

Our Ref: SR/TAC(ro)/LD 16/12 [CG&OtherAmendments]

29 November 2012

The Company Secretary
(Listed Issuers)

Via email

Dear Sir/Madam,

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS IN RELATION TO CORPORATE GOVERNANCE AND OTHER REQUIREMENTS

1. INTRODUCTION

Pursuant to section 9 of the Capital Markets and Services Act 2007 ("**CMSA**"), Bursa Malaysia Securities Berhad ("**the Exchange**") has amended the Main Market Listing Requirements ("**Main LR**") to enhance the corporate governance requirements pursuant to the issuance of the Corporate Governance Blueprint 2011 ("**CG Blueprint**") and the Malaysia Code on Corporate Governance 2012 ("**MCCG 2012**").

2. BACKGROUND

- 2.1 The Securities Commission ("**SC**") launched the CG Blueprint on 8 July 2011 and subsequently issued the MCCG 2012 on 29 March 2012. It was also announced by the SC that all listed issuers with financial years ending on or after 31 December 2012 must state their corporate governance statements based on the MCCG 2012 in their annual reports.
- 2.2 Consequent to the CG Blueprint and the MCCG 2012, we have amended the Main LR to address the recommendations set out in the CG Blueprint and to streamline with the provisions of the MCCG 2012 ("**CG Amendments**").
- 2.3 On 30 July 2012, the Exchange issued a consultation letter seeking feedback from listed issuers and industry associations on the CG Amendments ("**Consultation Letter**"). In finalizing the CG Amendments, we have carefully considered all industry views received pursuant to the Consultation Letter, and reviewed our proposals accordingly.

Our Ref: SR/TAC(ro)/LD 16/12 [CG&OtherAmendments]

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS IN RELATION TO CORPORATE GOVERNANCE AND OTHER REQUIREMENTS

- 2.4 We believe the CG Amendments will achieve the objective of promoting a better and stronger corporate governance culture amongst the listed issuers by -
- (a) strengthening board structure and composition;
 - (b) enhancing transparency of the listed issuer's corporate governance practices; and
 - (c) providing shareholders with a fair and transparent voting process for related party transactions.

3 AMENDMENTS TO THE LISTING REQUIREMENTS

CG Amendments

3.1 The salient CG Amendments are as follows:

- (a) mandating poll voting for related party transactions which require specific shareholder approval;
- (b) limiting the number of directorships in listed issuers from 10 to 5 and removing the restriction on the number of directorships in non-listed companies;
- (c) mandating the establishment of a nominating committee and requiring disclosure of its activities;
- (d) enhancing disclosure on directors' training;
- (e) aligning the disclosure requirements in the listed issuers' annual reports in relation to the corporate governance statements with the MCCG 2012; and

3.2 The Exchange has also amended Practice Note 9 of the Main LR relating to disclosure of the corporate governance statements to provide greater guidance to listed issuers in making meaningful and quality disclosures in annual reports.

Other Amendments

3.3 In addition to the above, the Exchange has also amended the Main LR as follows (collectively referred to as the "**Other Amendments**"):

- (a) providing an option to listed issuers to publish certain information on their websites instead of the annual report; and

Our Ref: SR/TAC(ro)/LD 16/12 [CG&OtherAmendments]

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS IN RELATION TO CORPORATE GOVERNANCE AND OTHER REQUIREMENTS

(b) removing the requirement to disclose the total number of shareholders who abstained from voting in an announcement of resolution decided on poll. Hence, a listed issuer is only required to disclose the total number of votes cast on the poll (together with the percentage) in favour of and against the resolution, in the event a resolution is decided on poll.

3.4 The full text of the CG Amendments and the Other Amendments (with the amendments duly tracked) is attached as **Appendix 1**.

3.5 The CG Amendments and Other Amendments in **Appendix 1** are reflected in the following manner:

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

4. IMPLEMENTATION

4.1 We are mindful that a listed issuer should be given sufficient grace period to understand and comply with the amended Main LR. In view of this, we have staggered the effective dates of the CG Amendments and Other Amendments as set out in the table below for easy reference:

Amendments	Appendix & Cross References	Effective Date/Period of Compliance
CG Amendments		
Disclosure of corporate governance statements based on the MCCG 2012 in annual reports.	Appendix 1 <ul style="list-style-type: none"> • Paragraph 15.25 • Practice Note 9 	All listed issuers with financial years ending on or after 31 December 2012 must provide their corporate governance statements in accordance with the MCCG 2012 and Practice Note 9 in their annual reports.
Mandating poll voting for related party transactions which require specific shareholder approval	Appendix 1 Paragraph 10.08(7A)	1 June 2013
Limiting the number of directorships in listed issuers from 10 to 5 and removing the restriction on number of directorships in non-listed companies	Appendix 1 <ul style="list-style-type: none"> • Paragraphs 15.06 and 15.07 • Practice Note 13 	

Our Ref: SR/TAC(ro)/LD 16/12 [CG&OtherAmendments]

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS IN RELATION TO CORPORATE GOVERNANCE AND OTHER REQUIREMENTS

Amendments	Appendix & Cross References	Effective Date/Period of Compliance
Mandating the establishment of a nominating committee	Appendix 1 • Paragraphs 15.08A(1) and (2)	1 June 2013
Enhanced disclosures in the annual report under Appendix 9C in relation to the activities of the nominating committee	Appendix 1 • Paragraph 15.08A(3) • Appendix 9C, Part A, paragraph 6A	All listed issuers must ensure the annual reports issued in respect of the financial years ending on or after 31 December 2013 comply with the enhanced disclosures in Appendix 9C.
Enhanced disclosures in the annual report under Appendix 9C in relation to directors' training	Appendix 1 • Paragraph 15.08(3) • Appendix 9C, Part A, paragraph 28	
Other Amendments		
Option to publish certain information on the listed issuer's website instead of the annual report	Appendix 1 • Paragraph 9.25	29 November 2012
Removing the requirement to disclose the total number of shareholders who abstained from voting in an announcement of resolution decided on poll.	• Paragraph 9.19(7)	

4.2 In addition, we have provided some "Questions and Answers" to facilitate the listed issuer's better understanding of, and compliance with the CG Amendments and Other Amendments. The Questions and Answers are attached as **Appendix 2**.

Our Ref: SR/TAC(ro)/LD 16/12 [CG&OtherAmendments]

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS IN RELATION TO CORPORATE GOVERNANCE AND OTHER REQUIREMENTS

5. ADDITIONAL INFORMATION

- 5.1 This letter and all the above documents are also available at Bursa Malaysia's website at <http://www.bursamalaysia.com>.
- 5.2 If you have any queries 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/LD/09/08), the details of which can also be found at <http://www.bursamalaysia.com/contact>.

Thank you.

Yours faithfully,



SELVARANY RASIAH
Chief Regulatory Officer

Encls. (2)