

Our Ref: SR/ASL(LACLA)/LD27/04

23 December 2004

The Company Secretary
[Listed Issuers]

Via e-mail

Dear Sirs,

AMENDMENTS TO THE LISTING REQUIREMENTS IN RELATION TO PERUSAL OF DRAFT CIRCULARS AND OTHER DOCUMENTS

Please be notified that pursuant to section 9 of the Securities Industry Act 1983, amendments have been to the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements for the Main Board and Second Board ("LR") in relation to perusal by Bursa Securities of draft circulars and other documents to be issued by listed issuers to their securities holders (hereinafter collectively referred to as "circulars") and consequentially, pursuant to paragraph 2.08 of the LR, a new Practice Note No. 18/2005 ("PN18") has been issued. The said amendments to the LR and PN18 (hereinafter collectively referred to as "the said Amendments") are set out in Appendix 1.

With the said Amendments, Bursa Securities will be implementing a new framework for the perusal of circulars. This will result in Bursa Securities ceasing to peruse certain circulars whilst continuing to review other circulars. A review by Bursa Securities will either be a limited review or a complete review depending on the type of circular.

In this respect, Bursa Securities' decision on the types of circulars that it would cease to pre-vet, conduct a limited review or continue with a complete review, is based on its assessment of the impact of inadequate disclosure in those documents on market transparency, integrity and investor protection.

Objectives

The implementation of this new framework for the perusal of circulars is expected to significantly reduce the time-to-market for issuance of circulars thereby facilitating the expedient completion of corporate proposals by listed issuers whilst preserving the standard of disclosure. The adoption of this new approach is an integral part of Bursa Securities' continuous effort to develop a dynamic and robust capital market.

Key changes

The adoption of the new framework will result in the following:-

- (a) Cessation of pre-vetting of certain circulars (hereinafter referred to "Exempt Circulars"). In this respect, a listed issuer will no longer be required to obtain the clearance of Bursa Securities for an Exempt Circular prior to its issuance pursuant to paragraph 8.09 of the LR.
- (b) Bursa Securities will continue to review all other circulars in the following manner:-
 - (i) A limited review will be conducted for circulars where disclosure is fairly standard (hereinafter referred to as "Limited Review Circulars"). In conducting its review, Bursa Securities will only focus on key disclosure areas and not the entire circular. Listed issuers must note that Bursa Securities may conduct a full review where it deems fit. Clearance of Bursa Securities for Limited Review Circulars is still required pursuant to paragraph 8.09 of the LR.
 - (ii) A complete review will continue to be conducted for circulars which do not fall within the category of Exempt or Limited Review Circulars (hereinafter referred to as "Non-Routine Circulars"). As such, clearance of Bursa Securities for Non-Routine Circulars is still required pursuant to paragraph 8.09 of the LR.

With the changes in the regulatory approach, the following amendments have been made to the LR:-

- (a) Amendment to paragraph 8.09 of the LR to reflect that clearance from Bursa Securities is no longer required for Exempt Circulars;
- (b) A new provision imposing an obligation on listed issuers to obtain shareholders' approval for material amendments, variations or modifications to a proposal previously approved by shareholders except where such amendments, variations or modifications are made pursuant to a direction and/or condition imposed by the relevant authorities; and
- (c) Secondary or additional amendments.

In addition, Bursa Securities is also issuing Practice Note 18/2005 to address the following issues:-

- (a) The prescription of circulars which fall under the category of Exempt Circulars;
- (b) The imposition of obligations in relation to the issuance of an Exempt Circular;
- (c) The prescription of circulars which fall within the category of Limited Review Circulars; and
- (d) An explanation of Bursa Securities' regulatory approach to Limited Review Circulars.

Kindly take note that, notwithstanding the adoption of the new framework by Bursa Securities, in preparing Exempt, Limited Review or Non-Routine Circulars, listed issuers and their advisers must continue to ensure compliance with the standard of disclosure and contents for circulars prescribed under the LR. The new approach will be coupled with effective enforcement action against listed issuers and their advisers that fail to adhere to the disclosure requirements set out under the LR.

Ref: SR/ASL(LACLA)/LD27/04

AMENDMENTS TO THE LISTING REQUIREMENTS IN RELATION TO PERUSAL OF DRAFT CIRCULARS AND OTHER

Implementation

Kindly take note that the said Amendments shall take effect on **3 January 2005**.

In this regard, all draft circulars submitted to Bursa Securities on or before **31 December 2004** will still be subject to perusal by Bursa Securities. As such, clearance of Bursa Securities for such circulars must still be obtained pursuant to paragraph 8.09 of the LR notwithstanding that such circulars may fall within the category of Exempt Circulars.

Additional Information

In order to aid listed issuers in adapting to the new framework, a set of Questions and Answers is attached as Appendix 2.

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

Should you require further information/clarification on the above, kindly contact:-

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Thank you.

Yours faithfully,



SELVARANY RASIAH
Chief Legal Officer

AMENDMENTS TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

EXISTING PROVISIONS		AMENDED PROVISIONS	
3.21	<p>Issuance of introductory circular</p> <p>(1) Where a listed company seeking a transfer to the Main Board does not issue any prospectus or abridged prospectus, it must issue an introductory circular to its shareholders.</p> <p>(2) The introductory circular shall include the information set out in Part D of Appendix 3A. The draft introductory circular must be submitted to the Exchange together with a checklist showing compliance with Part D of Appendix 3A.</p>	[No change]	<p>(1) [No change]</p> <p>(2) The introductory circular shall include the information set out in Part D of Appendix 3A. The printed introductory circular must be submitted to the Exchange together with a checklist showing compliance with Part D of Appendix 3A.</p>
6.07	<p>Circular</p> <p>(1) A listed issuer must ensure that the circular to be sent to the securities holders of the listed issuer to obtain the approval of the securities holders in respect of a new issue of securities includes the information set out in Part A of Appendix 6C.</p> <p>(2) The draft circular must be submitted to the Exchange together with a checklist showing compliance with Part A of Appendix 6C.</p>	[No change]	<p>(1) [No change]</p> <p>(2) The draft circular or in the case of a bonus issue, the printed circular, must be submitted to the Exchange together with a checklist showing compliance with Part A of Appendix 6C.</p>
8.09	<p>Draft circulars and other documents</p> <p>(1) A listed issuer or offeror in an offer for sale of listed securities must submit to the Exchange for perusal, one draft copy of all circulars and other documents proposed to be sent to the holders of listed securities, within a reasonable time prior to</p>	[No change]	<p>(1) [No change]</p>

EXISTING PROVISIONS	AMENDED PROVISIONS
<p>printing together with a checklist showing compliance with the relevant parts of these Requirements.</p> <p>(1A) Subparagraph (1) above shall not apply to the following documents:-</p> <ul style="list-style-type: none"> (a) an annual report; (b) any document to be sent to holders of listed securities in relation to a take-over by or in respect of a listed issuer; and (c) any document that is not prepared by the listed issuer or its advisers on its behalf. <p>New provisions.</p> <p>(2) A listed issuer or offeror must not issue any of such documents referred to in subparagraph (1) above until the Exchange has confirmed in writing that it has no further comments thereon.</p> <p>(3) Where an adviser is appointed by the listed issuer or offeror for the preparation and/or submission of the documents referred to in subparagraph (1) above to the Exchange, such adviser must also comply with subparagraphs (1) and (2) above.</p> <p>New provisions.</p>	<p>(1A) Subparagraph (1) above shall not apply to the following documents:-</p> <ul style="list-style-type: none"> (a) an annual report; (b) any document to be sent to holders of listed securities in relation to a take-over by or in respect of a listed issuer, excluding circulars to be issued by a listed issuer, proposing to undertake or undertaking a take-over, to its securities holders pursuant to Chapter 10 of these Requirements; (c) any document that is not prepared by the listed issuer or its advisers on its behalf; and (d) such other document as prescribed by the Exchange subject to such requirements as may be imposed by the Exchange. <p>(2) – (3) [No change]</p>
	<p>8.22A</p>
	<p>Material variations</p>

EXISTING PROVISIONS	AMENDED PROVISIONS
	<p>(1) Where a proposal has been approved by shareholders in general meeting and a listed issuer proposes to make a material amendment, modification or variation to such proposal, the listed issuer must issue a circular to its shareholders and seek its shareholders' approval of such material amendment, modification or variation.</p> <p>(2) For the purpose of subparagraph (1) above, an amendment, modification or variation is considered material if it can be reasonably expected to have a material effect on the decision of a holder of securities of the listed issuer in relation to such proposal.</p> <p>(3) Subparagraph (1) does not apply to any amendment, modification or variation resulting from such direction or condition as may be imposed by the relevant authorities.</p>
<p>10.05 Transactions exceeding 15%</p> <p>(1) For a transaction where any one of the percentage ratios is equal to or exceeds 15%, in addition to the requirements of paragraph 10.04, the listed issuer must send a circular to the shareholders of the listed issuer for information which circular shall include the information set out in Appendix 10B.</p> <p>(2) The draft circular must be submitted to the Exchange together with a checklist showing compliance with Appendix 10B.</p>	<p>(1) [No change]</p> <p>(2) The printed circular must be submitted to the Exchange together with a checklist showing compliance with Appendix 10B.</p>
<p>12.06 Circular to shareholders for purchase of own shares</p>	<p>[No change]</p>

EXISTING PROVISIONS	AMENDED PROVISIONS
<p>(1) A listed company seeking authorisation from its shareholders to purchase its own shares other than by way of a renewal of an existing authorisation, must issue a circular to its shareholders that complies with the requirements of subparagraph (3) below.</p> <p>(2) A listed company that is renewing its existing authorisation must either issue:-</p> <p>(a) a statement accompanying its notice of general meeting (hereinafter referred to as "Share Buy-back Statement"), in substitution of the circular; or</p> <p>(b) a circular, as referred to in subparagraph (1) above.</p> <p>Where a listed company issues a Share Buy-back Statement, it must ensure that such Statement complies with the requirements of subparagraph (4) below.</p> <p>(3) Without limiting the generality of paragraph 8.11, the listed company must ensure that the circular referred to under subparagraph (1) above includes the information set out in Part A of Appendix 12A and all such information concerning the proposed purchase as shareholders and their professional advisers would reasonably require and would reasonably expect to find in the circular for the purposes of making an informed assessment as to the merits of approving the proposed purchase and the extent of the risks involved in doing so.</p> <p>(4) The listed company must ensure that the Share Buy-back</p>	<p>(1) - (4) [No change]</p>

EXISTING PROVISIONS		AMENDED PROVISIONS	
<p>Statement includes the information set out in Part B of Appendix 12A and all such information concerning the proposed purchase as shareholders and their professional advisers would reasonably require and would reasonably expect to find in the Share Buy-back Statement for the purposes of making an informed assessment as to the merits of approving the proposed purchase and the extent of the risks involved in doing so.</p> <p>(5) The draft circular or the draft Share Buy-back Statement, as the case may be, must be submitted to the Exchange together with a checklist showing compliance with Parts A or B of Appendix 12A respectively.</p>		<p>(5) The printed circular or Share Buy-back Statement, as the case may be, must be submitted to the Exchange together with a checklist showing compliance with Parts A or B of Appendix 12A respectively.</p>	
<p>12.07</p> <p>Contents of ordinary resolution for share buy-back</p> <p>(1) A listed company must ensure that the ordinary resolution required under paragraph 12.03 above for a listed company to purchase its own shares includes the information set out in Appendix 12B.</p> <p>(2) The draft resolution must be submitted to the Exchange together with a checklist showing compliance with Appendix 12B.</p> <p>(3) Any authority conferred by such resolution may only continue to be in force until:-</p> <p>(a) the conclusion of the first annual general meeting of the</p>		<p>[No change]</p> <p>(1) [No change]</p> <p>(2) The printed resolution must be submitted to the Exchange together with a checklist showing compliance with Appendix 12B.</p> <p>(3) [No change]</p>	

EXISTING PROVISIONS	AMENDED PROVISIONS
<p>listed company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;</p> <p>(b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or</p> <p>(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first.</p>	

BURSA MALAYSIA SECURITIES BERHAD

PRACTICE NOTE NO 18/2005

PERUSAL OF DRAFT CIRCULARS AND OTHER DOCUMENTS

Issued in relation to paragraph 8.09 of the Listing Requirements;

And

Pursuant to paragraphs 2.06 and 2.08 of the Listing Requirements.

1.0 Introduction

1.1 Paragraph 8.09 of the Listing Requirements provides as follows:-

“(1) A listed issuer or offeror in an offer for sale of listed securities must submit to the Exchange for perusal, one draft copy of all circulars and other documents proposed to be sent to the holders of listed securities, within a reasonable time prior to printing together with a checklist showing compliance with the relevant parts of these Requirements.

(1A) Subparagraph (1) above shall not apply to the following documents:-

- (a) an annual report;*
- (b) any document to be sent to holders of listed securities in relation to a take-over by or in respect of a listed issuer excluding circulars to be issued by a listed issuer, proposing to undertake or undertaking a take-over, to its securities holders pursuant to Chapter 10 of these Requirements;*
- (c) any document that is not prepared by the listed issuer or its advisers on its behalf; and*
- (d) such other document as prescribed by the Exchange subject to such requirements as may be imposed by the Exchange.*

(2) A listed issuer or offeror must not issue any of such documents referred to in subparagraph (1) above until the Exchange has confirmed in writing that it has no further comments thereon.

(3) Where an adviser is appointed by the listed issuer or offeror for the preparation and/or submission of the documents referred to in subparagraph (1) above to the Exchange, such adviser must also comply with subparagraphs (1) and (2) above.

1.2 This Practice Note sets out the following:-

- (a) the prescription of documents which:-
 - (i) are not required to be submitted to the Exchange for perusal; and
 - (ii) will be subject to perusal by the Exchange whether by way of a normal or limited review; and
- (b) the requirements in relation to such documents.

- 1.3 For avoidance of doubt, in perusing circulars and documents pursuant to paragraph 8.09 of the Listing Requirements, the Exchange does not verify the information in the circular or document so perused. Listed issuers, their directors and advisers are responsible for the disclosure in these documents including ensuring the accuracy and completeness of the same pursuant to paragraph 8.11 of the Listing Requirements.

2.0 Documents that are not required to be submitted to the Exchange

- 2.1 For the purposes of sub-paragraph 8.09(1A)(d) of the Listing Requirements, it is prescribed that circulars or documents on any one or more of the following are not subject to sub-paragraph 8.09(1) of the Listing Requirements, namely the perusal of the Exchange is not required prior to issuance:-

- (a) Introductory circulars for a transfers to the Main Board pursuant to paragraph 3.21;
- (b) Information circulars issued pursuant to paragraph 10.05 of the Listing Requirements;
- (c) Notices of adjustments to warrants and irredeemable convertible loan stocks;
- (d) Notices of meetings;
- (e) Bonus Issues;
- (f) Purchase of own shares (including the ordinary resolution);
- (g) Amendments to or adoption of memorandum and articles of associations;
- (h) Amendments to trust deeds or deed polls;
- (i) Increase in authorised share capital; and
- (j) All other circulars to shareholders, which are not issued pursuant to a requirement to obtain shareholder approval, prescribed under the Listing Requirements.

(hereinafter collectively referred to as “Exempt Circulars”).

3.0 Obligations in relation to Exempt Circulars

- 3.1 Accordingly, the Exchange will no longer comment on any of the above Exempt Circulars prior to issuance.
- 3.2 In this respect, an Exempt Circular must include a statement that Bursa Malaysia Securities Berhad has not perused the circular prior to its issuance.
- 3.3 Further, pursuant to paragraph 8.13 of the Listing Requirements, immediately upon issuance of the Exempt Circular to securities holders, a listed issuer must submit the requisite number of copies of the Exempt Circular to the Exchange together with a checklist showing compliance with the relevant parts of the Listing Requirements.
- 3.4 If the Exchange detects any non-compliance with the Listing Requirements subsequent to the issue of the Exempt Circular, the listed issuer and/or the adviser responsible for preparing the circular may be subject to enforcement action by the Exchange.

4.0 Documents subject to a limited review

4.1 The circulars or documents on the following subject-matters will be subjected to a limited review by the Exchange:-

- (a) Issuance of securities for cash including but not limited to rights issues, private placement, restricted issue, special issue to Bumiputera investors, issue of securities on a "bought deal" basis etc but excluding allotments to directors (including allotment of ESOS options), major shareholders or persons connected thereto which fall within paragraph 6.11 of the Listing Requirements;
- (b) Employee share schemes ("ESOS") including establishment of or amendments to by-laws, extensions of the duration of the scheme or termination of the scheme;
- (c) Obtaining or renewing shareholders' mandate for recurrent related party transactions;
- (d) Notice of maturity of securities; and
- (e) Extensions of time for maturity/expiry of securities.

(hereinafter referred to as "Limited Review Circulars")

5.0 Obligations in respect of a Limited Review Circular

5.1 Pursuant to paragraph 8.09 of the Listing Requirements, a Limited Review Circular cannot be issued by a listed issuer until and unless the Exchange confirms in writing that it has no further comments thereon.

5.2 In this respect, a listed issuer must submit a draft of a Limited Review Circular pursuant to sub-paragraph 8.09(1) of the Listing Requirements to the Exchange together with a checklist showing compliance with the relevant parts of the Listing Requirements.

5.3 In conducting a limited review, the Exchange will only focus on areas which in its opinion poses a high risk in terms of disclosure and/or compliance with the Listing Requirements prior to clearance of the circulars.

5.4 Nothing in this Practice Note or the Listing Requirements will preclude the Exchange from conducting a full review in circumstance where it deems fit.

6.0 Documents subject to normal review

6.1 The Exchange will continue to conduct a review of all circulars or documents not falling within the exclusions set out in paragraph 8.09(1A) of the Listing Requirements (hereinafter referred to as "Non-Routine Circulars").

7.0 Obligations in respect of a Non-Routine Circular

7.1 In this respect, a listed issuer must submit a draft of a Non-Routine Circular pursuant to sub-paragraph 8.09(1) of the Listing Requirements to the Exchange together with a checklist showing compliance with the relevant parts of the Listing Requirements.

8.0 Effective Date

8.1 This Practice Note takes effect on 3 January 2005.

QUESTIONS AND ANSWERS RELATING TO AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) LISTING REQUIREMENTS (“LR”) WITH REGARD TO CIRCULARS AND OTHER DOCUMENTS ISSUED BY LISTED ISSUERS (“CIRCULARS”) AND THE NEW PRACTICE NOTE 18/2005 (“PN18”) (COLLECTIVELY REFERRED TO AS “THE AMENDMENTS”)

1. Previously, Bursa Securities would conduct a full review of circulars issued by the listed issuers prior to issuance. Would Bursa Securities cease to peruse circulars in view of the Amendments?

No. Bursa Securities will only cease to peruse certain circulars as prescribed under paragraph 2.1 of PN18 (“Exempt Circulars”). However, Bursa Securities will still continue to peruse other circulars as follows :-

- *Bursa Securities will conduct a limited review of the circulars prescribed under paragraph 4.1 of PN18 (“Limited Review Circulars”); and*
- *Bursa Securities will conduct a full review of all circulars not falling within the exclusions set out in paragraph 8.09(1A) of the LR (“Non-Routine Circulars”).*

2. What happens to draft circulars submitted by listed issuers and/or their advisers to Bursa Securities for perusal prior to 3 January 2005?

All draft circulars submitted by listed issuers and/or their advisers to Bursa Securities on or before 31 December 2004 will be perused even where such circulars fall within the category of Exempt Circulars under the Amendments. As such, listed issuers and/or their advisers must not issue such circulars until Bursa Securities has confirmed in writing that it has no further comments thereon.

3. What are the obligations of a listed issuer and/or the adviser in respect of the Exempt Circulars given that such circulars will no longer be perused by Bursa Securities ?

The Exempt Circulars must include a statement that Bursa Securities has not perused the circular prior to its issuance. Further, pursuant to paragraph 8.13 of the LR, a listed issuer must submit the requisite number of copies of the Exempt Circulars to Bursa Securities together with a checklist showing compliance with the relevant parts of the LR immediately upon issuance of the Exempt Circulars to securities holders.

The listed issuer, its directors and/or adviser must also ensure that the Exempt Circulars comply with the LR, including the standard of disclosure prescribed in paragraph 8.11 of the LR and the prescribed minimum contents, if any, failing which, Bursa Securities may take enforcement action against the listed issuer, its directors and/or adviser.

4. What are the areas that Bursa Securities will focus on in respect of the Limited Review Circulars ?

In conducting a limited review, Bursa Securities will only focus on key disclosure areas and not the entire circular. However, Bursa Securities may conduct a full review in circumstances where it deems fit. In any event, listed issuers, their directors and/or advisers must ensure the accuracy and completeness of the Limited Review Circulars pursuant to paragraph 8.11 of the LR.

5. The new paragraph 8.22A of the LR now requires the listed issuer to issue a circular to its shareholders and seek its shareholders' approval for any material amendment, modification or variation to a proposal which has been previously approved by shareholders in general meeting. When is an amendment, modification or variation considered as "material"?

An amendment, modification or variation is considered material if it can be reasonably expected to have a material effect on the decision of a holder of securities of the listed issuer in relation to such proposal.

6. Pursuant to paragraph 8.22A(3) of the LR, an amendment, modification or variation to a proposal which has been approved by shareholders resulting from the direction or condition imposed by the relevant authorities does not require shareholders' approval under paragraph 8.22A(1) of the LR. Company A obtains its shareholders' approval for its corporate proposal i.e. to purchase a 10% interest in Company B. Subsequently, prior to making a submission for approval to the relevant authority, Company A revised its proposed purchase to a 30% interest in Company B. Company A then submits the amended proposal to the relevant authority for approval. The amended proposal is approved by the relevant authority. Would Company A need to obtain shareholders' approval for the material amendment?

Yes. The material amendment to Company A's proposal would require shareholders' approval under paragraph 8.22A(1) of the LR as, although the amended proposal may have been approved by the relevant authority, the amendment was not made pursuant to a direction or condition imposed by such authority.

7. Is paragraph 8.22A of the LR only limited to subject matters where Bursa Securities will conduct a full review of the Circulars i.e. the Non-Routine Circulars?

No. The approved proposal referred to in paragraph 8.22A of the LR is applicable to all proposals that require shareholders' approval.