutory force in the form of rules containing obligations and requiring compliance by participating organizations pursuant to the Capital Markets and Services Act 2007.**
>
> (own emphasis added)

[36] **Lamin (above)** was referred to in other cases including the Court of Appeal case of **Tengku Dato' Kamal Ibni Sultan Sir Abu Bakar & Ors v Bursa (M) Securities Bhd and another appeal [2013] 1MLJ 158** where Ramly Ali JCA (as he then was) stated:

> [27] **The LR has statutory force in the form of rules containing obligations and requiring compliance by participating organisations pursuant to the relevant laws particularly the CMSA 2007.** A listed issuer and its directors must comply with the

> LR for so long as the listed issuer shall remain on the official list of the stock exchange. These duties are owed not only to the respondent but also to the investing public. This has been stressed by the learned Low Hop Bing JCA, delivering the judgment of the Court of Appeal in the case of Tan Sri Dato' Haji Lamin bin Haji Mohd Yunus v Bursa Malaysia Securities Berhad [2012] 6 MLJ 182; [2012] 3 CLJ 837.
>
> (own emphasis added)

Australia

[37] In the case referred to by Aziah Ali J in **Lamin (above)**, **FAI Insurances Ltd & Anor v Pioneer Conrete Services Ltd & Ors (No.2) 10 ACLR 80**, the Court of Appeal of New South Wales considered the extent of the jurisdiction to remedy an irredeemable breach of the official listing requirements of the Australian Associated Stock Exchanges. In the course of the judgements of the courts, there was consideration of the nature of the Australian Listing Rules.

[38] In the course of the first instance judgement, there was commentary made on the nature and mode of construction of the listing requirements in Australia. Young J, who sat at the first instance, held that the listing requirements are “flexible guidelines for commercial people to be policed by commercial people”, not “inflexible rules” to be “treated as technical documents for construction in the same way as a statute.”

[39] Young J then went on to find that the courts could not find breach of listing requirements as that fell solely within the

purview of the Exchange. On appeal however, **this finding was reversed by the appeal court judges**.

[40] Street CJ expressly disagreed with the proposition that the court could not ensure compliance when the listing requirements had been breached and only the exchange could. He held *inter alia* as follows:

> **"Whilst I recognize the importance of enabling the stock exchange to impose requirements upon listed companies according to ordinary and proper commercial standards, ss 42 and 14 confer on the court jurisdiction to underwrite the binding nature of the stock exchange rules. The obligation to comply with them is expressly imposed by s 42(2) and the jurisdiction conferred by s 42(1) and by s 14(1) imposes upon the court a complementary responsibility to hold itself ready, in appropriate cases, to underwrite and enforce that binding significance.** …
>
> (Own emphasis added)

[41] And in a separate concurring judgment, Kirby P stated *inter alia* as follows:

> "Under s 31 of the Securities Industry Act 1975 it was necessary to establish, outside the section, a contractual or statutory obligation to observe the listing requirements. But s 42 of the Securities Industry Code imposes its duties more clearly. **By the force of the section it gives statutory recognition and significance to the listing requirements of the securities exchange.**
>
> …
>
> Thirdly, **his Honour has taken too narrow a view of the purpose and operation of s 42. His references to the listing requirements**

> **as being a "flexible set of guidelines for commercial people to be policed by commercial people … [which] are never intended to be inflexible rules but rather principles to be administered and applied by an expert body in accordance with the prevailing ethos of those chosen to administer them", undervalues the special statutory status now accorded to them by both ss 14 and 42 of the Securities Industry Code.** … **The terms of s 42(2) provide another indicium of the legislative intention to afford a wide facility to courts to frame orders which secure compliance with those listing requirements.**"
>
> (Own emphasis added)

[42] In this jurisdiction, while our statutory provisions under the **CMSA** are not *pari materia* with the Australian statutory provisions prevailing then (or even now), the underlying legal rationale in the cases is the same. And that legal rationale is that the existence of a specific enforcement statutory provision in the **CMSA**, namely **section 360**, gives statutory recognition and status to the **AMLR**. Put another way, Parliament by enacting **section 360 of the CMSA** has statutorily ensured that compliance with the **AMLR** is effected, where necessary by the courts. And because such enforcement is effected through statute, the **AMLR** enjoy statutory force.

[43] In conclusion, the listing requirements have statutory force by reason of their source as well as the power and jurisdiction of the courts to enforce the **AMLR** in appropriate cases.

[44] Apart from the statutory nature of the **AMLR** which binds all participants and investors in the Malaysian Stock Exchange

and Bursa, there is a separate and independent contractual relationship between Bursa and the listed corporation, i.e., Wintoni, as well as Afrizan as the person in control of Wintoni. Wintoni and the directors, officers and persons having control of it are contractually bound by *inter alia*, the regulations.

[45] There is therefore both a statutory relationship as well as a contractual relationship between Bursa, and Afrizan.

How are the listing requirements to be construed?

The proper construction to be accorded to Rule 16.11(2) of the AMLR

[46] The primary issue that falls for consideration here is the construction of **Rule 16.11(2) of the AMLR** at Enclosure 20 page 271, the salient parts of which read as follows:

> ***"Delisting by the Exchange***
> *(2) The Exchange shall de-list a listed corporation in any one of the following circumstances:*
> *a. pursuant to a directive, requirement or condition imposed by the SC, after which the Exchange will notify the SC of the decision to de-list;*
> *(b).....*
> *(c)....*
> *(d) upon a winding up order being made against a listed corporation."*

[47] A reading of **sub-paragraph (d)** shows that the de-listing is to be effected by Bursa upon a winding up order being made. A plain or grammatical reading of **Rule 16.11(2) AMLR** where the words in **sub-paragraph (d)** are taken *in vacuo*, or by focusing solely on **sub-paragraph (d)** and ignoring the rest of the provisions of the **AMLR** as well as the **CMSA**, would result in a construction that at the point when the winding up order is pronounced, the company will be de-listed.

[48] The question or issue that then follows is whether it is correct to construe a provision like **Rule 16.11(2)** such that the text is read or interpreted grammatically, and *in vacuo*, without consideration of the surrounding words and purpose and object of the **AMLR** and the **CMSA**? Namely with no consideration for context?

[49] We have previously concluded that the **AMLR** has statutory force. As such the provisions of the **AMLR** should be construed within the purview of, and in accordance with the principles and objectives of the **CMSA**. This is particularly so given that the **CMSA** comprises the source of the **AMLR**. In order to do so, it is necessary to first, construe the **CMSA**, the statutory interpretation of which is governed by **section 17A** into the **Interpretation Acts**.

[50] Malaysian law requires that the interpretation of an Act be undertaken with the purpose and object of the Act in mind. **Section 17A of the Interpretation Acts** provides as follows:

> *"In the interpretation of a provision of an Act, a construction that would promote the purpose or object underlying the Act (whether that purpose or object is expressly stated in the Act or not) shall be preferred to a construction that would not promote that purpose or object."*

Please see also **Tebin Mostapa v. Hulba-Danyal Balia & Anor [2020] 7 CLJ 561 ('Tebin's case').**

[51] It is clear from the wording of **Section 17A** that any reading which is purely textual, as opposed to contextual, is to be rejected.

[52] Once the statutory purposive approach is applied, it then becomes necessary to ascertain what **Rule 16.11 of the AMLR** means in the context of the **CMSA**, because as mentioned above, the **AMLR** is an instrument drafted and implemented for the purpose of effecting compliance with the **CMSA**.

[53] This in turn requires a consideration of **section 11 of the CMSA** which stipulates that the primary duty of Bursa is to ensure an orderly and fair market in the securities that are traded through its facilities. In order to carry out its duty Bursa is bound to:

a. firstly, ***act in the public interest having regard to the need for the protection of investors***; and

b. where such interests conflict with that of the law relating to corporations, the former, namely the need to act in the public interest for the protection of investors, prevails.

[54] It then becomes the duty of Bursa ***"to take appropriate action as may be provided for under its rules for the purpose of monitoring or securing compliance with its rules".***

[55] Therefore, the primary function of Bursa, is to act in the public interest having regard to the need for the protection of investors. And the purpose of these regulations ties back to the duty of Bursa to, under **section 11(2)**, "*ensure, so far as may be reasonably practicable, an orderly and fair market in the securities or derivatives that are traded through its facilities.*" This primary duty of Bursa to the public is also echoed in **section 21(1)** which requires the maintenance of an orderly and fair market in relation to securities which are traded on the market. The primary function of Bursa is in this context to act in the public interest to protect investors.

[56] In brief, the **CMSA** contains comprehensive and holistic provisions for Bursa to regulate the market and enforce the requirement for an orderly and fair market in various sections of the **CMSA**. How then are regulations such as the **AMLR** to be construed and what is their effect?

[57] The core question here is whether the Bursa is bound, rigidly, to immediately delist a listed corporation upon the pronouncement of an order of winding up by a High Court, pursuant to **Rule 16.11(2) of the AMLR**? Is that the sole and proper construction to be accorded to the said **Rule**?

[58] This issue only arises by reason of the word **"shall"** utilised in **Rule 16.11(2)**. In this context it should be noted that the word used is "shall" as opposed to "has a duty to" or "must". **Black's Law Dictionary** lists the following five meanings of "shall":

(a) Has a duty to; (This is the mandatory sense that drafters typically intend that that courts typically uphold.)
(b) Should;
(c) May;
(d) Will;
(e) Is entitled to.

[59] Therefore, "shall" does not have a single firm or settled meaning. **It takes its meaning from the context in which it is used.** The Court of Appeal, in immediately construing the word "shall" as imposing a mandatory, statutorily imposed obligation, without undertaking any form of interpretation of the **AMLR** in the context of the primary legislation, erred in law. The Court of Appeal ought to have undertaken the task of comprehending what is meant by **"shall"** in **Rule 16.11(2)(b) of the AMLR** in the context of a holistic reading of the **AMLR** as well as the **CMSA**.

[60] While it is true that the use of “shall” is often mandatory and “may” is permissive, that is not the beginning and end of statutory construction. That is a limited approach which is incorrect if confined solely to that consideration and conclusion. Instead, it is imperative that the court construes the word “shall” in the context of the entirety of **Rule 16.11(2)**, the **AMLR** and finally the **CMSA**. In short “shall” is to be construed in the broader statutory context set out above.

[61] What is the “broader” statutory context? The broader statutory context requires a consideration of whether the stated **Rule**, when considered in the context of both the **AMLR** and the **CMSA**, makes provision for a **mandatory or permissive directive**. Put another way, the broader issue turns on whether the statutory directive itself is mandatory or permissive.

[62] In this context it is clear from **Rule 2 of the AMLR** that the entirety of the **Rules** is **permissive** in relation to Bursa. As stated earlier, the **AMLR** were promulgated to ensure compliance **at the behest of Bursa** in the exercise of its regulatory function. The primary duty of Bursa is encapsulated in **section 11 of the CMSA.** As such there can be no adequate or proper statutory interpretation of **Rule 16.11(2)** without having regard to the primary function of Bursa as a regulatory authority whose primary duty is to ensure public investor protection. In other words, these **Rules**, including **Rule 16.11(2) AMLR**, are made to ensure compliance can be effected in the public interest of providing investor protection. So, to now

construe the word **"shall"** in **Rule 16.11(2)** without having any regard to the wider provisions of the **Rules** holistically and in the context of the **CMSA** is a fundamental error.

[63] As both the High Court and the Court of Appeal failed to undertake this exercise adequately or at all, we are bound to re-consider the issue afresh. In order to answer the question of how the word **"shall" in Rule 16.11(2) AMLR** is to be construed, it is necessary to construe the **Rule** in the context of the **CMSA** and its primary duties. It is the duty of the court to construe the particular provision to ascertain the intention of the legislature by analysing the true meaning of the **Rule** in the context of a holistic reading of the **AMLR** as well as the **CMSA**, as stated earlier.

[64] As stipulated in **Crawford on the Construction of Statutes**: *"The question as to whether a statute is mandatory or directory depends upon the intent of the Legislature and not upon the language in which the intent is clothed. The meaning and intention of the Legislature must govern and these are to be ascertained, not only from the phraseology of the provision but also by considering its nature, its design and the consequences which would follow from construing it the one way or the other…"*.

[65] In **Hee Nyuk Fook v PP [1988] 2 MLJ 360** Syed Agil Barakbah SCJ held that: *".... No hard and fast rule can be laid down because it depends on the facts and circumstances of a particular case, the purpose and object for which such provision*

is made, the intention of the legislature in making the provision and the serious inconvenience or injustice which may result in treating the provision one way or the other."

[66] And in **Benjamin William Hawkes v Public Prosecutor [2020] 5 MLJ 417 (FC)** it was said at paragraph 46 in relation to the use of the word **"shall":**

> *"...Applying the principles as enunciated in the aforesaid cases, whether the word "shall" in a particular legislation is mandatory or directory depends upon the intention of the Legislature in question which is ascertained by looking at the whole scope of the statute to be construed. The use of the word "shall" would not by itself make a provision of the Act mandatory. It is to be construed with reference to the scheme of the statute and the context in which it is used. In Cheong Seok Leng v PP [1988] 2 MLJ 481 at 489 Chan Sek Keong JC (as he then was) explained the relevant rules of interpretation to be given to the word "shall" which appears in legislation as follows:*
> *...*
> *[48] The purposive rule of interpretation must be adopted in interpreting s.51A of the CPC, pursuant to s 17A of the Interpretation Acts 1948 and 1967 which read as follows:*
>
> > *17A Regard to be had to the purpose of the Act*
> > *In the interpretation of a provision of an Act, a construction that would promote the purpose or object underlying the Act (whether that purpose or object is expressly stated in the Act or not) shall be preferred to a construction that would not promote that purpose or object.*
>
> *[49] It is clearly untenable in this case to allude to the word 'shall' as mandatory, thus stultifying the justice of the case, when a*

document was not delivered to the accused persons before the commencement of the trial."

[67] In the **Supreme Court of India's decision in State of Haryana v Anrv Raghubir Dayal (1995) 1 SCC 133** it was held at para 5:

"5. The use of the word "shall" is ordinarily mandatory but it is sometimes not so interpreted if the scope of the enactment or consequences to flow from such construction would not so demand. Normally, the word "shall" prima facie ought to be considered mandatory but it is the function of the Court to ascertain the real intention of the legislature by a careful examination of the whole scope of the statute, the purpose it seeks to serve and the consequences that would flow from the construction to be placed thereon. The word "shall" therefore, ought to be construed not according to the language with which it is clothed but in the context in which it is used and the purpose it seeks to serve. The meaning has to be described to the word shall; as mandatory or as directory accordingly. Equally it is settled law that when a statute is passed for the purpose of enabling the doing of something and prescribes the formalities which are to be attended for the purpose, those prescribed formalities which are essential to the validity of such thing would be mandatory. However, if by holding them to be mandatory, serious general inconvenience is caused to innocent persons or the general public, without very much furthering of the object of the Act, the same would be construed as directory."

[68] Distilling from the general position in law further, the question for consideration is whether Bursa is mandatorily bound to de-list the company by reason of **Rule 16.11(2) AMLR**

notwithstanding the express provisions of **section 11 of the CMSA** which require that Bursa act:

a. Firstly, in the interests of the public for the protection of investors; and

b. Secondly, that where the public interest for the protection of investors conflicts with the law relating to corporations, the former prevails.

[69] **Put another way, in a situation where it may not be in the public interest for the protection of investors for a wound-up listed company to be de-listed, is it tenable to construe Rule 16.11(2) as prescribing a mandatory statutory directive that prevails over:**

(i) The rest of the AMLR read holistically;

(ii) Section 11 of the CMSA; and

(iii) The purpose and object of the CMSA taken as a whole?

[70] **The answer must be no.**

[71] The use of the word **"shall"** does not **always** mean that it is being used mandatorily, as expressly elucidated in the case-law above. There are numerous instances where the word "shall" is used in a way that does not denote a mandatory legal

obligation. (As Bryan Garner, the legal writing scholar and editor of **Black's Law Dictionary** noted – "*In most legal instruments,* shall *violates the presumption of consistency…. which is why* shall *is among the most heavily litigated words in the English language.*")

[72] In point of fact, "shall" has come to be the most misused word in the legal language.

The Purpose and Object of the AMLR

[73] In order to comprehend the context in which the word **"shall"** ought to be construed it is also necessary to comprehend the purpose and object of the **AMLR**. This is amply set out in **Rules 2.03 and 2.04**.

[74] **Rule 2.03 sets out the purpose of the Rules which is to ensure that its provisions must be complied with by all applicants, listed corporations, their directors, advisers or other persons to whom the requirements are directed.** It is evident that the purport of the **Rule** is regulatory, in that it is Bursa that requires compliance **from those persons who propose to list a corporation or those who have control of a listed corporation**. The purpose of the **AMLR** is not to regulate Bursa but to enable Bursa to regulate persons participating in the market. And this is so because the **AMLR** serve to enable Bursa to fulfil its **regulatory function** for the purpose of carrying out its primary duties under the **CMSA**, particularly **section 11**.

[75] **Rule 2.04** sets out the rationale for the **AMLR** and the principles on which the rules are predicated. It is self-explanatory.

[76] **Rule 2.06** which is of central importance, prescribes how the **AMLR** is to be interpreted namely **"in accordance with their spirit, intention and purpose.** As well as in a way that **"best promotes the principles on which they are based."**

[77] Regrettably neither the High Court nor the Court of Appeal undertook any sort of consideration of the purpose nor principles set out in the rules in order to ascertain the meaning to be accorded to the word "shall" in **Rule 16.11(2**). This was explained on the basis that as there was no ambiguity there was no necessity to consider anything other than the express words used. This was understood to amount to a literal reading of the relevant rule falling for consideration. In so doing, the Court of Appeal misunderstood the function and purpose of the literal rule of statutory construction. Reading the express words set out in a statute *in vacuo*, and without taking into consideration the context in which those words are utilised, does not amount to a literal approach to statutory interpretation. That is a grammatical application of the meaning of words. **Section 17A of the Interpretation Acts** requires that the purpose and object of an Act and other instruments made under an Act must be undertaken when construing a statute. As **section 17A** is a statutory provision, it must be complied with. Therefore, both the High Court and the Court of Appeal, in failing to undertake

this task as provided for in **section 17A**, committed an error of law.

[78] Turning to the present factual matrix which relates to a company in liquidation, the **AMLR** has requisite provisions to safeguard the public interest for the purpose of investor protection, in such a situation (see **Rule 2.22 AMLR**). There is provision that where the directors of a listed corporation are no longer in control, then the person who is in possession and control of the assets and operation of the listed corporation is bound to give an undertaking to comply with the listing rules. This Afrizan did. However, Afrizan then chose not to comply with the **LOU** on the grounds that the listed corporation over which he had possession and control, was wound up and it then became incumbent upon Bursa to immediately de-list the corporation, as a consequence of which the **LOU** would become redundant and would not need to be fulfilled by him.

[79] Where an order of court declares that a listed corporation is wound up, the primary concern of Bursa, as we understand it, is to ensure that there is continued compliance with the rules i.e. the **AMLR**, so that there is continued disclosure about the workings of the listed corporation, and the steps being taken to keep it in operation or otherwise. Such disclosure through periodic returns comprise the primary means by which the investor public will be apprised of what is going on in the wound-up entity, which remains a listed corporation. Therefore, such disclosure is of central importance and the **Rules** are crafted to regulate the same.

[80] A further complication is that in a winding up situation, the directors cease to have control of the assets and operations of the company, which are taken over by a liquidator. The liquidator is in possession of the assets of the listed corporation and has primary control over the operations and assets of the company.

[81] It is for this reason that the Listing Requirements in the form of the **AMLR** in this appeal, require that the liquidator, as the new person taking over control, ensures continued compliance. To this end, a letter of undertaking is required of the liquidator to ensure such compliance. This is set out in **Rule 2.22(1) of the AMLR** which is *pari materia* with **paragraph 2.22 of the Main Listing Requirements** (referred to in the questions of law posed as the '**Main LR**') – it provides that a person such as a liquidator of the listed corporation who is the "controlling person" must ensure and must give Bursa an undertaking in the prescribed form.

[82] The existence of **Rule 2.22(1) AMLR** in itself evidences the fact that upon the pronouncement of a winding up order in relation to a listed corporation, Bursa is not bound to immediately de-list the entity. If so there would be no provision for the person in control of the wound up listed corporation to provide continued disclosure, as it would be superfluous. This, in turn, fortifies the interpretation of "shall" as not being mandatory in nature, but directory, at the behest of Bursa.

[83] Given that Afrizan had complied with **Rule 2.22(1)**, it was incumbent upon him, as liquidator, to ensure compliance with the **AMLR**, both by reason of the sheer existence of the **Rules**, as well as the specific LOU provided by him. It is completely untenable for the liquidator, as the person in control of the listed corporation, to take matters into his own hands and undertake his own construction of the listing rules to determine that he no longer owes any obligation of compliance. This too, by undertaking his own personal construction of **Rules 16.11(1) and 16.11(2),** and then concluding that because one says **"may"** and the other says **"shall"** respectively, **Rule 16.11(2) must** be complied with by Bursa resulting in the liquidator no longer having any duty of compliance.

[84] Moreover, Afrizan went on to **unilaterally implement** his own construction of the rules, notwithstanding the LOU he had personally executed. This is untenable on the part of any prudent, responsible liquidator who is bound to have cognizance of the workings of a listed corporation and the impact of winding up on the interests of investors as a whole. The Court of Appeal erred in accepting such a flawed argument, without undertaking any form of statutory interpretation itself.

[85] At this juncture it warrants reiteration that even the literal mode of statutory construction does not allow for the interpretation of words *in vacuo* – particularly a word like **"shall"** which takes its colour from the context and circumstances in which it is utilized.

[86] Apart from the clear legal position we have alluded to above, namely that it lies not in the hands of the person who has control of the listed company and who is bound to comply with the **AMLR**, to conclude unilaterally that he has no obligation or duty either personally or on behalf of the listed corporation to carry out an express obligation he has agreed to, the interpretation placed on the word **"shall"** is clearly flawed, as we have explained at length above, for the failure to look at the entirety of the **AMLR** and the **CMSA**.

[87] Simply put **"shall"** is not always mandatory and **"may"** is not always directory. The Court of Appeal undertook an inadequate, imperfect and rigidly narrow construction of the **AMLR** and failed entirely to have regard to the **CMSA**, as a consequence of which it reached a conclusion that is flawed.

[88] A further and important reason for concluding that the term **"shall"** in **Rule 16.11(2) AMLR** does not connote, nor warrant a meaning that the word is utilised in its mandatory form, is the effect or consequence of construing it as mandatory in nature. The net result of interpreting the word **"shall"** in the said **Rule** as amounting to a mandatory directive, is that upon the pronouncement of the order of winding up by the High Court, Bursa is bound to immediately de-list the listed corporation with no opportunity to ascertain the basis for the winding up or whether the listed corporation is truly insolvent or has been wound up for one of the numerous other bases specified in the winding up legislation under the **Companies Act 2016**. Neither

is the fact that the order may not be final but subject to further legal challenge allowed to be taken into consideration.

[89] It should be borne in mind that a company can be wound up simply for failing to respond to a statutory notice to pay a stipulated sum which is not a large quantum. That in itself invokes a presumption of insolvency which falls to be rebutted by the company. If the company has not had an opportunity to do so, the consequences can be dire.

[90] When this is coupled with a reading of **Rule 16.11(2) AMLR** such that the listed corporation is also **immediately** de-listed the consequences on the investing public will also be dire. The fact of de-listing will have an immediate impact on all investors who have invested in the listed corporation. The damage to the investors is irreparable.

[91] If the order of winding up is then reversed on appeal or stayed, then the de-listing would have already occurred, with no opportunity to reverse that, simply because de-listing cannot be reversed. It would take considerable time, work and numerous other factors to list afresh. The listed company and the investor public i.e. the shareholders of Wintoni would have suffered irreparable damage. The listing status of a company, as submitted by Bursa, has a value attached to it. (See **Yeoh Eng Kong v Dato' Nik Ismail Nik Yusoff & Ors [2017] 7 CLJ 369**). That value would be irrevocably lost if delisting were to immediately follow the making of a winding up order without any opportunity being accorded to Bursa to evaluate the

circumstances leading up to the same. More importantly given the level of damage that would be suffered by both the investing public and the listed corporation, such a reading is contrary to the statutory duty of Bursa to protect the interests of public investors.

[92] In this context, it is pertinent that **Rules 9.19 and 9.20 of the AMLR** require a listed corporation to make an announcement relating to the default or circumstances leading to both the filing of the winding up petition and the steps proposed to be taken in relation to the same. It is submitted for Bursa that the purpose of these rules is to enable Bursa to ascertain and evaluate for itself whether the winding up order made is final and conclusive and not subject to further legal challenge prior to it taking a decision to de-list the corporation. These rules also lend credence to the interpretation that the word "shall" utilised in **Rule 16.11(2)** is not mandatory nor immediate but is prescriptive in directory terms, leaving the ultimate decision whether or not to Bursa to take upon a full evaluation of the circumstances of the particular case.

[93] Finally, the fact that the winding up order against Wintoni was terminated on 17 September 2019 illustrates the danger of construing the word "shall" *in vacuo* and without consideration for the rest of the **AMLR** and the **CMSA**.

[94] In summary therefore, the consequences of reading **"shall"** as a mandatory consequence of an order of winding up which is capable of being reversed, is dire.

Waiver and/or Modification

[95] **Rules 2.07(2) AMLR and 2.06(2) of the Main Listing Requirements** allow Bursa to waive or modify compliance with the listing requirements. The effect of this provision in the **AMLR** is clear, namely that Bursa is empowered to modify or waive compliance with the rules when such compliance would not meet its statutory duties under the **CMSA** or is not in the spirit, intention and purpose of the **AMLR**. In the present context, it means that Bursa is entitled to decide to waive or modify the effects of **Rule 16.11(2)**, even if it is read in its most extreme form of imposing a positive and immediate obligation to delist. Therefore, even if it is read as amounting to a mandatory requirement, Bursa could not be faulted for deciding not to delist the corporation immediately, given its powers to balance the need to delist against the public interest of investor protection.

[96] **Ultimately, the question before us is this:**

(i) Was it the intention of the drafters of the AMLR and the purpose and object of the AMLR to provide that upon a winding up order being pronounced a listed corporation had to be mandatorily de-listed; or

(ii) Was it the intention of the legislature and the regulatory authority that upon such an order being pronounced, that the regulatory authority was

conferred with the power to de-list the listed corporation as a directory rather than a mandatory statutory directive? Meaning that Bursa is empowered to determine whether and when such directive is to be exercised.

[97] Taking into effect all the factors alluded to above, we have no hesitation in concluding that that the second construction is that to be preferred. This means that the word "shall" is not mandatory in nature but is directory, meaning that Bursa may de-list the listed corporation after taking into consideration the relevant interests as outlined in the **CMSA** and the **AMLR**, at an appropriate time, and not immediately upon pronouncement of the winding up order.

[98] As such we answer **Questions 2 and 3 in the affirmative. Accordingly Question 4 is also answered in the affirmative.**

[99] Once the foregoing questions are answered in the affirmative, particularly **Questions 2 and 3,** namely that there is no duty or obligation on the part of Bursa to immediately de-list a company upon a pronouncement of the listed corporation having been wound up, **it follows that the liquidator, as the person in control, was duty bound to comply with the rest of the provisions of the AMLR.** This answers Question 1.

[100] This duty was doubly reiterated by his signing of an express letter of undertaking personally. No excuse is afforded to him for failure to comply with the letter of undertaking by

reason of his contention that there was a mandatory obligation on the part of Bursa to delist the corporation, thereby obviating the need for his compliance with his duties as listed under the **AMLR** to provide timely and accurate disclosure either directly or to ensure compliance through the directors. And there is no excuse because it is not open to the liquidator to undertake his own interpretation of the **AMLR**, and then proceed to act on it unilaterally, notwithstanding his express agreement to abide by the **Rules**.

[101] More importantly, there would be complete chaos in the market and exchange if individuals such as the liquidator here choose to undertake their own interpretation of the rules, and proceed to implement or act on their comprehension of the meaning to be attributed to the **AMLR** or the **Main Listing Requirements**, rather than an accepted interpretation. There must be acquiescence from Bursa or the court to warrant such steps being undertaken by parties who have chosen to participate in and comply with the law relating to markets and exchanges.

[102] However, notwithstanding our answers to Questions 1, 2, 3 and 4, it should be clarified that there is an express duty on the part of a liquidator of a listed corporation to comply with the **AMLR** or the **Main Listing Requirements** as the case may be, so long as the wound up company remains listed. This follows as a matter of express provision – see **section 480 of the Companies Act 2016** as well as case law – see **Yeoh Ann Kiat v Hong Leong Bank [2016] 6 MLJ 499** per Vernon Ong

JCA (as His Lordship then was). A court appointed liquidator is an officer of the court with express and clear duties and functions. It must follow that as an officer of the court, he is cognizant of, and complies with the law. The highest standards in respect of compliance with the law are required of him.

[103] In the instant case in view of the express provisions of the **CMSA**, which the liquidator was bound to be cognizant of, as he was undertaking the liquidation of a listed corporation, he ought to have been fully aware that the provisions of the **CMSA** prevail over that of the law relating to corporations where public interest in the form of investor protection is concerned. As such, and given the express LOU he executed, it is clear that the liquidator is bound by the law as set out in, *inter alia*, the **CMSA** and the **AMLR**. The express provisions of the LOU make this clear beyond dispute. It specifies that in consideration of Bursa allowing Wintoni to remain listed and on the official list, he the liquidator, undertook and agreed to comply with the **AMLR** and any amendments to the same in so far as they are applicable to him. To try and avoid such an express and unequivocal legal obligation of disclosure in the interests of both Wintoni and the investor public, by suggesting that Bursa was bound to delist Wintoni thereby absolving him from any need to comply with the LOU, is unacceptable conduct on the part of an officer of the Court, from whom the highest standards of integrity are expected. It has been contended for Afrizan that the use of the words “in so far as the same apply to me” somehow exonerates him from the obligation to comply with the LOU. However, those words cannot override his statutory duty

as a liquidator to fulfil this requirement. This is borne out by the decision of **American International Assurance Bhd v Coordinated Services L Design Sdn Bhd [2012] 1 MLJ 369** per Ramly Ali JCA (as His Lordship then was).

[104] Additionally, the liquidator in executing his functions under the **Companies Act 2016**, is expected to do so bearing in mind the interests of not only unsecured creditors, but also secured creditors and shareholders. Again, as an officer of the Court he is expected to adopt and practice an unbiased, impartial and honest approach to his duties as a whole. (See **Re Contract Corporation (Gooch's case) (1871) LR 7 Ch App 207** as applied in **Australian Securities and Investments Commission (ASIC) v Dunner (2013) 303 ALR 98**.)

[105] Finally Question 5 relates to whether a director of a listed corporation in liquidation can continue to ensure compliance with the **AMLR** where there is no authorisation by the liquidator or the Court. The answer to this question is in the negative because the director cannot provide the requisite disclosure as stipulated under the **AMLR** or the **Main Listing Requirements** without the consent, authorization or approval of the liquidator who is the person in control of the listed corporation in liquidation. He therefore has no basis on which to provide such disclosure.

[106] It is the duty of the person in control, namely the liquidator to provide such disclosure. The liquidator is in a position to procure the relevant information from the directors

or to direct them to provide the requisite disclosure to Bursa. In point of fact it is incumbent upon the liquidator to procure the directors to make the requisite disclosure in compliance with the **AMLR** where he is unable to do so personally because he is unable to do so or has no relevant knowledge. It is his legal obligation to do so, in keeping with the requirement to comply with the provisions of the law under the **Companies Act 2016**, the **CMSA**, and the **AMLR**.

[107] Question 5 is therefore answered in the negative.

Conclusion

[108] To sum up, we allow the appeal with costs of RM50,000-00 here and below and set aside the decisions of the courts below. We answer the questions of law posed as follows:

1) Whether compliance with the Listing Requirements is consistent with and/or within the scope of the liquidator's powers and/or duties under the Companies Act 2016 or otherwise in law.
Answer: Affirmative

2) Whether on a proper construction/interpretation of Rule/Paragraph 16.11(2) of the Listing Requirements, Bursa Securities is not obliged to immediately and summarily de-list a listed corporation upon the listed corporation being served with a winding-up order without regard to any appeals/legal challenges to the

winding-up order but should only do so upon a final determination on the said appeals/legal challenges.

Answer: Affirmative

3) Alternatively, whether Bursa Securities is entitled to exercise its discretion to modify and/or waive compliance of its own rules, including Rule/Paragraph 16.11(2) of the Listing Requirements by virtue of, amongst others, Rule 2.07(2) of the AMLR and Paragraph 2.06(2) of the Main LR.

Answer: Affirmative

4) If: -

(i) the answer to Question 1 is in the affirmative; and

(ii) the answer to Question 2 and/or 3 is in the affirmative

whether the liquidator, as the person in control of the management of a listed corporation in liquidation, must undertake to continue to comply with the Listing Requirements as consideration for the continued listing of a listed corporation in liquidation.

Answer: Affirmative

5) Whether a director in a listed corporation in liquidation can continue to ensure compliance of the Listing Requirements by the listed corporation without the authorisation by the liquidator and/or Court.

Answer: Negative

[109] These grounds of judgment supersede and prevail over the brief grounds delivered on pronouncement of our decision.

Signed
NALLINI PATHMANATHAN
Judge
Federal Court of Malaysia

Dated: 31 March 2022

For the Appellant:

Khoo Guan Huat (Preetha Pillai, Nimalan Devaraja, Tiang Wen En with him)

MESSRS SKRINE
Unit No. 50-8-1, 8th Floor
Wisma UOA Damansara
Jalan Dungun
Bukit Damansara
50490 KUALA LUMPUR

For the Respondent:

Sukhwinder Singh

MESSRS SUKHWINDER SINGH N MAHINDER SINGH
No.6-3-2, Jalan Setia Prima U13/Q
Section U13, Setia Alam
40170 Shah Alam
SELANGOR