



Our Ref: SR/TYH(RPA)/LD 03/09

8 May 2009

The Company Secretary
(Listed Issuers)

Via email

Dear Sir/Madam,

BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Please note that pursuant to section 9 of the Capital Markets and Services Act 2007 ("**CMSA**"), Bursa Malaysia Securities Berhad ("**Bursa Securities**") has reviewed the Listing Requirements for the Main Board and Second Board ("**LR**").

1. BACKGROUND

The Securities Commission ("**SC**") and Bursa Securities have jointly reviewed the framework for listings and equity-raising to enhance the competitiveness and to strengthen the positioning of Bursa Securities as a conducive capital raising destination. This enhanced framework entails the merging of the current Main Board and Second Board for established corporations. The merged Main Board and Second Board will be known as the Main Market.

Both the SC and Bursa Securities have undertaken extensive benchmarking studies and engagements with various focus groups on this initiative. An industry working group, comprising subject matter experts, was also formed to assist the SC and Bursa Securities in formulating the enhanced framework for the Main Market. On 6 February 2009, SC and Bursa Securities jointly issued consultation papers seeking public feedback on the proposed guidelines for listings and equity fund-raising and amendments to the LR in conjunction with the enhanced framework. The public consultation closed on 15 March 2009. The reviewed LR has taken into consideration the feedback or comments we received on the consultation paper and from focus group meetings with industry experts.

With the merger, all existing issuers listed on Main Board and Second Board will be listed on the Main Market with effect from **3 August 2009**. The reviewed LR for the Main Market will be known as **Bursa Securities Main Market Listing Requirements ("Main LR")**.

2. STREAMLINED REGULATORY FUNCTIONS

Under the enhanced framework for the Main Market, changes will be made to the CMSA and the regulatory roles of SC and Bursa Securities will therefore, be streamlined as follows:

- (a) The SC's approval under section 212 of the CMSA will only be required for initial public listings, acquisitions resulting in significant change in the business direction or policy of a listed issuer (reverse take-overs and back-door listings), secondary listings and cross listings and transfers of listings to the Main Market. This permits the SC to continue its gate-keeping function at entry point to safeguard investors' interests;
- (b) Bursa Securities will be the approving authority for all secondary equity fund-raising such as rights issues, placements and issuances of securities for acquisition of assets that do not change the core businesses of listed issuers. These corporate proposals will no longer require the approval of the SC under section 212 of the CMSA;

Bursa Malaysia Berhad 30632-P

9th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur, Malaysia

Tel : 03-2034 7000, 03-2732 4999 (GL)
Fax : 03-2026 3684
Website : www.bursamalaysia.com

- (c) Moving forward, Bursa Securities will focus on the following key areas when approving secondary issuances of securities that come within our purview:
- (i) compliance with minimum requirements;
 - (ii) public interest;
 - (iii) corporate governance;
 - (iv) conflicts of interests; and
 - (v) adequacy of disclosures to enable investors to make informed investment decisions; and
- (d) SC will continue to vet and register prospectuses (under sections 232 and 237 of the CMSA) to ensure adequate disclosures to the investors.

On the whole, the enhanced framework with its streamlining of rules and processes for equity fund-raising is intended to bring greater certainty, shorter time-to-market and lower regulatory costs.

3. MAIN LR

In this connection, the LR is reviewed with the objectives to:

- (a) reflect the relevant and consequential amendments arising from the proposed amendments to the CMSA and transfer of certain regulatory functions from SC to Bursa Securities;
- (b) enhance the attractiveness of listing on the Main Market;
- (c) improve efficiency and time to market;
- (d) strengthen investor protection through enhancing provisions relating to continuing listing obligations, for e.g. disclosure obligations and financial condition and level of operations; and
- (e) clarify and enhance requirements to further promote the integrity and credibility of the market.

4. AMENDMENTS TO THE LR AND THE EFFECTIVE DATES

The amendments to the LR are as summarised in the Appendices stated in the table below. The table also sets out the effective dates of the provisions.

No.	Amendments	Effective Date	Appendix
1	Amendments relating to structured warrants, real estate investment trusts and listings denominated in multi currency	8 May 2009	A summary of the key amendments relating to structured warrants, real estate investment trusts and listings denominated in multi currency is set

No.	Amendments	Effective Date	Appendix
			out in <u>Appendix 1</u> The full text of the amendments are set out in <u>Appendix 3</u>
2	Main LR	3 August 2009	A summary of the key amendments in the Main LR is set out in <u>Appendix 2</u> The full text of the Main LR (with amendments tracked) is attached as <u>Appendix 4</u> .

The amendments are reflected in the following manner:

- Portions underlined are text newly inserted/added onto the existing rules; and
- Portions struck through are text deleted.

All the above documents as well as the unmarked copy of the Main LR are also available at Bursa Malaysia's website at: <http://www.bursamalaysia.com>.

5. COMPLIANCE WITH THE LR AND MAIN LR

A listed issuer must comply with the amended requirements from their effective date as stated in paragraph 4 above.

With effect from **3 August 2009**, a listed issuer who undertakes secondary issuances of securities need to submit the listing application to Bursa Securities only. Where it issues debt securities or new securities pursuant to a significant change in the business direction or policy of the listed issuer, it must procure SC's prior approval before submitting the listing application to Bursa Securities.

Further, under the Main LR, a listed issuer must submit a valuation report to Bursa Securities under the following circumstances:

- (a) in relation to a transaction which involves an acquisition or disposal of any real estate as follows:
 - (i) for a non-related party transaction, where any one of the percentage ratios is 25% or more;
 - (ii) for a related party transaction, where any one of the percentage ratios is 5% or more,

irrespective of whether the consideration of transaction is satisfied by way of cash or issuance of securities; and

- (b) when the listed issuer makes a two-call rights issue or bonus issue of securities by capitalizing the reserves arising from the revaluation of assets.

Kindly be informed that, a listed issuer must submit a valuation report as stated above to Bursa Securities together with any:

- (a) circular to Bursa Securities or its shareholders for the relevant transaction or proposal; or
- (b) additional listing application, where the transaction or proposal involves a new issue of securities,

which is submitted to Bursa Securities **on or after 3 August 2009**. This is regardless of the date the listed issuer announces the transaction or proposal.

For the avoidance of doubt, where a valuation report is required to be submitted to the SC pursuant to section 212 of the CMSA, the listed issuer need not submit the valuation report to Bursa Securities.

In order to ensure a smooth transition of the amendments under the Main LR, compliance with some of the existing LR is modified as set out in the table below.

No.	Existing LR	Modification of compliance
1	Paragraph 8.15 Shareholding spread	A listed issuer must ensure that at least 25% of its total listed shares are in the hands of public shareholders. However, compliance with minimum number of 1000 public shareholders holding not less than 100 shares each is waived with immediate effect. A listed issuer which does not comply with the minimum number of 1000 public shareholders need not apply for extension of time or waiver from Bursa Securities.
2	Paragraph 8.14B Cash Companies Paragraph 8.14C Financial condition and level of operation	An existing PN16 Company or PN17 Company must continue to comply with its obligations under the LR. However, an existing PN16 Company or PN17 Company may apply to the Exchange to regularise its condition under the amended paragraph 8.03 and PN16 or paragraph 8.04 and PN17 under the Main LR, which will be effective on 3 August 2009, provided that such company is still within the stipulated or extended timeframe granted by Bursa Securities to submit its proposal or plan to regularise its condition under the LR.
3	Paragraph 5.12 Obligation to retain a Market Maker	An existing issuer of structured warrants who is currently undertaking market making activities and wishes to continue to do so must comply with paragraph 5.12 of the LR within 3 months from 8 May 2009.



Our Ref: SR/TYH(RPA)/LD 03/09

BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

If you have any query on the above, please do not hesitate to liaise with the contact persons from our Listing Division who have been assigned to you as informed via our letter dated 20 June 2008 (Our Ref: IS/LD09/08), the details of which can also be found at http://www.bursamalaysia.com/website/bm/contact_us.html.

Thank you

Yours faithfully,

A handwritten signature in black ink, appearing to read "Selvarany Rasiah".

SELVARANY RASIAH
Chief Regulatory Officer

TAC/ks

Encl.