

GUIDANCE NOTE NO 12/2006

REQUESTS FOR SUSPENSION

Issued in relation to Rule 16.03 of the Listing Requirements;

And

Pursuant to Rule 2.09 of the Listing Requirements.

1.0 Introduction

- 1.1 Suspension in the trading of securities (hereinafter referred to as "suspension") may be effected under any of the circumstances set out under Rules 16.02 and 16.03 of the Listing Requirements.
- 1.2 Suspensions may be effected at the request of the listed company or imposed by the Exchange independently of any such request subject to the relevant requirements set out in this Guidance Note.
- 1.3 This Guidance Note is issued to notify listed companies of the operational procedures in respect of requests for suspension made by listed companies.
- 1.4 For the purposes of computation of the period of suspension, the day the suspension is effected will be counted as one market day of suspension if it is effected at 9.00 a.m. If it is effected after 9.00 a.m. the day suspension is effected will not be counted as 1 market day of suspension.

2.0 Suspension requested by the listed company

- 2.1 Any request for a suspension shall be made to the Exchange in writing in the form of Appendix GN 12/2006-A and shall include the following information:-
 - (a) full and detailed reasons for the suspension, to enable the Exchange to determine whether to allow the request for suspension;
 - (b) an announcement for public release containing the request and the reasons for it, together with any additional information necessary to keep the market informed;
 - (c) whether the request for suspension is being made under subparagraphs (a), (b) or (c) of paragraph 3.1 of this Guidance Note;
 - (d) the period of suspension requested for;
 - (e) that the listed company is not aware of any reason why its securities should not be suspended;
 - (f) the listed company's past 12 months' record of suspensions in tabular form as set out in Appendix GN 12/2006-B; and
 - (g) any other information as may be requested by the Exchange.
- 2.2 The signatory of the written request must be a person of senior management such as the company secretary, managing director or chief executive officer who is duly empowered by the board of directors of the listed company for that purpose.
- 2.3 The Exchange will only consider a request for suspension where the information requested pursuant to paragraph 2.1 has been fully and completely provided.

3.0 Situations which may warrant suspension

3.1 Upon a request made by a listed company, a suspension may be allowed by the Exchange, at its discretion, on the basis of the following reasons:-

- (a) where the listed company requires time to prepare and release an announcement relating to a material transaction, such as:-
 - (i) a reverse take-over;
 - (ii) very substantial acquisition;
 - (iii) significant change in the business direction or policy of a listed company as defined under Chapter 1 of the Listing Requirements; or
 - (iv) any other corporate exercise which the Exchange considers to be material;
- (b) where the listed company intends to:-
 - (i) make a material announcement; or
 - (ii) hold a press conference to make a material announcement, before the close of trading; or
- (c) any other reason which, in the opinion of the Exchange, justifies a suspension.

3.2 Without limiting the aforesaid, any announcement relating to any of the following matters will be regarded as a material announcement for the purposes of subparagraph 3.1(b) above:-

- (a) interim financial reports;
- (b) bonus issues or fund raising exercises;
- (c) a transaction as defined under Rule 10.02(i) of the Listing Requirements, where the percentage ratio calculated in accordance with Chapter 10 of the Listing Requirements is equal to or exceeds 25%;
- (d) a change in the controlling shareholder of the listed company; or
- (e) a notice of take-over being served on a listed company which the public has no prior knowledge of.

3.3 Listed companies are reminded that in relation to a corporate exercise where the facts are in a state of flux and disclosure cannot as yet be made of the said corporate exercise, the listed companies should not make requests for suspension.

3.4 The directions contained in this Guidance Note are in clarification of and not in derogation of any obligations of listed companies under the Listing Requirements, including the disclosure obligations of listed companies under the Listing Requirements.

4.0 Periods of suspension

4.1 In the event the Exchange grants a suspension for the reasons stated in paragraph 3.1, the periods of suspension that may be approved by the Exchange are as stated below:-

- (a) where the reason for suspension falls within the ambit of subparagraph 3.1(a), for a period of up to 3 market days only;
- (b) where the reason for suspension falls within the ambit of subparagraph 3.1(b), for a period of up to 1 market day; and
- (c) where the reason for suspension falls within the ambit of subparagraph 3.1(c), the suspension shall be for such period as deemed appropriate by the Exchange.

5.0 Announcements

- 5.1 In the event a suspension is granted by the Exchange in relation to subparagraph 3.1(a), the listed company must make the relevant announcement to the Exchange on or before the expiry of the period of suspension that is approved by the Exchange pursuant to paragraph 4.1.
- 5.2 In the event a suspension is granted by the Exchange in relation to subparagraph 3.1(b), the listed company must make the relevant announcement to the Exchange on the day suspension is requested to take effect.
- 5.3 In the event a suspension is granted by the Exchange in relation to subparagraph 3.1(c), the listed company must make the relevant announcement to the Exchange on such date as may be specified by the Exchange.

6.0 Suspension

- 6.1 Where the Exchange decides to allow a suspension, such suspension will be imposed immediately upon the decision being made, even if it may be prior to the date suspension is requested to commence.
- 6.2 Therefore, to ensure that suspension is effected in a timely manner, a listed company should submit its written request for suspension on the market day preceding the date suspension is requested to commence, before 2.00p.m. For example, if A Bhd intends to have its securities suspended on Wednesday for 3 days, it should submit its written request for suspension on Tuesday, before 2.00p.m. Where the submission is made at 12.00p.m. on Tuesday and the Exchange decides on Tuesday to allow the suspension, suspension will be effected immediately on Tuesday itself, but the computation of the period of suspension will not take into account the suspension on Tuesday. An announcement pursuant to paragraph 5.1 must be made by A Bhd on or before Friday.
- 6.3 However, if a listed company submits its written request for suspension 2 or more market days prior to the date suspension is requested to commence, and where suspension is allowed, the computation of the period of suspension shall include the day of suspension where the suspension is effected at 9.00a.m. For example, B Bhd intends to have its securities suspended on Wednesday for a period of 3 days. Instead of submitting the written request on Tuesday morning, it submits its request at 2.00p.m. on Monday. Where the Exchange decides at 4.00p.m. on Monday to allow the suspension and immediately thereupon effects the suspension, the three-day period of suspension will include the suspension on Tuesday. Hence, suspension will be lifted on Friday, instead of Monday, as intended by B Bhd. B Bhd must make an announcement pursuant to paragraph 5.1 on or before Thursday and not on Friday.
- 6.4 In the event the Exchange considers that the reasons given in support of a request for suspension do not warrant such suspension, it will inform the listed company and the listed company may be required to issue an immediate announcement which contains sufficient information to enable an investor to make an informed decision. For the avoidance of doubt, such announcement may, at the discretion of the Exchange, be required to be made as soon as practicable or within a time to be prescribed by the Exchange, which in any event, will not be longer than 1 market day from notification.

7.0 Effective Date

- 7.1 This Guidance Note takes effect on 3 July 2006.

Appendix GN 12/2006-A

Request for Suspension

Name of listed company: _____

Date of request: _____

Period of suspension: _____ day/s From: _____ a.m./p.m. To: _____ a.m./p.m. _____

Full and detailed reasons for suspension:

Expected date of announcement to the Exchange: _____

We hereby confirm that the above information is true and further that:-

- (a) the request for suspension is under subparagraph 3.1(a)/ 3.1(b) / 3.1(c)* of the Guidance Note No 12/2006 on Requests for Suspension;
- (b) the announcement for public release containing the request for suspension and the reasons for it, together with any additional information necessary to keep the market informed is attached herewith;
- (c) we are not aware of any reason why the securities of our company should not be suspended; and
- (d) our past 12 months' record of suspension in tabular form is attached herewith.

Signed by,

- *Delete where not applicable*

Appendix GN 12/2006-B

PAST 12 MONTHS' RECORD OF SUSPENSION

[illegible]