

Our Ref: SR/TAC(fc)/LD 05/13 [EEP]

8 May 2013

The Company Secretary
(Listed Corporation)

Via email

Dear Sir/Madam,

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS RELATING TO ENFORCEMENT PROCEEDINGS

Please note that pursuant to section 9 of the Capital Markets and Services Act 2007, amendments have been made to the ACE Market Listing Requirements (“**ACE LR**”) to enhance the current framework for enforcement action in the ACE LR, in particular on the approach and process for enforcement actions (“**Enforcement Proceedings Amendments**”).

1. BACKGROUND

- 1.1 We have reviewed and enhanced the current framework for enforcement action under the ACE LR, in particular on the approach and processes for enforcement action.
- 1.2 In line with our continuous efforts to enhance market efficiency the Exchange has made the following enhancements to the enforcement framework under the ACE LR:
- (a) With respect to certain specified breaches (as set out in the ACE LR), a person who has breached the rules now has the opportunity to agree with the decision made by the Exchange and give effect to the penalty imposed without being subjected to the processes of a full enforcement proceeding¹ (“**Expedited Proceeding**”).

¹ A full enforcement proceeding refer to the following approach:

Arising from the investigations conducted by the Exchange, where the Exchange finds that a person who is bound to comply with the ACE LR has breached the rules, the Exchange issues a notice to such person. The notice sets out the alleged breach and provides the person with an opportunity to reply to the notice and give reasons why enforcement action should not be taken. Based on the reply given, the Exchange tables the matter to the relevant committee to decide whether the person has breached the ACE LR. Such person may upon request be present at the meeting of the relevant committee. The relevant committee after its deliberation notifies such person of its decision.

**Our Ref: SR/TAC(fc)/LD 05/13 [EEP]
AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING
REQUIREMENTS RELATING TO ENFORCEMENT PROCEEDINGS**

- (b) In a full enforcement proceeding, a person who has breached the rules may wish to and can agree with the Exchange on certain facts, liability or penalty in relation to the breach alleged to have been committed by such person (“**Agreed Settlement**”). This allows breaches that do not come within the scope of the Expedited Proceeding to be resolved and completed expeditiously at the option of such person.
- (c) Clarifying the appeal process in the event a person who has breached the rules is dissatisfied with a decision resulting from an enforcement decision.

2. KEY AMENDMENTS

2.1 The key Enforcement Proceedings Amendments to the ACE LR are as follows:

- (a) setting out the procedures and requirements relating to a full enforcement proceeding and Expedited Proceeding respectively;
- (b) clarifying the oral representation that may be requested by a person in an enforcement proceeding;
- (c) allowing a person who has breached the rules to propose an Agreed Settlement at any time before the Exchange makes a decision;
- (d) clarifying the standard of proof in an enforcement action by the Exchange, which is on the balance of probabilities; and
- (e) setting out the right of appeal by a person who has breached the rules, and the appeal process.

3. THE FULL TEXT OF THE AMENDMENTS

3.1 For ease of reference, the Enforcement Proceedings Amendments are reflected in the following manner:

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

3.2 The text of the Enforcement Proceedings Amendments with the amendments tracked is attached in **Appendix 1** for your reference.

Our Ref: SR/TAC(fc)/LD 05/13 [EEP]
**AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING
REQUIREMENTS RELATING TO ENFORCEMENT PROCEEDINGS**

4. IMPLEMENTATION

The Enforcement Proceedings Amendments will become effective immediately.

5. ADDITIONAL INFORMATION

This letter and all the above mentioned documents are also available at Bursa Malaysia's website at www.bursamalaysia.com.

If you have any queries on the above, please do not hesitate to contact the following persons from Listing Advisory & Development, Listing Division:

- (a) Mr Chee Kai Man (03 - 2034 7776)
- (b) Ms Tiffany Yan Wei Mee (03 - 2034 7307).

Thank you.

Yours faithfully,



SELVARANY RASIAH
Chief Regulatory Officer

TAC/fc

encls. (1)