

Our Ref: SR/YYT(LACLA)/LD24/06

28 December 2006

Via email

**The Company Secretary
(Listed Issuers)**

Dear Sir/Madam

AMENDMENTS TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD IN RELATION TO REQUIREMENTS ON PROVISION OF FINANCIAL ASSISTANCE AND PUBLIC SHAREHOLDING SPREAD

Please be notified that pursuant to section 9 of the Securities Industry Act 1983, amendments have been made to the Listing Requirements of Bursa Malaysia Securities Berhad ("LR") in relation to the requirements on provision of financial assistance and public shareholding spread (collectively referred to as "**the Amendments**"). The Amendments are attached herewith as **Appendix 1**.

The Amendments were made as part of Bursa Securities' continuous efforts to maintain a fair and orderly market in listed securities and to enhance investor protection.

Amendments to the LR pertaining to the Provision of Financial Assistance

The key changes to the LR are as follows :-

- (a) In respect of financial assistance which is provided in the ordinary course of business as a moneylender, the board of directors of listed issuers must also ensure that adequate policies and procedures are put in place to enable:-
- the maintenance of sound credit-granting standards;
 - the maintenance of a clear and defined credit approval process;
 - the monitoring and control of credit risk; and
 - the timely identification and administration of problem credits.
- (b) In addition to the current disclosure obligations set out in Practice Note No. 11/2001, listed issuers and/or their subsidiaries which lend/advance money in the ordinary course of their business as a moneylender are required to make quarterly disclosures on their moneylending activities within 7 market days after the end of each quarter on the following :-
- (i) the aggregate amount of loans/advances made in the ordinary course of business as a moneylender where these are still outstanding;
 - (ii) the aggregate amount of loans/advances made by any company within the group to a company within the group where that second company lends or advances money in the ordinary course of business as a moneylender;
 - (iii) the aggregate amount of loans/advances which have been in default for 3 months or more;

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- (iv) the top 5 loans/advances given (without identifying the debtors concerned) must be disclosed with the relevant details.
- (c) The list of parties/circumstances exempted from complying with the requirements on provision of financial assistance has been extended to include the following :-
 - (i) companies registered as scheduled institutions with and supervised by Bank Negara Malaysia;
 - (ii) share financing or share margin financing carried out by a listed issuer or its unlisted subsidiary which is a Participating Organisation.
- (d) The imposition of an obligation on listed issuers and their directors to provide any information, documents or explanation as requested by the Exchange in relation to their moneylending operations.

Amendments to the LR pertaining to Public Shareholding Spread

The key changes in this respect are as follows :-

- (a) Removal of the first 6-month automatic extension to rectify the shortfall in the public shareholding spread.
 - (b) To provide for the general power to suspend trading in the securities and/or de-list the securities of listed issuers which fail to maintain the required shareholding spread and no further extension of time is granted.
 - (c) To reflect the directives previously issued vide letters dated 31 December 2003, 25 January 2005 and 2 December 2005 (hereinafter referred to as "**the Letters**") in respect of :-
 - (i) the prescribed disclosure requirements and contents of announcement pertaining to non-compliance of the public shareholding spread requirements by listed issuers;
 - (ii) the prescribed contents of an application for extension of time to comply with public shareholding spread requirements; and
 - (iii) clarification on the imposition of suspension and notice period where the public shareholding spread is equal to or less than 10% and the related disclosure requirements.
- Hence, the Amendments shall supercede the directives issued via the Letters save and except for the requirement to make periodic announcement on the level of public shareholding spread no later than 14 days after 30 June and 31 December of each year as directed in the letter dated 2 December 2005.
- (d) Prescription of the contents of an application for acceptance of a lower percentage of public shareholding spread.

The changes stated in paragraphs (c) and (d) hereinabove are incorporated in the new Practice Note No. 19/2006 which are also attached in **Appendix 1**.

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Implementation

With the exception of the periods for compliance stated in the table below, the Amendments shall take effect **immediately** :-

Amended provisions	Effective date/Periods for compliance
Requirements to put in place the requisite policies and procedures in respect of financial assistance provided in the ordinary course of business as a moneylender pursuant to paragraph 8.23(2)(a) of the LR	The board of directors of listed issuers must ensure that the requisite policies and procedures are put in place on or before 31 March 2007 .
Compliance with the new quarterly disclosures pursuant to paragraph 8.23(2)(e) of the LR	Listed issuers and/or their subsidiaries that lend or advance money in the ordinary course of their business as a moneylender must make the quarterly disclosures on their moneylending activities commencing from the financial quarters ending on or after 31 January 2007 .
Removal of the 6-month automatic extension to rectify the shortfall in the public shareholding spread.	Listed issuers that become aware for the first time that their public shareholding spread do not comply with paragraph 8.15(1) on or after 15 January 2007 will no longer be granted the automatic first 6-month extension of time but must now apply for extensions of time from Bursa Securities to rectify the non-compliance. However, listed issuers that have made the announcement of non-compliance with the public shareholding spread requirement prior to 15 January 2007 will still be granted the first automatic 6-month extension of time.

Additional information

A copy of Questions and Answers pertaining to the above is attached as **Appendix 2**, to facilitate compliance by listed issuers and their directors.

Please take note that the Amendments and the Questions and Answers are available for reference on the Bursa Malaysia's web site at <http://www.bursamalaysia.com>.

For further information or any enquiries on the said Amendments, kindly contact:-

Legal Advisory and Corporate Legal Affairs
 9th Floor, Bursa Malaysia Berhad
 Exchange Square, Bukit Kewangan
 50200 Kuala Lumpur
 Telephone number: 03-20347000

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RELATION TO REQUIREMENTS ON PROVISION OF FINANCIAL ASSISTANCE AND PUBLIC
SHAREHOLDING SPREAD**

Contact Persons:


Ms Yew Yee Tee (Ext 7336)

Ms Lai Fui Sim (Ext 7079)

Ms Boo Huey Fang (Ext 7019)

Thank you.

Yours faithfully



SELVARANY RASIAH
Chief Legal Officer

AMENDMENTS TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD IN RELATION TO THE REQUIREMENTS ON PROVISION OF FINANCIAL ASSISTANCE AND PUBLIC SHAREHOLDING SPREAD

	EXISTING PROVISIONS		AMENDED PROVISIONS
Para		Para	
8.15	<p>Compliance with shareholding spread requirement</p> <p>(1) (as per existing provision)</p> <p>(2) A listed issuer must inform the Exchange immediately if it becomes aware that it does not comply with subparagraph (1).</p> <p>(3) A listed issuer which fails to maintain the required shareholding spread shall be given 6 months from the date of notification by the Exchange or such other period which may be determined by the Exchange, to rectify the situation.</p> <p>(4) (as per existing provision)</p> <p>(5) In relation to a take-over offer for the acquisition of the listed shares of a listed issuer pursuant to the Code as defined under Chapter 11 or corporate proposals undertaken by or in relation to a listed issuer, upon 90% or more of the listed shares of the said listed issuer being held by a shareholder either singly or jointly with associates of the said shareholder, an immediate announcement must be made by the listed issuer. Upon such announcement, all the securities of the listed issuer may be removed from the Official List of the Exchange.</p> <p>(6) – (8) (as per existing provisions)</p>	8.15	<p>Compliance with shareholding spread requirement</p> <p>(1) (no change)</p> <p>(2) A listed issuer must inform the Exchange immediately if it becomes aware that it does not comply with the required shareholding spread referred to in subparagraph (1).</p> <p>(3) A listed issuer which fails to maintain the required shareholding spread referred to in subparagraph (1) may request for an extension of time to rectify the situation. Where no extension of time is granted by the Exchange, the Exchange may suspend trading in the securities of the listed issuer and/or de-list the listed issuer.</p> <p>(4) (no change)</p> <p>(5) In relation to a take-over offer for the acquisition of the listed shares of a listed issuer pursuant to the Code as defined under Chapter 11 or corporate proposals undertaken by or in relation to a listed issuer, upon 90% or more of the listed shares of the said listed issuer being held by a shareholder either singly or jointly with associates of the said shareholder, an immediate announcement must be made by the listed issuer. Upon such announcement, all the securities of the listed issuer may be suspended from trading and/or removed from the Official List of the Exchange.</p> <p>(6) – (8) (no change)</p>
8.23	<p>Provision of financial assistance</p> <p>(1) Except as otherwise prohibited under the Companies Act 1965 <u>or any guidelines issued by the Commission</u> or in relation to a</p>	8.23	<p>Provision of financial assistance</p> <p>(1) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation</p>

	EXISTING PROVISIONS		AMENDED PROVISIONS
	<p>foreign corporation, the relevant laws of the place of incorporation, a listed issuer or its unlisted subsidiaries may only:-</p> <p>(a) lend or advance any money; or (b) guarantee, indemnify or provide collateral for a debt,</p> <p>(referred to as “provision of financial assistance” in this Part I) to or in favour of the following:-</p> <p>(i) directors or employees of the listed issuer or its subsidiaries, <u>as the case may be, in such manner as may be permitted under the Companies Act 1965 or the relevant laws of the place of incorporation (as may be applicable);</u></p> <p>(ii) persons to whom the provision of financial assistance is necessary to facilitate the ordinary course of business of the listed issuer or its subsidiaries, as the case may be, such as the provision of advances to its sub-contractors; or</p> <p>(iii) (as per existing provision)</p> <p>(2) Where a listed issuer or its subsidiaries provide financial assistance <u>to or in favour of the persons referred to under subparagraph (1) above</u>, the following must be complied with:-</p> <p>(a) the directors of such listed issuer must ensure that the provision of the financial assistance referred to in subparagraph (1) above is fair and reasonable to the listed issuer and is not to the detriment of the listed issuer and its shareholders;</p>		<p>and subject to subparagraph (2) below, a listed issuer or its unlisted subsidiaries may only:-</p> <p>(a) lend or advance any money; or (b) guarantee, indemnify or provide collateral for a debt,</p> <p>(referred to as “provision of financial assistance” in this Part I) to or in favour of the following:-</p> <p>(i) directors or employees of the listed issuer or its subsidiaries;</p> <p>(ii) persons:-</p> <p style="padding-left: 40px;">(aa) to whom the provision of financial assistance is necessary to facilitate; or (bb) pursuant to;</p> <p style="padding-left: 40px;">the ordinary course of business of the listed issuer or its subsidiaries such as the provision of advances to its sub-contractors or advances made to clients in the ordinary course of its moneylending business; or</p> <p>(iii) (no change)</p> <p>(2) Where a listed issuer or its subsidiaries provide financial assistance, the following must be complied with:-</p> <p>(a) the board of directors of such listed issuer must ensure :-</p> <p style="padding-left: 40px;">(i) that the provision of the financial assistance referred to in subparagraph (1) above is fair and reasonable to the listed issuer and is not to the detriment of the listed issuer and its shareholders; and</p>

	EXISTING PROVISIONS		AMENDED PROVISIONS
	<p>(b) (as per existing provision)</p> <p>(c) where the provision of financial assistance is to the associated company, and the aggregate amount provided or to be provided at any time to each associated company compared to the net tangible assets of the group is equal to or exceeds 5%, the listed issuer must issue a circular to its shareholders and seek its shareholders' approval in general meeting of such provision of financial assistance; <u>and</u></p> <p>(d) where shareholders' approval is required pursuant to subparagraphs (b) or (c) above, the listed issuer must state in its circular, the proposed utilisation of the amount of the financial assistance.</p>		<p>(ii) where a listed issuer and/or its subsidiary lends or advances money in the ordinary course of its business as a moneylender (hereinafter referred to as "moneylending company" and "moneylending operations"), that the board of directors of the listed issuer oversees the moneylending operations and the management of credit risk of the moneylending company including ensuring that adequate policies and procedures are put in place which must be reviewed regularly to enable:-</p> <p>(aa) maintenance of sound credit-granting standards;</p> <p>(bb) maintenance of a clear and defined credit approval process including a list of the approving party(ies), which must include the board of directors of the listed issuer, for different quantum of financial assistance granted by the moneylending company;</p> <p>(cc) monitoring and control of credit risk; and</p> <p>(dd) timely identification and administration of problem credits;</p> <p>(b) (no change)</p> <p>(c) where the provision of financial assistance is to the associated company, and the aggregate amount provided or to be provided at any time to each associated company compared to the net tangible assets of the group is equal to or exceeds 5%, the listed issuer must issue a circular to its shareholders and seek its shareholders' approval in general meeting of such provision of financial assistance;</p> <p>(d) where shareholders' approval is required pursuant to subparagraphs (b) or (c) above, the listed issuer must state in its circular, the proposed utilisation of the amount of the financial assistance; and</p>

	EXISTING PROVISIONS		AMENDED PROVISIONS
	New provision.		<p>(e) In addition to the announcement required pursuant to paragraph 3.1 of Practice Note No. 11/2001 (if applicable), the listed issuer must announce the following information in relation to each moneylending company for each quarter of its financial year, if any, not later than 7 market days after the end of each quarter of a financial year:-</p> <p>(i) the aggregate amount of outstanding loans and/or advances (hereinafter referred to as “Loans”) given by the moneylending company setting out the following breakdown for secured and unsecured Loans:-</p> <p>(aa) to companies; (bb) to individuals; (cc) to companies within the listed issuer group; and (dd) to related parties.</p> <p>(ii) the total borrowings, setting out:-</p> <p>(aa) the Loans given by any company within the listed issuer group to the moneylending company; (bb) the borrowings which are secured by any company within the listed issuer group in favour of the moneylending company; and (cc) other borrowings.</p> <p>(iii) the aggregate amount of Loans in default which must include the movements in the Loans in default for the listed issuer and the group as follows:-</p> <p>(aa) at the beginning of the financial year; (bb) classified as Loans in default during the financial year; (cc) reclassified as performing during the financial year; (dd) amount recovered; (ee) amount written off; (ff) Loans converted to securities; (gg) total and net Loans in default at the end of the year; and (hh) ratio of net Loans in default to net Loans or</p>

	EXISTING PROVISIONS		AMENDED PROVISIONS
	New provision.		<p>advances.</p> <p>For this purpose, a Loan in default shall be as determined by the listed issuer but shall in any event, include a situation where the debtor has been in default of payment of either interest or principal sums or both for 3 months or more in respect of a Loan. In this regard, only Loans by a debtor to the moneylending company may be set off in ascertaining the outstanding Loans of the debtor to such company.</p> <p>(iv) the top 5 Loans (with aggregation of Loans given to the same person or persons connected with each other), setting out (where applicable):-</p> <ul style="list-style-type: none"> (aa) the facility type and limit; (bb) the amount outstanding and type; (cc) whether security was provided and if provided, the value of the security; (dd) whether the recipient of the Loans is a related party; and (ee) the terms of repayment. <p>(2A) Except as otherwise prohibited under the law or in relation to a foreign corporation, the relevant laws of the place of incorporation and without limiting the generality of Part D of Chapter 2:-</p> <p>(a) a listed issuer or its directors must give the Exchange any information, document or explanation that the Exchange requests for in relation to moneylending operations in accordance with the instructions or request of the Exchange, including but not limited to the following information in relation to the 20 debtors of each moneylending company having the highest outstanding Loans (with aggregation of Loans granted to persons connected with each other):-</p> <ul style="list-style-type: none"> (i) the names of the debtors and, in relation to each debtor, a statement as to whether the debtor is a

	EXISTING PROVISIONS		AMENDED PROVISIONS
	<p>(3) Subparagraph (1) above does not apply to:-</p> <p>(a) any guarantee or indemnity issued in respect of the listed issuer or its wholly owned subsidiaries or collateral provided for a debt in respect of the listed issuer or its wholly owned subsidiaries, as the case may be; or</p> <p>(b) (as per existing provisions)</p> <p>New provisions.</p>		<p>related party;</p> <p>(ii) the outstanding Loan amounts with aggregation of Loans granted to persons connected to each other, and the breakdown into principal and interest owing;</p> <p>(iii) the salient terms of the outstanding Loans including the interest rate, terms as to repayment of interest and principal and the security provided; and</p> <p>(iv) the length of default on interest and/or principal, if applicable; and</p> <p>(b) the Exchange may, at its absolute discretion, forward such information, document or explanation to the relevant authorities including the Commission.</p> <p>(3) Subparagraphs (1), (2) and (2A) above do not apply to:-</p> <p>(a) any provision of financial assistance provided to or in favour of the listed issuer or wholly owned subsidiaries of the listed issuer;</p> <p>(b) (no change)</p> <p>(c) a company which is registered as a scheduled institution with and supervised by Bank Negara Malaysia under the Banking and Financial Institutions Act 1989 ; or</p> <p>(d) share financing or share margin financing carried out by a listed issuer or its unlisted subsidiary which is a Participating Organisation.</p>
16.09	<p>De-listing by the Exchange</p> <p>(1) The Exchange may at any time de-list a listed issuer or any class of its listed securities from the Official List in any of the following circumstances:-</p> <p>(a) (as per existing provision)</p>	16.09	<p>De-listing by the Exchange</p> <p>(1) The Exchange may at any time de-list a listed issuer or any class of its listed securities from the Official List in any of the following circumstances:-</p> <p>(a) (no change)</p>

	EXISTING PROVISIONS		AMENDED PROVISIONS
	<p>(b) in other circumstances as provided under paragraphs 8.14A, 8.14B or 8.14C, 8.15(5) or 9.26, whereupon the Exchange shall notify the Commission of the same;</p> <p>(d) where in the opinion of the Exchange, circumstances exist which do not warrant the continued listing of a listed issuer or any class of its listed securities, subject to consultation with the Commission, except where the de-listing is due to the maturity or expiry of a class of securities or a winding up order being made against a listed issuer.</p> <p>(2) The Exchange shall de-list a listed issuer in circumstances provided under paragraph 8.15(6) whereupon the Exchange shall notify the Commission of the same.</p> <p>(3) For the purpose of subparagraph 1(a) above, failure to comply with these Requirements shall exclude failure to comply with paragraphs 8.14A, 8.14B, 8.14C or 9.26.</p>		<p>(b) in other circumstances as provided under paragraphs 8.14A, 8.14B or 8.14C, 8.15(3), 8.15(5) or 9.26, whereupon the Exchange shall notify the Commission of the same;</p> <p>(d) where in the opinion of the Exchange, circumstances exist which do not warrant the continued listing of a listed issuer or any class of its listed securities, subject to consultation with the Commission, except where the de-listing is due to:- (i) the maturity or expiry of a class of securities; (ii) a winding up order being made against a listed issuer; or (iii) such other circumstances as may be approved by the Commission.</p> <p>(2) The Exchange shall de-list a listed issuer in circumstances provided under paragraph 8.15(6) or pursuant to a directive, requirement or condition imposed by the Commission whereupon the Exchange shall notify the Commission of the same.</p> <p>(3) For the purpose of subparagraph 1(a) above, failure to comply with these Requirements shall exclude failure to comply with paragraphs 8.14A, 8.14B, 8.14C, 8.15 or 9.26.</p>
Practice Note No. 11/2001	<p>1.0 Introduction</p> <p>1.1 Paragraph 8.23 of the Listing Requirements provides that a listed issuer or its unlisted subsidiaries may lend or advance any money or guarantee, indemnify or provide collateral for a debt (hereinafter referred to as “provision of financial assistance”) to categories of persons set out in paragraph 8.23(1)(i) to (iii). One of the categories of persons is the following:-</p> <p>“(ii) persons to whom the provision of financial assistance is necessary to facilitate the ordinary course of business of the listed issuer or its subsidiaries, as the case may be, such as the provision of advances to its sub-contractors;”</p>	Practice Note No. 11/2001	<p>1.0 Introduction</p> <p>1.1 Paragraph 8.23 of the Listing Requirements provides that a listed issuer or its unlisted subsidiaries may lend or advance any money or guarantee, indemnify or provide collateral for a debt (hereinafter referred to as “provision of financial assistance”) to categories of persons set out in paragraph 8.23(1)(i) to (iii). One of the categories of persons is the following:-</p> <p>“(ii) persons:- (aa) to whom the provision of financial assistance is necessary to facilitate; or (bb) pursuant to; the ordinary course of business of the listed issuer or its subsidiaries such as the provision of advances to its sub-</p>

	EXISTING PROVISIONS		AMENDED PROVISIONS
	1.2 - 1.3 (as per existing provisions)		contractors or advances made to clients in the ordinary course of its moneylending business;” 1.2 - 1.3 (no change)
Practice Note No. 11/2001	3.0 Disclosure obligations 3.1 - 3.2 (as per existing provisions) New provision.	Practice Note No. 11/2001	3.0 Disclosure obligations 3.1 - 3.2 (no change) 3.3 Where a listed issuer and/or its subsidiary lends or advances money in the ordinary course of its business as a moneylender pursuant to paragraph 8.23(1)(ii) of the Listing Requirements, the announcement referred to in paragraph 3.1 above must also contain the information prescribed under paragraph 8.23(2)(e) of the Listing Requirements.

BURSA MALAYSIA SECURITIES BERHAD

PRACTICE NOTE NO 19/2006

PUBLIC SHAREHOLDING SPREAD

Issued in relation to paragraph 8.15 of the Listing Requirements;

And

Pursuant to paragraphs 2.08 of the Listing Requirements.

1.0 Introduction

1.1 This Practice Note is issued to:-

- (a) Prescribe the information that listed issuers must include in:-
 - (i) an application to the Exchange for acceptance of a lower percentage of public shareholding spread pursuant to paragraph 8.15(1) of the Listing Requirements; and
 - (ii) an application to the Exchange for an extension of time to rectify the public shareholding spread;
- (b) Prescribe disclosure requirements in the event a listed issuer:-
 - (i) fails to comply with the required public shareholding spread; and
 - (ii) triggers a suspension pursuant to paragraph 8.15(4) and 8.15(5) of the Listing Requirements; and
- (c) Clarify when a suspension will be imposed pursuant to paragraph 8.15(4) and 8.15(5) of the Listing Requirements.

2.0 Application for acceptance of a lower percentage of public shareholding spread

2.1 Paragraph 8.15(1) of the Listing Requirements provides that a listed issuer must ensure that at least 25% of its total listed shares are in the hands of a minimum of 1,000 public shareholders holding not less than 100 shares each (“Required Public Shareholding Spread”). The Exchange may accept a percentage lower than 25% of the total number of listed shares if it is satisfied that such lower percentage is sufficient for a liquid market in such shares (“Acceptance of Lower Spread”).

2.2 In this respect, a listed issuer which proposes to apply for Acceptance of Lower Spread must ensure that its application includes the following information:-

- (a) The issued and paid-up capital;
- (b) The number of public shareholders;
- (c) The percentage of public shareholding spread;

- (d) A statement as to whether the public shareholding spread includes a substantial shareholder who is deemed as “public” pursuant to paragraph 1.01 of the Listing Requirements (“Shareholder”) and if yes, the following details in relation to such Shareholder:-
 - (i) name; and
 - (ii) shareholdings in the listed issuer;
- (e) The reason for non-compliance with the Required Public Shareholding Spread;
- (f) The percentage of listed shares held by the top 30 shareholders, the names and shareholdings of each of these shareholders; and
- (g) The public shareholding spread, in terms of percentage and number of public shareholders, over the last 2 years.

3.0 Disclosure requirements in the event of non-compliance

- 3.1 Paragraph 8.15(2) of the Listing Requirements provides that a listed issuer must inform the Exchange immediately if it becomes aware that it does not comply with the Required Public Shareholding Spread.
- 3.2 In this respect, where a listed issuer first becomes aware of its non-compliance, it must immediately and specifically notify the Exchange in writing of its non-compliance. Notification via the submission of semi-annual returns or an announcement would not be deemed as compliance with paragraph 8.15(2) of Listing Requirements.
- 3.3 The listed issuer must also make an immediate announcement in relation to its non-compliance which includes the following information:-
 - (a) A statement that the listed issuer does not comply with the public shareholding spread requirement set out in paragraph 8.15(1) of the Listing Requirements;
 - (b) The public shareholding spread, in terms of percentage and number of public shareholders;
 - (c) Steps taken or proposed to be taken by the listed issuer to comply with the Required Public Shareholding Spread (“Rectification Plan”) including the following:-
 - (i) The tentative timeline in respect of the Rectification Plan; and
 - (ii) The status of the Rectification Plan; and
 - (d) Where the listed issuer has not formulated a Rectification Plan, the status of the listed issuer’s endeavours to formulate such a Plan or where a Rectification Plan has not been formulated and/or if no endeavours have been taken to formulate such a Plan, an appropriate negative statement to such effect.
- 3.4 Thereafter, a listed issuer which does not comply with the Required Public Shareholding Spread must announce the status of its efforts to comply with the Required Shareholding Spread for each quarter of its financial year simultaneously with the quarterly reports and in any event, no later than 2 months after the end of each quarter of a financial year which includes the following information:-
 - (a) The information prescribed in paragraph 3.3 above; and

- (b) A statement as to whether an extension of time for compliance has been granted by the Exchange and if so, the following:-
 - (i) the duration of extension granted;
 - (ii) the expiry date of the extension.

(“Quarterly Status Announcements”)

3.5 For the avoidance of doubt, upon compliance with the Required Public Shareholding Spread and/or Acceptance of Lower Spread by the Exchange, the listed issuer is no longer required to make such Quarterly Status Announcement referred to in paragraph 3.4 above.

4.0 Applications for extensions of time for compliance and related disclosure requirements

4.1 Pursuant to paragraph 8.15(3) of the Listing Requirements, a listed issuer which does not comply with the Required Public Shareholding Spread may apply to the Exchange for an extension of time to rectify its public shareholding spread.

4.2 In this respect, the application for extension of time must include the following information:-

- (a) The issued and paid-up capital;
- (b) The percentage of public shareholding spread;
- (c) The number of public shareholders;
- (d) Whether the public shareholding spread includes a Shareholder. If yes, the following details in relation to such Shareholder:-
 - (i) name; and
 - (ii) shareholdings in the listed issuer;
- (e) The reason for non-compliance with the Required Public Shareholding Spread;
- (f) The percentage of listed shares held by the top 30 shareholders, the names and shareholdings of each of these shareholders;
- (g) If there is a Rectification Plan, an elaboration of the same and the status thereof. Where the listed issuer has not formulated a Rectification Plan, the status of the listed issuer’s endeavours to formulate such a Plan. If there has been no progress in relation to the aforesaid during the previous extension of time, the listed issuer must also explain the reason for the lack of progress;
- (h) The reason for failure to rectify the public shareholding spread within the previous extension of time, if any; and
- (i) Justification for the extension of time sought.

4.3 Where an extension of time to rectify the public shareholding spread has been granted by the Exchange, a listed issuer must make an immediate announcement including the following information:-

- (a) A statement that an extension of time for compliance has been granted by the Exchange and the following details:-

- (i) the duration of extension granted;
- (ii) the expiry date of the extension; and
- (b) The information prescribed in paragraph 3.3(b) to (d) above.

4.4 Where an extension of time has not been granted by the Exchange, the listed issuer must make an immediate announcement including the following information:-

- (a) A statement that an extension of time for compliance has not been granted by the Exchange;
- (b) The information prescribed in paragraph 3.3(b) to (d) above; and
- (c) A statement that the Exchange may take or impose for a breach of paragraph 8.15(1) of the LR any type of action or penalty pursuant to paragraph 16.17 of the LR and in addition, may suspend trading in its securities pursuant to paragraph 16.02 of the LR.

5.0 Suspension where the public shareholding spread is equal to or less than 10% and related disclosure requirements

5.1 Pursuant to paragraph 8.15(4) of the Listing Requirements, where the public shareholding spread of a listed issuer is 10% or less of the total number of listed shares (“Threshold”), a suspension shall be imposed by the Exchange. The suspension in trading so imposed by the Exchange will only be uplifted upon full compliance with the Required Public Shareholding Spread and/or as may be determined by the Exchange.

5.2 Where a listed issuer becomes aware, either in conjunction with the preparation of its semi-annual returns or otherwise, that its public shareholding spread triggers the Threshold, such listed issuer must:-

- (a) immediately and specifically notify the Exchange of this in writing. Notification via the submission of semi-annual returns or announcement would not be deemed as compliance with this obligation; and
- (b) make an immediate announcement including the following information:-
 - (i) The public shareholding spread, in terms of percentage and number of public shareholders;
 - (ii) A statement that pursuant to paragraph 8.15(4) of the Listing Requirements, trading in its securities will be suspended immediately upon the expiry of 30 market days from the date of the immediate announcement in view that the public shareholding spread of the listed issuer is equal to or below 10% of the total number of listed shares;
 - (iii) The date suspension will be effected (i.e. the market day immediately following the expiry of 30 market days from the date of the immediate announcement);
 - (iv) A statement that once the suspension pursuant to paragraph 8.15(4) of the Listing Requirements is effected, it will only be uplifted by the Exchange upon full compliance with the Required Public Shareholding Spread or as may be determined by the Exchange;

- (v) The steps taken or proposed to be taken by the listed issuer (if any) to increase its public shareholding spread to above 10% before the date suspension is to be effected;
- (vi) An explanation of the Rectification Plan (if any);
- (vii) The tentative timeline for the steps referred to in subparagraph (v) above and the Rectification Plan; and
- (viii) Where neither the steps referred to in subparagraph (v) above nor a Rectification Plan have not been formulated and/or if no endeavours have been taken to formulate such steps or a Rectification Plan, an appropriate negative statement to such effect.

6.0 Suspension pursuant to paragraph 8.15(5) and related disclosure requirements

6.1 Pursuant to paragraph 8.15(5) of the Listing Requirements, in relation to a take-over offer for the acquisition of the listed shares of a listed issuer pursuant to the Code as defined under Chapter 11 of the Listing Requirements or corporate proposals undertaken by or in relation to a listed issuer, upon 90% or more of the listed shares of the said listed issuer being held by a shareholder either singly or jointly with associates of the said shareholder, a listed issuer must make an immediate announcement which includes the following information:-

- (a) A statement that pursuant to paragraph 8.15(5) of the Listing Requirements, trading in its securities will be suspended immediately upon the expiry of 5 market days from the date of the immediate announcement in view that 90% or more of the listed shares of the said listed issuer are held by a shareholder either singly or jointly with associates of the said shareholder;
- (b) The date suspension will be effected (i.e. the market day immediately following the expiry of 5 market days from the date of the immediate announcement);
- (c) In the event, the intention is to maintain the listing status of the listed issuer:-
 - (i) The public shareholding spread, in terms of percentage and number of public shareholders;
 - (ii) A statement that once the suspension pursuant to paragraph 8.15(5) of the Listing Requirements is effected, it will only be uplifted by the Exchange upon full compliance with the Required Public Shareholding Spread or as may be determined by the Exchange;
 - (iii) The steps taken or proposed to be taken by the listed issuer (if any) to increase its public shareholding spread to above 10% before the date suspension is to be effected;
 - (iv) An explanation of the Rectification Plan (if any);
 - (v) The tentative timeline for the steps referred to in subparagraph (iii) above and the Rectification Plan; and
 - (vi) Where neither the steps referred to in subparagraph (iii) above nor a Rectification Plan have not been formulated and/or if no endeavours have been taken to formulate such steps or Rectification Plan, an appropriate negative statement to such effect; and
- (d) In the event, the intention is to de-list the listed issuer:-
 - (i) a statement to that effect.

6.2 A suspension pursuant to paragraph 8.15(5) of the Listing Requirements shall be imposed by the Exchange on the next market day immediately following the expiry of 5 market days after the date of the immediate announcement referred to paragraph 6.1.

7.0 Effective Date

7.1 This Practice Note takes effect on 28 December 2006.