

THE ACE MARKET

Key Changes to the LR

- GN3 Companies**
- Cash Companies**
- Default in Payment**

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Key Changes to GN3 Companies

Statistics of Financially Distressed Companies

- **Statistics of GN3 Companies as at 30 June 2009**

	Outstanding	Regularised	De-listed
GN3	6	1	3
Total	6	1	3

GN3 Co. - Change of Prescribed Criteria

- Amendment to shareholders' equity criterion

MESDAQ Market

- (a) shareholders' equity (SE)
- $\leq 25\%$ of the issued & paid-up capital
 - $<$ minimum issued and paid-up capital

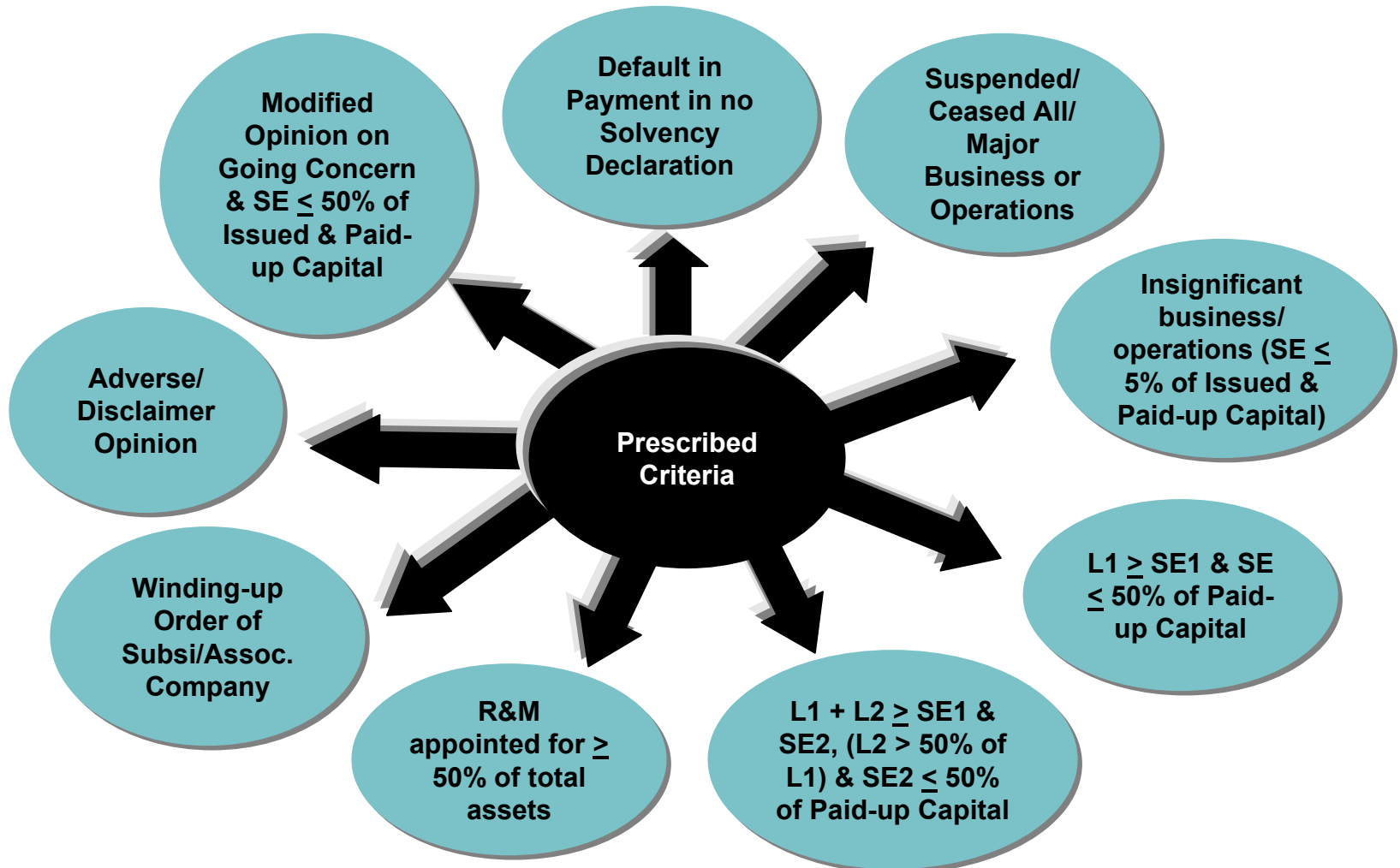


ACE Market

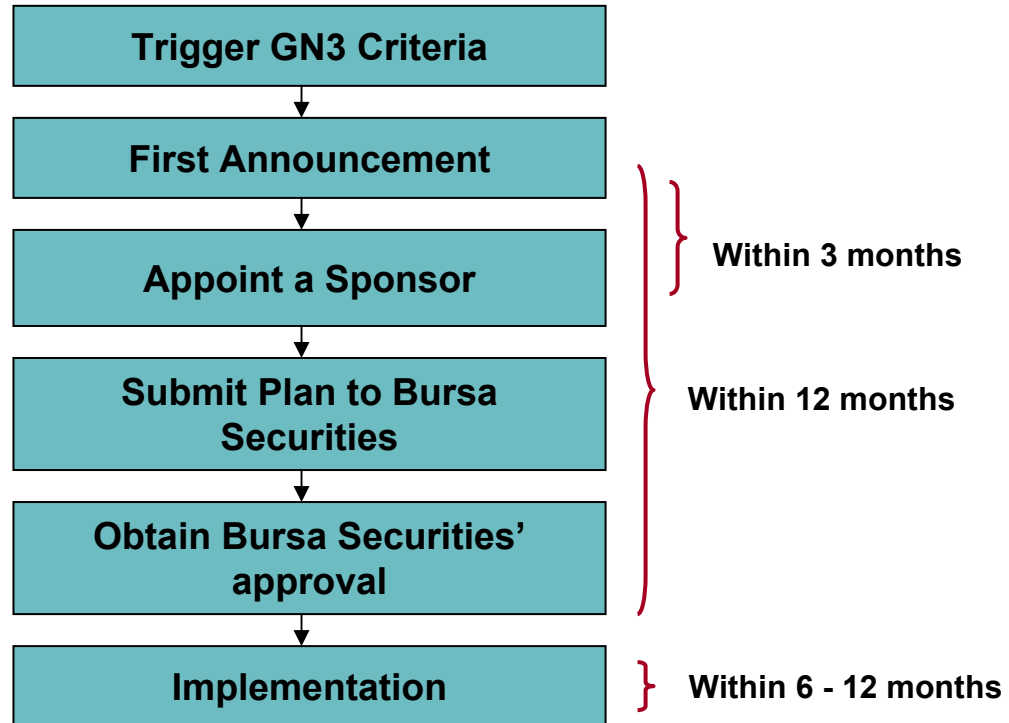
- (a) shareholders' equity
- $\leq 25\%$ of the issued & paid-up capital (**excluding treasury shares**)

GN3 Co. - Change of Prescribed Criteria (Cont'd)

■ No change to other Prescribed Criteria



GN3 Co. – Regularisation Flowchart



GN3 Co. – New Requirements on Regularisation Obligations

Obligation to Regularise



- 1) Appoint a Sponsor **within 3 months** from FA date;
- 2) Submit plan to Bursa & obtain Bursa's approval **within 12 months** from FA date; and
- 3) Complete implementation of the plan **within 6 – 12*** months from plan approval date.

Regularisation Plan



- Sufficiently comprehensive, capable of resolving all problems, financial or otherwise
- Enable to regularise its financial condition and level of operations
- Fair and reasonable to the company and shareholders & increase shareholder value

* For plan which involves Court proceeding

GN3 Co. – Sponsor

Appointment



- A GN3 Company must appoint a Sponsor within 3 months after being classified as a GN3 Company.

Duration of Sponsorship Period



- A GN3 Company must retain the services of a Sponsor for at least 3 full financial years after it is no longer considered as a GN3 Company by the Exchange.
- The Sponsor appointed to restructure the Company must act as the Sponsor for at least the first full financial year.

GN3 Co. – New Requirements on Regularisation Obligations

**Failure to Comply with
Obligations to
Regularise**



**Bursa Send
Notice of
Suspension**

**5 Market
Days
Suspension
Notice**

Suspend

**De-list
Subject to
Right to
Appeal**

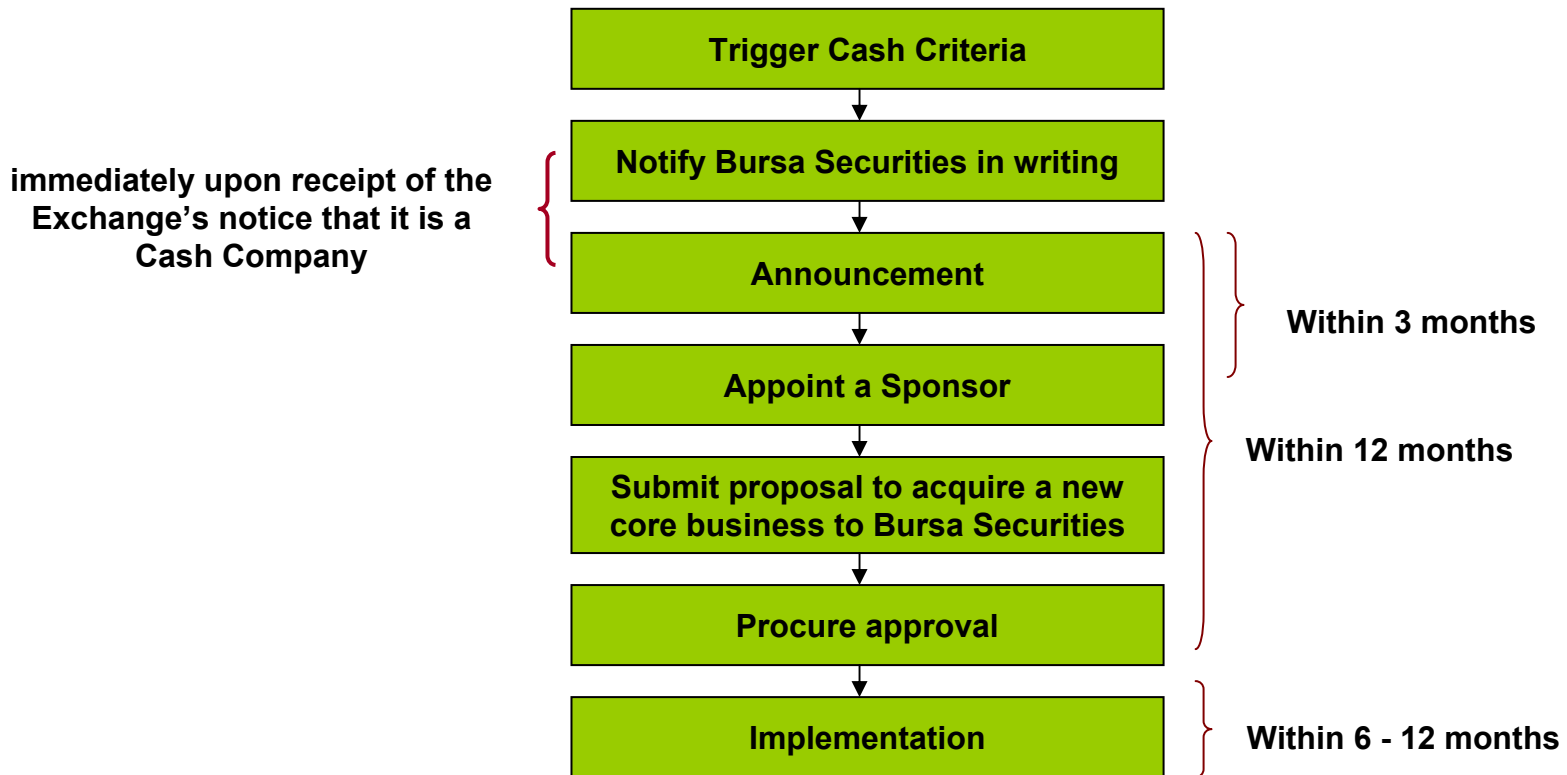
Key Changes to Requirements for Cash Companies

What is a Cash Company?

Criteria

A listed issuer whose assets on a consolidated basis, consist of 70% or more of cash or short term investments, or a combination of both (“Cash Criterion”)

Cash Co. – Regularisation Flowchart



Cash Co. – New Requirements

Place > 90% cash & short-dated securities with account opened and operated by a custodian – cannot withdraw except for

- to implement reg. proposal; or
- to distribute to shareholders on pro-rata basis if fails to regularise

**Cash
Company**

Failure to regularise

- May be suspended & delisted
- Must distribute money in account to shareholders on pro-rate basis

Submit Proposal to **Acquire New Core Business to Bursa Securities** for Approval within **12 months** & Implement within **6 – 12 months**

Transitional Arrangements for Cash & GN3 Companies

Transitional Arrangements for Cash & GN3 Companies

Existing Cash & GN3 Company may apply to Bursa to regularise its condition under new framework

PROVIDED THAT -

it is still within the stipulated or extended timeframe to submit its proposal or plan to regularise its condition under the GN3 Framework.

Key Changes to Guidance Note 5 Default in Payment

GN5 – Amendments to Event of Default

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(a) Default for credit facility is $\geq 5\%$ of PLC's net assets

(b) Default which has material effect on the price, value or market activity

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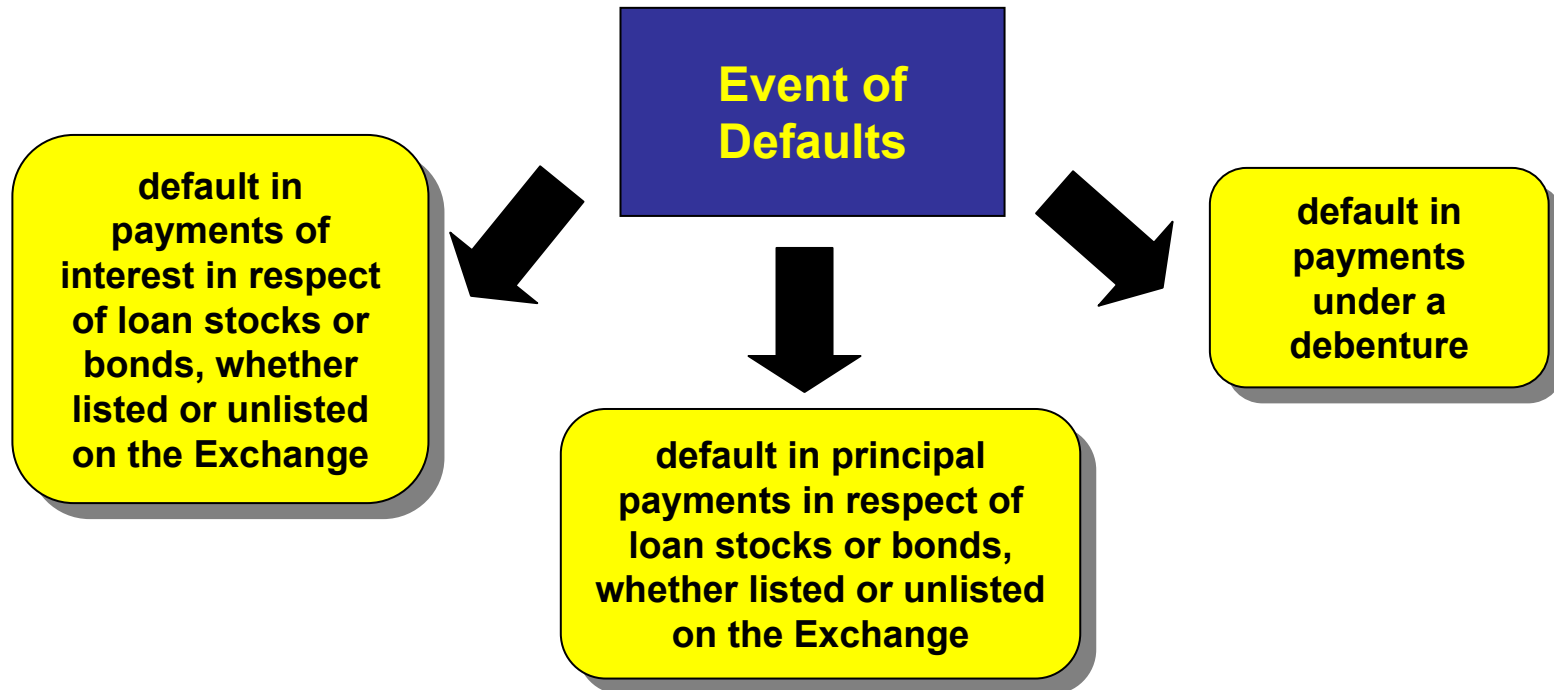
(a) Default where the total amount outstanding of the defaulted credit facility is $\geq 5\%$ of PLC's net assets

(b) Clarify that where a PLC has a negative net asset, any amount in default will be considered as material

- General - default not dependent on demand

GN5 – Amendments to Event of Default

- No change to other Event of Defaults



GN5 – Amendments to Definition of Solvency

MESDAQ Market

(c) “Solvent” if majority directors forms the opinion that PLC will be able to pay all its debts within 12 months from announcement date



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(c) “Solvent” if majority directors forms the opinion that PLC will be able to pay all its debts as and when they fall due within 12 months from announcement date

Cash Co. – Definition of “Custodian”

“**Custodian**” means any of the following who is independent of the Cash Company:

- (a) a trust company registered under the Trust Companies Act 1949 or incorporated pursuant to the Public Trust Corporation Act 1995 and is in the List of Registered Trustees in relation to Unit Trust Funds issued by the SC; or
- (b) a licensed bank or merchant bank as defined in the Banking and Financial Institutions Act 1989.



Thank You