

BRIEFING ON KEY CHANGES OF THE



LISTING REQUIREMENTS

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18 June & 6 July 2009

MAIN Market

- Regulatory Framework
- Key Changes in Listing Requirements
 - New issue of securities
 - Shareholding spread
 - Requirement on website
 - Delay in submission of financial reports
 - Circulars
 - Transaction
 - Valuation
 - Trading halt & request for suspension
 - Dealings in securities
- Highlights of transitional issues

REGULATORY FRAMEWORK

Streamlining of Bursa and SC Roles & Responsibilities



Section 212 of CMSA

- IPO
- Acquisition resulting in RTO/BDL
- Secondary/ cross listings
- Transfer from ACE Market

Section 232 & 237 of CMSA

- Registration of prospectus for IPO, Public Offerings and Rights Issue



- Secondary offerings (Rights Issue, Placements, Convertible securities)
- Regularisation Plan (Non RTO/BDL)
- ESOS, Bonus Issues, subdivision/ consolidations

KEY CHANGES IN MAIN MARKET LR

New Fund Raising Framework

All relevant requirements relating secondary issuance as stipulated in the SC's Guidelines on the Offering of Equity and Equity-Linked Securities are now incorporated in the Main LR

Listing Application



Shorter time to market



- Prescribed Listing form
- Concurrent processing of Listing Application & clearance of Circular
- Rights Issue- SPEED processing for crediting of rights for trading
- SPEED processing for Capital Repayment
- Merged processing of Listing & Quotation Applications

Bursa may:

1. approve application subject to conditions
2. engage listed issuers and advisers to rectify areas of concern
3. reject application

New Issues of Securities

Enhanced Disclosure

General Mandate

- Proceeds raised from previous mandate & details and status of utilisation (**negative statement where applicable**)
- Purpose and details of utilisation of proceeds for current general mandate sought

Other enhancement in announcements and circulars

- Justification for new issuance of securities
- Description & outlook of the industry the PLC is operating or will be operating
- Irrevocable undertaking to subscribe for the new issue:
 - confirmation on sufficiency of financial resources (must be verified by independent party)
 - statement on consequences to PLC and shareholding with regard to Take-Over & Merger Code
- ESOS - performance target if any, and the potential cost

Shareholding Spread

Initial listing

- $\geq 25\%$
- minimum 1000 public shareholders holding not less than 100 shares

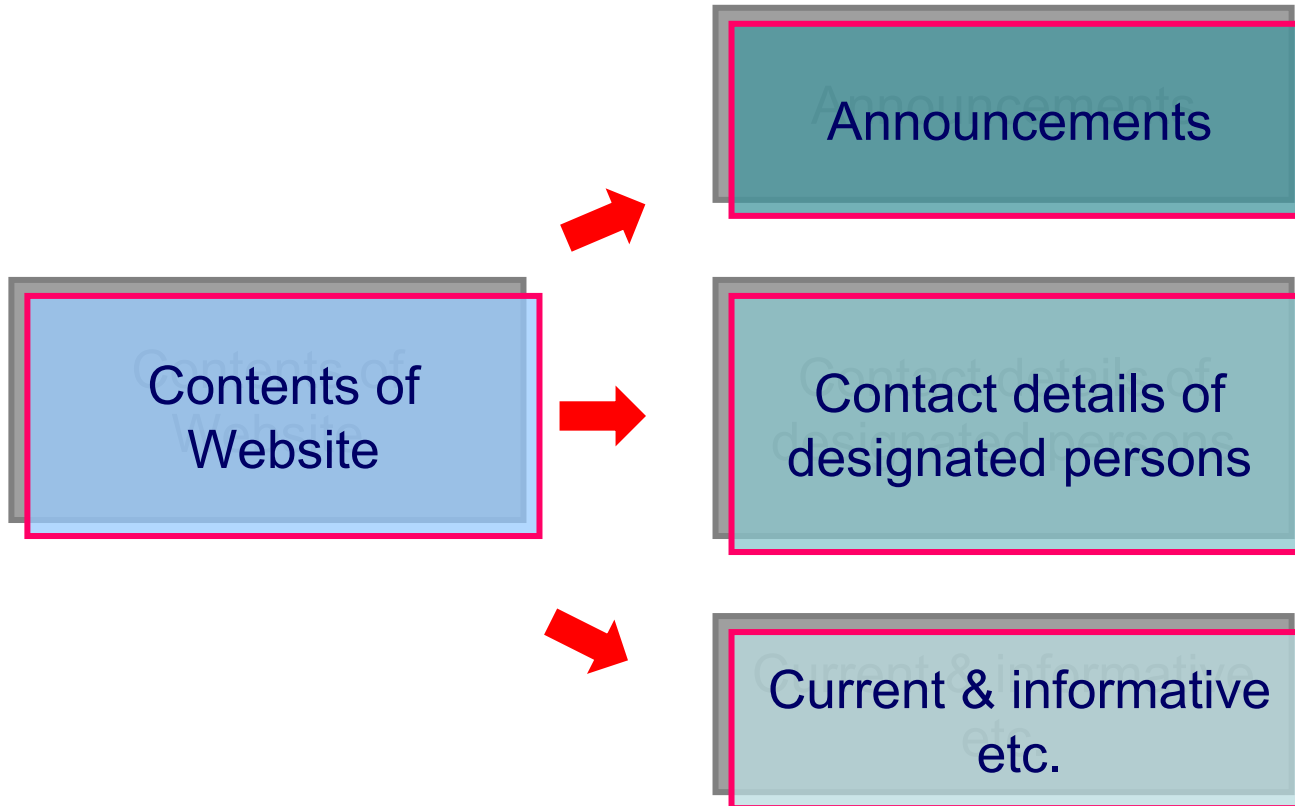
Continuing listing

- $\geq 25\%$
- no minimum no. of public shareholders

- Compliance with “public spread” requirement by artificial means is prohibited.

“public” includes directors of listed issuers’ associated co.

Requirements for Website



Delay in submission of Financial Reports

≥ 3 MD **before**
due date

- ❖ Immediate announcement to Bursa if becomes aware that PLC will not be able to submit by the due date

5 MD **after** due
date

- ❖ Suspension will be effected on the next day after the expiry of 5 MD of the due date for submission

6 months **after**
due date

- ❖ Bursa shall commence delisting procedures

Circulars

❖ **must comply with:**

- the minimum disclosure as prescribed in the LR; and
- such other information having regards to the particular nature of the transaction to enable shareholders to make informed decision at general meeting

❖ **limited review & full review circular must be issued immediately after Bursa's clearance or ≤ 14 MD after receipt of such clearance;**

❖ **The time frame not applicable for circulars on:**

- RRPT
- maturity of securities;
- share exchange, recall or reduction;
- notification of subdivision of shares; or
- such other corporate proposal or action as may be prescribed by the Exchange from time to time.

❖ **must place greater emphasis on additional information to be disclosed in circulars to enable shareholders to assess the merits of the corporate proposal**

Transaction

Non-RPT

≥5%
announce
information as
prescribed under
Appendix 10A

≥25%
issue circular
containing info.
prescribed in App.
10B and seek
shareholders'
approval

RPT

≥0.25%
announce
information as
prescribed under
Appendix 10A &
10C

≥5%
issue circular as
prescribed in
App. 10B & 10D
and seek
shareholders'
approval

Requirement for transaction which is
≥ 15% but <25% is removed

Transaction – Enhanced Disclosure

All
transactions

Circular

- Profit Guarantee (“PG”):-
 - PLC’s rights of recourse;
 - whether PG is realistic
- Timetable for completion of transaction
- Conflict of interest disclosure enhanced:-
 - Nature & extent of conflict
 - Parties to conflict
 - Measures taken for resolving, eliminating or mitigating conflict situation

Transaction- Enhanced Disclosure

RPT

Announcement:

Audit Committee's (AC) statement setting out the following:

➤ AC's view whether:-

- (i) in the best interest of the listed issuer;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the minority shareholders, together with the basis for its views;

➤ If independent advice (IA) is sought , a statement to that effect;

➤ If views of AC are different from the opinion of IA, if any, the reasons for the difference;

Enhanced statement by directors to include:

➤ If board sought an independent advice, a statement to that effect;

➤ If views of the board are different from the opinion of the AC or IA (if any) the reasons for the difference

Transaction - Enhanced Disclosure

RRPT

Announcement

- Deviation of 10% or more between estimated and actual RRPT value and reasons for such deviation

Circular

- The actual value transacted of each RRPT
- The estimated value of each RRPT as disclosed in the preceding year's circular;
- Reasons for deviation, if the actual value exceeds > estimated value by 10% or more

RRPT - Enhanced Disclosure

Announcement

Date	Cumulative Value of Transaction (RM'000) *	% of deviation since prev. ann. Based on mandated amount	Announcement ?
30-Apr-09 (AGM)	1,500	-	-
31-Aug-09	1,680	12%	Yes
30-Sep-09	1,800	8%	No
30-Oct-09	1950	18%	Yes

* period should be from previous AGM to the next AGM

Transaction

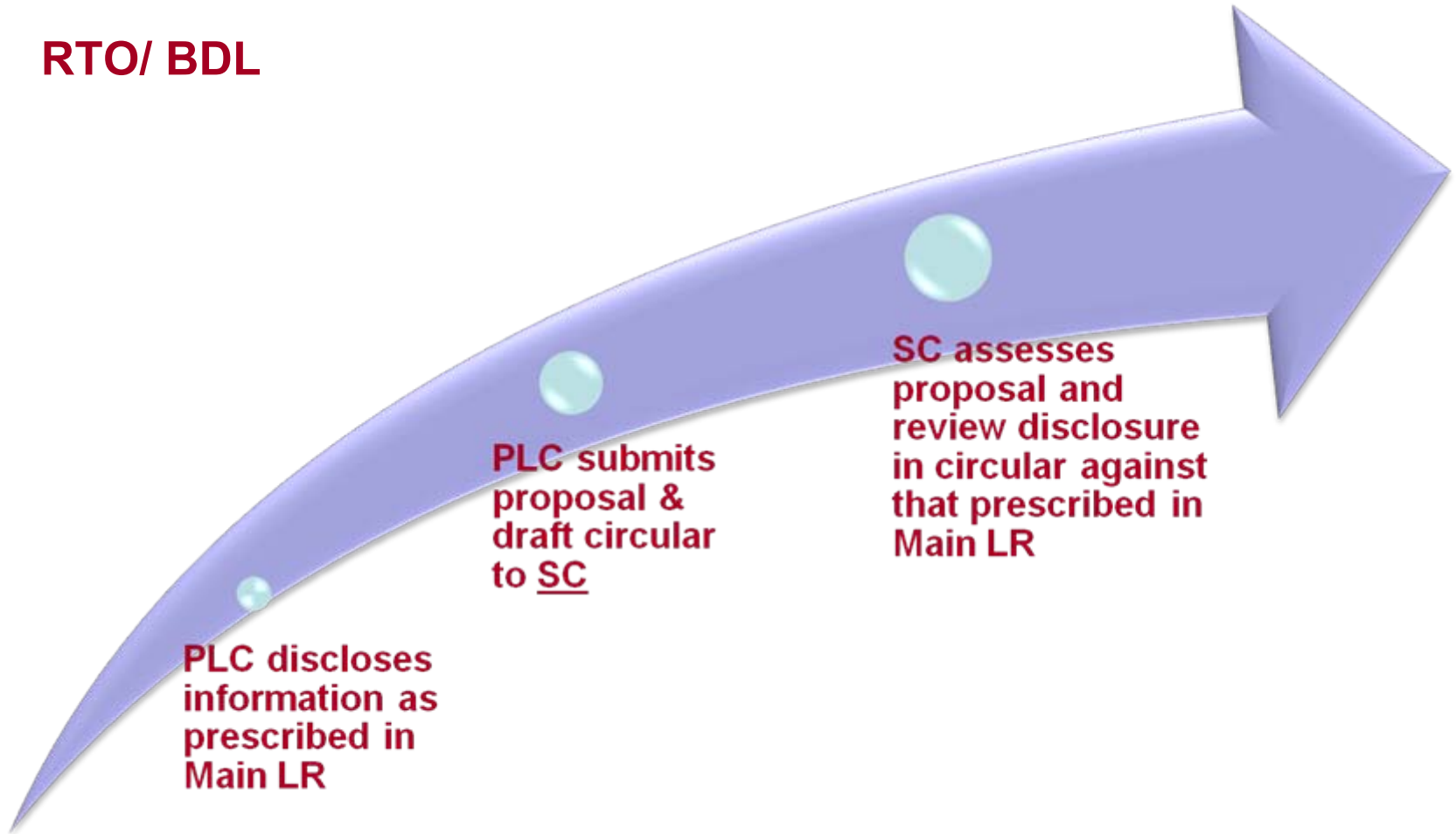
Percentage Ratio

Total Assets
ratio is only
applicable in
transaction
which involve
subsidiary
companies

PLC must give
regard to the
percentage ratio
stipulated in
SC's Equity
Guidelines to
determine
RTO/BDL

Transaction

RTO/ BDL

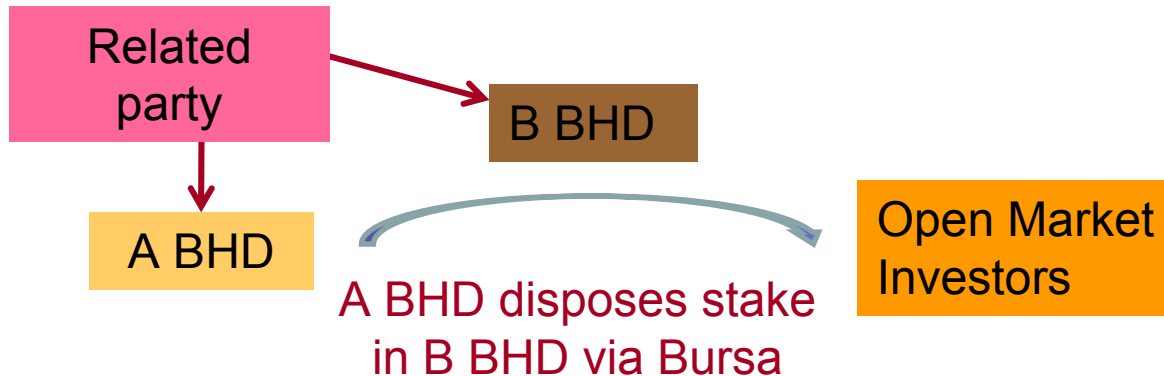


Transaction

RPT – Additional Exempt Transaction

Disposal of an interest in an investee company

- (i) The related party are not a party, initiator or agent to the said disposal
- (ii) The disposal is effected on Bursa Securities where counterparty's identity is unknown to PLC or its subsidiary



The above includes disposal of an investee company on a pro-rata basis or from acceptance of takeover offer

Transaction

RPT – Additional Exempt Transaction

Provision/ receipt
of unit trust
services

- On non-negotiable fixed price/ rate
- All material terms are applied consistently to all classes of customers


Valuation

New Requirement

- ❖ Requirement of valuation report on real estate irrespective on the mode of sale/purchase consideration (cash or securities) for:
 - Non RPT : all transactions which are $\geq 25\%$ of the relevant percentage ratio
 - RPT: all transaction which are $\geq 5\%$ of the relevant percentage ratio
- ❖ Valuation report to be submitted to Bursa not later than 1 month before the submission of circular/draft circular (as the case maybe)
- ❖ Valuation must comply with SC's Valuation Guidelines
- ❖ Significant change – issuer/ valuer must update valuation report

Bursa

- Refer valuation report to SC
- May request for a valuation report on any assets
- May appoint second opinion valuer



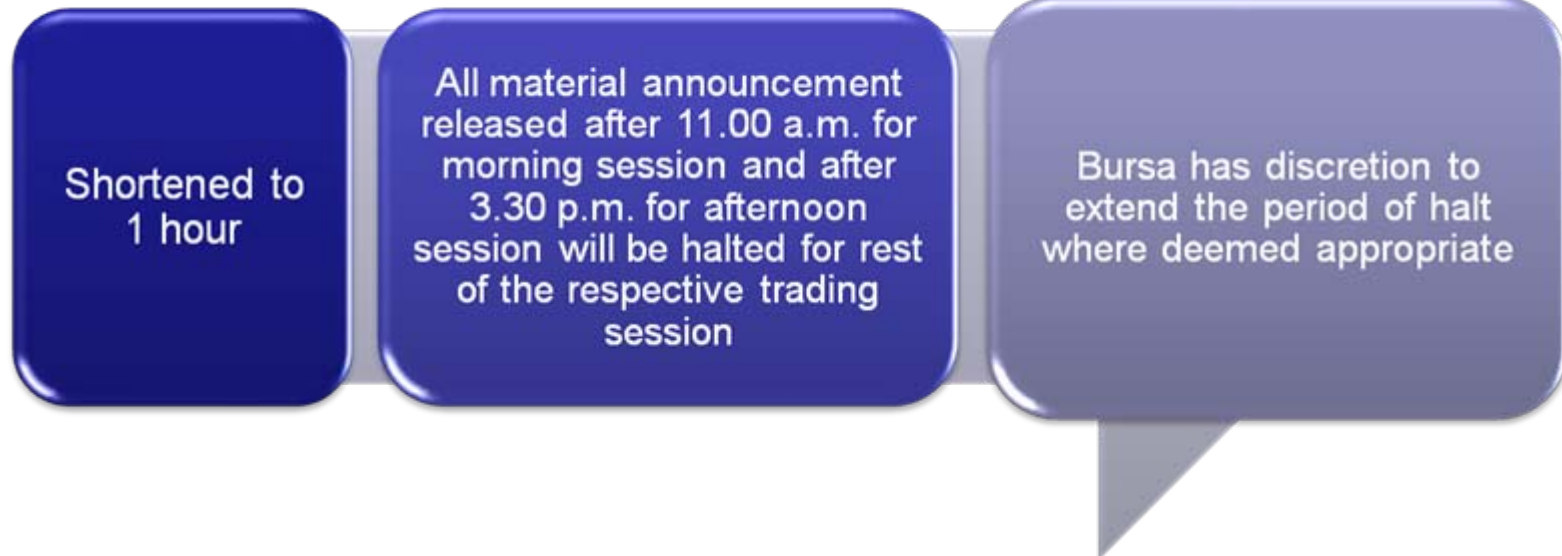
**Valuation Report
must not > 6
months old**

Valuation

	Transaction which percentage ratio is – ▪ $\geq 25\%$ pursuant to Part D (Transaction), Chapter 10 of the Main LR; or ▪ $\geq 5\%$ pursuant to Part E (Related Party Transaction), Chapter 10 of the Main LR	Valuation required to be conducted and valuation report submitted to Bursa?
(i)	Acquisition or disposal of a real estate	Yes
(ii)	Acquisition or disposal of a property development/ property investment corporation	Yes, the valuation report must be submitted for all material real estate .
(iii)	Acquisition or disposal of a corporation (other than defined in (ii)) which owns real estate	Yes, only if the real estate has been revalued and the revalued amount is used as the basis in determining the purchase or disposal consideration

Trading Halt & Request for Suspension

Trading Halt



Request for suspension

- ❖ The above trading halt timeframe is not applicable for voluntary request for suspension
- ❖ Notice for request for suspension shortened to 1 hour

Dealing in Securities

Key Changes - Dealing in Securities

Existing LR

Definition of "closed period"

(a)



Time info.
obtained

Announcement
date of matters
involving price-
sensitive info.

(b)



D - 1 mth

Targeted
date to
announce
quarterly
result (D)

date of
announc-
ment of
quarterly
results

Main LR

Definition of "closed period"



D-30 days

Targeted
date to
announce
quarterly
result (D)

date of
announcem-
ent of
quarterly
results

Key Changes - Dealing in Securities (Cont'd)

Existing LR

Definition of “affected persons”

Listed
issuers

Directors
+
Principal
officers

Main LR

Definition of “affected persons”

Listed issuers

+

**Major
subsidiary of
listed issuers**

CIS Management
Co.

Directors
+
Principal
officers

Key Changes – Dealing in Securities (Cont'd)

Existing LR

Dealing notification period outside closed-period

- 14 days after dealing

Exemption from dealing restrictions

- Acceptance of options/rights under ESOS ?

Main LR

Dealing notification period outside closed-period

- **3 market** days after dealing

Exemption from dealing restrictions

- Acceptance of options/rights under ESOS exempted.

TRANSITIONAL ISSUES

- ❖ **Public shareholding spread**
 - The continuing requirement of minimum number of 1000 public shareholdings spread will be waived with effect from 8 May 2009

- ❖ **PN16 & PN17 Companies**
 - These companies may apply to Bursa to regularise their condition under the amended paragraphs 8.03 & PN16 and 8.04 & PN17 for the Main Market **(provided they are still within the stipulated/extended timeframe)**

- ❖ **Requirement on Market Making for Structured Warrants**
 - Existing issuer of Structured Warrants who is currently undertaking market making activities and wishes to continue to do so must register with Bursa within 3 months from 8 May 2009



Thank You

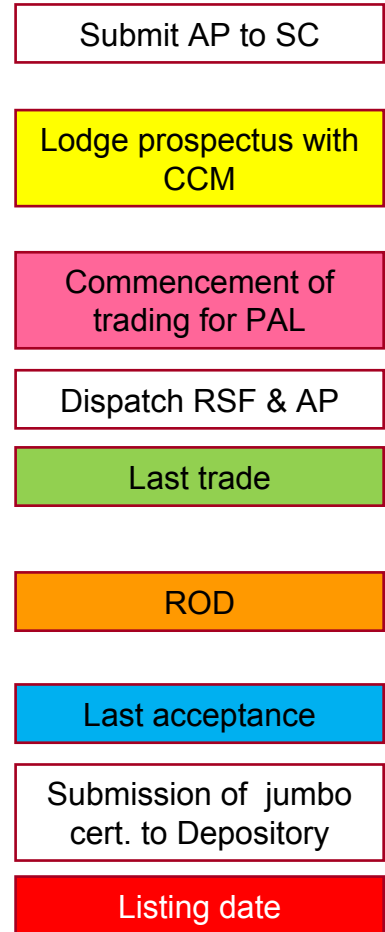
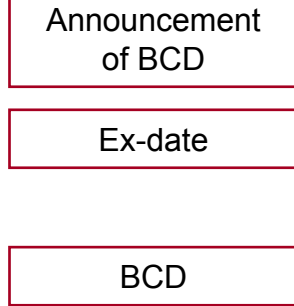
RIGHTS ISSUE

Current

New

T

T



8
10
11
13
17
20
23
31
33

7
8
9
10
11
12
15
18
21
29
30

10 MD

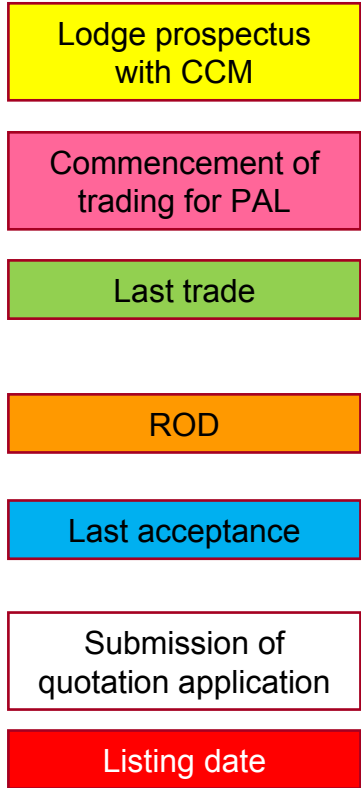
5 MD

10 MD

30

5 MD

11 MD



33

30

New Issues of Securities

Rights Issue

Book
Closure
Date

- May fix BCD for Rights Issue before shareholders approval if SH holding >50% of the nominal value of voting shares have given irrevocable undertaking

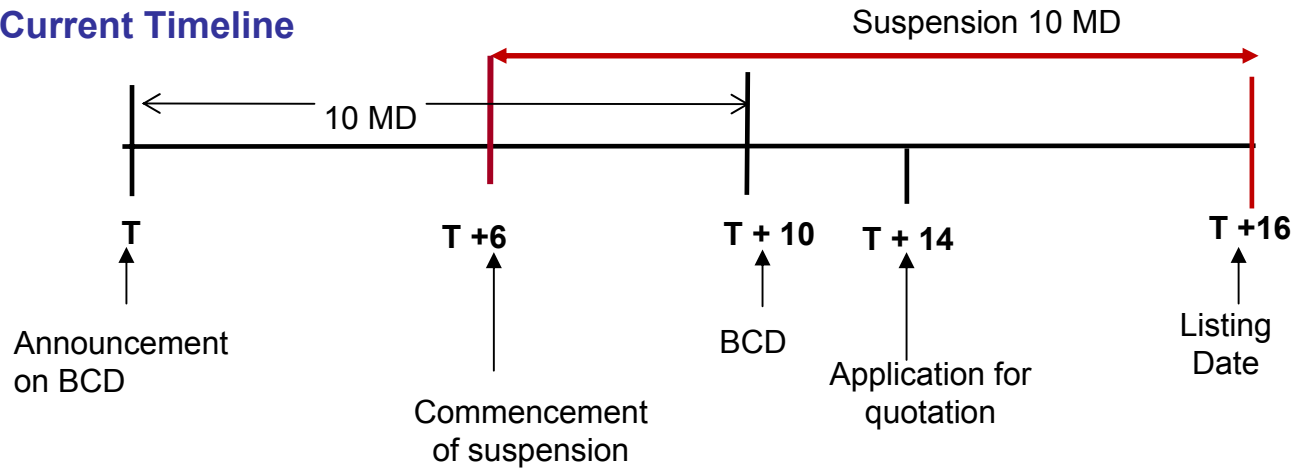
Underwriting

- Optional for Rights Issues
- Minimum Level

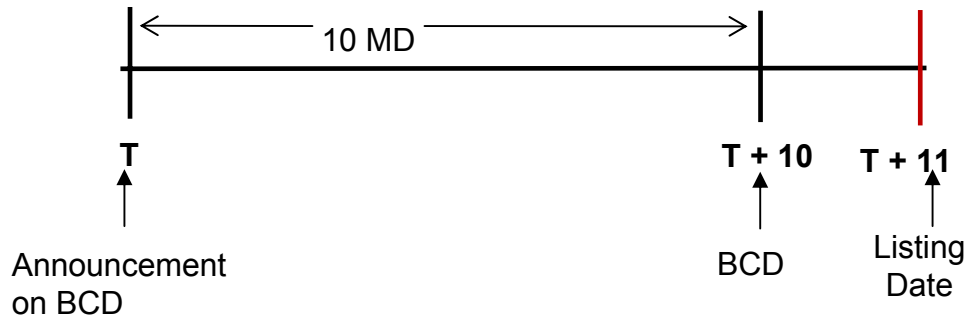


CAPITAL REPAYMENT

Current Timeline



New Timeline (SPEEDs)



- No suspension
- No quotation application



QUOTATION – Secondary Issuance

Under the simplified listing process, the following procedures will be applicable:

Day
before
listing
date

By 10.00
a.m.

Submit the share certificate together with a covering letter containing the summary of the corporate proposal to Bursa Depository

By 12.00
noon

Receive confirmation from Bursa Depository that the securities are ready for crediting

By 3.00 p.m.

Announce pursuant to paragraph 13.2 of Practice Note 28 through *Bursa Link* via a dedicated template, “*ALA template*” the following:

- details of the corporate proposal;
- total no. of securities issued under each proposal and the issue price per share, if any;
- date of listing and quotation; and
- latest issued & paid-up capital of the listed issuer after the proposal indicating the number of shares (in unit and RM) and their par value, if any.

QUOTATION – IPO

The following procedures will be applicable:

Issuance
date of
prospectus

Announcement on IPO Timetable (para. 8.1 of PN21):

- Opening & closing date of the offer period;
- Balloting date
- Allotment date of the IPO; and
- Tentative listing

Day before
listing date

By
3.00
p.m.

Announce pursuant to paragraph 8.2 of PN21 through *Bursa Link* via a dedicated template, “*IPO template*” the following:

- Actual date of listing;
- Enlarged issued & paid-up capital of the PLC indicating the no. of shares and par value if any;
- Stock short name, stock code, ISIN code; and
- Sector and market in which the new securities will be admitted

