

Our Ref: SR/YYT(LACLA)/LD25/06

28 December 2006

Via e-mail

**The Company Secretary
(Listed Companies)**

Dear Sir/Madam

AMENDMENTS TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET IN RELATION TO THE REQUIREMENTS ON 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 for the MESDAQ Market ("MMLR") in relation to the requirements on public shareholding spread (hereinafter referred to as "the Amendments"). The Amendments are attached herewith as **Appendix 1**.

Objective

The Amendments were made as part of Bursa Securities' continuous efforts to enhance disclosures and maintain a fair and orderly market in the securities traded on the exchange.

Key changes

The key changes effected by the Amendments 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 listed company which fails to maintain the required shareholding spread and no further extension of time is granted.
- (c) Prescription of the disclosure requirements and contents of announcement pertaining to non-compliance of the public shareholding spread requirements by listed companies.
- (d) Prescription of the contents of the application for extension of time to comply with the public shareholding spread requirements and acceptance of a lower percentage of public shareholding spread.
- (e) 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.

The changes stated in paragraphs (c), (d) and (e) hereinabove are incorporated in the new Guidance Note No. 13/2007 which is also attached in **Appendix 1**.

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THE MESDAQ MARKET IN RELATION TO THE REQUIREMENTS ON PUBLIC SHAREHOLDING SPREAD**

Implementation

The Amendments shall take effect by **2 July 2007**.

Additional information

A copy of the Questions and Answers pertaining to the Amendments is attached as **Appendix 2**, to facilitate compliance by companies.

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 Amendments, kindly contact:-

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Thank you.

Yours faithfully



SELVARANY RASIAH
Chief Legal Officer

Encl.

**AMENDMENTS TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET IN RELATION TO
THE REQUIREMENTS ON PUBLIC SHAREHOLDING SPREAD**

	EXISTING PROVISION		AMENDED PROVISION
Rule		Rule	
8.15	<p>Compliance with shareholding spread requirement</p> <p>(1) (as per existing provision)</p> <p>(2) A listed company must inform the Exchange immediately if it becomes aware that it does not comply with sub-Rule (1) above.</p> <p>(3) A listed company that 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 company pursuant to the Code as defined under Chapter 11 or corporate proposals undertaken by or in relation to a listed company, upon 90% or more of the listed shares of the said listed company being held by a shareholder, either singly or jointly with associates of the said shareholder, an immediate announcement must be made by the listed company. Upon such announcement, all the securities of the listed company 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 company must inform the Exchange immediately if it becomes aware that it does not comply with the required shareholding spread referred to in sub-Rule (1) above.</p> <p>(3) A listed company that fails to maintain the required shareholding spread referred to in sub-Rule (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 company and/or de-list the listed company.</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 company pursuant to the Code as defined under Chapter 11 or corporate proposals undertaken by or in relation to a listed company, upon 90% or more of the listed shares of the said listed company being held by a shareholder, either singly or jointly with associates of the said shareholder, an immediate announcement must be made by the listed company. Upon such announcement, all the securities of the listed company may be suspended from trading and/or removed from the Official List of the Exchange.</p> <p>(6) – (8) (no change)</p>
16.09	<p>De-listing by the Exchange</p> <p>(1) The Exchange may at any time de-list a listed company or any class of its listed securities from the Official List in any of the following</p>		<p>De-listing by the Exchange</p> <p>(1) The Exchange may at any time de-list a listed company or any class of its listed securities from the Official List in any of the</p>

	EXISTING PROVISION		AMENDED PROVISION
	<p>circumstances:-</p> <p>(a) – (b) (as per existing provisions)</p> <p>(c) in other circumstances as provided under Rules 8.14, 8.15(5), 8.16 or 9.26, whereupon the Exchange shall notify the Commission of the same;</p> <p>(d) in circumstances provided under Rule 4.11(b), subject to consultation with the Commission; or</p> <p>(e) where in the opinion of the Exchange, circumstances exist which do not warrant the continued listing of a listed company 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 company.</p> <p>(2) The Exchange shall de-list a listed company in circumstances provided under Rule 8.15(6) whereupon the Exchange shall notify the Commission of the same.</p> <p>(3) For the purpose of sub-Rule 1(a) above, failure to comply with these Requirements shall exclude failure to comply with Rules 8.14, 8.16 or 9.26.</p>		<p>following circumstances:-</p> <p>(a) – (b) (no change)</p> <p>(c) in other circumstances as provided under Rules 8.14, 8.15(3), 8.15(5), 8.16 or 9.26, whereupon the Exchange shall notify the Commission of the same;</p> <p>(d) (no change)</p> <p>(e) where in the opinion of the Exchange, circumstances exist which do not warrant the continued listing of a listed company or any class of its listed securities, subject to consultation with the Commission, except where the de-listing is due to:-</p> <ul style="list-style-type: none"> (i) the maturity or expiry of a class of securities; (ii) a winding up order being made against a listed company; or (iii) such other circumstances as may be approved by the Commission. <p>(2) The Exchange shall de-list a listed company in circumstances provided under Rule 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 sub-Rule 1(a) above, failure to comply with these Requirements shall exclude failure to comply with Rules 8.14, 8.15, 8.16 or 9.26.</p>

GUIDANCE NOTE NO 13/2007

PUBLIC SHAREHOLDING SPREAD

Issued in relation to Rule 8.15 of the Listing Requirements;

And

Pursuant to Rule 2.09 of the Listing Requirements.

1.0 Introduction

1.1 This Guidance Note is issued to:-

- (a) Prescribe the information that listed companies must include in:-
 - (i) an application to the Exchange for acceptance of a lower percentage of public shareholding spread pursuant to Rule 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 company:-
 - (i) fails to comply with the required public shareholding spread; and
 - (ii) triggers a suspension pursuant to Rules 8.15(4) and 8.15(5) of the Listing Requirements; and
- (c) Clarify when a suspension will be imposed pursuant to Rules 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 Rule 8.15(1) of the Listing Requirements provides that a listed company 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 company 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 Rule 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 company;
- (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 Rule 8.15(2) of the Listing Requirements provides that a listed company 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 company 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 annual returns or an announcement would not be deemed as compliance with Rule 8.15(2) of Listing Requirements.

3.3 The listed company must also make an immediate announcement in relation to its non-compliance which includes the following information:-

- (a) A statement that the listed company does not comply with the public shareholding spread requirement set out in Rule 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 company 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 company has not formulated a Rectification Plan, the status of the listed company’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 company 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 company 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 Rule 8.15(3) of the Listing Requirements, a listed company 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 company;
- (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 company has not formulated a Rectification Plan, the status of the listed company’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 company 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 company 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 company 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 Rule 8.15(1) of the Listing Requirements any type of action or penalty pursuant to Rule 16.17 of the Listing Requirements and in addition, may suspend trading in its securities pursuant to Rule 16.02 of the Listing Requirements.

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

5.1 Pursuant to Rule 8.15(4) of the Listing Requirements, where the public shareholding spread of a listed company 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 company becomes aware, either in conjunction with the preparation of its annual returns or otherwise, that its public shareholding spread triggers the Threshold, such listed company must:-

- (a) immediately and specifically notify the Exchange of this in writing. Notification via the submission of 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 Rule 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 company 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 Rule 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 company (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 Rule 8.15(5) and related disclosure requirements

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

- (a) A statement that pursuant to Rule 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 company 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 company:-
 - (i) The public shareholding spread, in terms of percentage and number of public shareholders;
 - (ii) A statement that once the suspension pursuant to Rule 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 company (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 company:-
 - (i) a statement to that effect.

6.2 A suspension pursuant to Rule 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 in paragraph 6.1.

7.0 Effective Date

7.1 This Guidance Note takes effect on 2 July 2007.