



Our Ref: SR/YYT(LACLA)/LD25/04

17 December 2004

Via E-Mail

The Company Secretary
[Listed companies]

Dear Sirs,

**CESSATION OF APPROVAL BY BURSA MALAYSIA SECURITIES BERHAD
("BURSA SECURITIES") IN RELATION TO THE ISSUE AND LISTING OF
SECURITIES ON THE MESDAQ MARKET**

We refer to the above matter.

With a view to streamlining the regulatory roles of the Securities Commission and Bursa Securities in the approval process for the issue and listing of securities on the MESDAQ Market and thereby, enhancing the efficiency of the fund raising process in our market, please be advised that with effect from **1 January 2005**, Bursa Securities will cease to approve the issue and listing of securities on the MESDAQ Market ("Cessation").

With the Cessation, all applications for the issue and listing of securities on the MESDAQ Market or any appeals in relation to the same shall be made to and decided solely by the Securities Commission from **1 January 2005**. Bursa Securities will however, continue to be the approving authority for admission to the Official List and quotation for trading of the securities on the MESDAQ Market.

In order to give effect to the Cessation, pursuant to rule 13 (Introduction) of the Listing Requirements of Bursa Securities for the MESDAQ Market ("MMLR"), the MMLR shall be applied with necessary modifications as directed by Bursa Securities. Please be informed that MMLR is not being amended at this juncture to reflect the Cessation as Bursa Securities is in the midst of revamping the MMLR. Therefore, the changes to the MMLR arising from the Cessation will be incorporated in the revamped MMLR.

Without limiting the generality of the foregoing, Bursa Securities directs that the existing requirements of the MMLR and the new requirements shall be applied in the manner set out in **Appendix 1** attached hereto (hereinafter the requirements set out in Appendix 1 shall be referred to as "Directives").

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Cessation of Listing Function

Implementation

Kindly take note that the Cessation and the Directive shall take effect on **1 January 2005**.

Transitional Measures

Unless otherwise notified by Bursa Securities in writing, all applications for issue and listing of securities on the MESDAQ Market or appeals in relation to the same which have been submitted to Bursa Securities but for which decisions have not been communicated to the applicant companies by **31 December 2004** shall be solely decided by the SC.

Additional Information

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

Contact Persons:

Ms Yew Yee Tee (Ext 7336)
Ms. Emilia Tee Yoke Hoong (Ext 7335)
Ms Anisah Suyuti Low (Ext 7295)
Ms. Tan Ai Chia (Ext. 7089)

Thank you.

Yours faithfully,


SELVARANY RASIAH
Chief Legal Officer

Note:

Unless otherwise indicated:-

- (1) General references to the term “Bursa Malaysia Securities Berhad” or “the Exchange” and joint references to Bursa Malaysia Securities Berhad or the Exchange and the SC, wherever appearing in the relevant rules/provisions adopted by the SC (column A below), shall be replaced with the term “SC”; and
- (2) Where rules/provisions are jointly adopted/retained by the SC and Bursa Malaysia Securities Berhad (column B below), the term “Bursa Malaysia Securities Berhad” of “the Exchange”, shall be replaced with the term “SC and/or the Exchange”.

CHAPTER	(A) MMLR TO BE ADOPTED BY SC & CEASED TO BE APPLIED BY BURSA	(B) MMLR TO BE ADOPTED BY SC AND WHICH WILL REMAIN APPLICABLE BY BURSA	(C) NEW REQUIREMENTS
Introduction		<p>Note:-</p> <p>Rule 5:</p> <p>The term “the Exchange”, shall be replaced with the term “the SC”.</p> <p>Rule 15:</p> <p>The term “the Exchange” shall be retained.</p>	<p>I. Statements, information and documents to Bursa Securities</p> <ul style="list-style-type: none"> Bursa shall apply paragraphs 2.17(1)-(3) of the LR¹ to all statements, information or documents submitted by any applicant, listed company, Adviser, Sponsor or director of an applicant or listed company to Bursa pursuant to the MMLR.
Chapter 1 : Definitions & Interpretation		<p>Note:-</p> <p>The term “the Exchange” shall be retained for the following:-</p> <ul style="list-style-type: none"> Part I – Definitions Rule 1.6(f)(ii) – “The only Appendices which the Exchange will print are Appendices 14A and 14C.” 	
Chapter 2 : Admission	<p>Rules 2.2, 2.3, 2.5 2.6, 2.7, 2.8, 2.10, 2.11, 2.12, 2.13, 2.14, 2.16, 2.17, 2.19, 2.21, 2.24.</p> <p>All the Appendices except for:-</p>	<p>Rules 2.1 2.4, 2.18, 2.22, 2.25, 2.26.1 (a)(i),(c) and (d).</p> <p>Note:-</p>	<p>II. Procedures for admission</p> <ul style="list-style-type: none"> An applicant is required to comply with paragraph 3.07 and 3.07A of the LR in substitution of Rule 2.23 of the MMLR.

¹ Hereinafter referred to as Listing Requirements of Bursa Malaysia Securities Bhd

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	<ul style="list-style-type: none"> - Appendix 2E - Appendix 2I 	<p>Rule 2.4.3: The term “the Exchange” shall be retained.</p>	<p>III. Initial listing application</p> <ul style="list-style-type: none"> • An applicant must <u>via its Adviser</u> file with Bursa an initial listing application in the form of Part A of Appendix 3A of the LR, duly signed by the applicant together with the following documents:- <ul style="list-style-type: none"> (a) One copy each of the articles of association and all amendments to-date and one copy each of the certificate of incorporation, certificate of change of status and certificate of change of name, if any; (b) One copy of the prospectus registered with the relevant authorities or the introductory document or where this is not available, one copy of the draft prospectus submitted to the relevant authorities or the draft introductory document; (c) One specimen copy of each denomination of certificates of the class to be listed. If transfer offices and registrars are maintained in more than one place, one specimen of each denomination of certificates used in each office (see Rules 10.5 to 10.7 of the MMLR for form and content of certificates); (d) A statement on the percentage of the total number of shares for which listing is sought which are held by the public, the number of public shareholders and a pro forma distribution of the shares in the format attached hereto as Appendix 2; (e) A letter of undertaking in the form of Appendix 2E duly executed by the applicant together with a certified true extract of the applicant’s board of directors’ resolution authorising the signatory; (f) A letter of undertaking in the form of Appendix 2I duly executed by each director of the applicant; (g) A letter in the form of Appendix 3D of the LR duly executed by each independent director of the applicant. In this respect, references to the “Listing Requirements of Bursa Malaysia Securities Bhd” should be replaced with references to the “Listing Requirements of Bursa Malaysia Securities Bhd for the MESDAQ Market”; (h) A letter from the applicant’s Adviser confirming all approvals of relevant authorities have been obtained;

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			<p>(i) One copy each of all letters of approval from the relevant authorities; and</p> <p>(j) A proposal as to classification of the applicant in a specific sector in the form prescribed under Practice Note No 7/2001 of the LR, subject to necessary modifications.</p> <ul style="list-style-type: none"> • If any of the above documents are not filed because they are not applicable or available in any case, an applicant must submit a separate exhibit explaining why such documents are not applicable or available. <p>IV. Application for quotation</p> <ul style="list-style-type: none"> • An applicant must <u>via its Adviser</u> submit an application for quotation which must be accompanied by the following documents:- <p>(a) A copy of the latest return of allotment filed with the Registrar of Companies;</p> <p>(b) An undertaking that all notices of allotment will be issued and despatched to all successful applicants prior to the date for listing and quotation of the securities;</p> <p>(c) A confirmation from the Adviser that the public shareholding spread based on the enlarged issued and paid-up capital of the applicant is in compliance with Rule 2.9 of the MMLR and a statement on the percentage of the total number of shares for which listing is sought which are held by the public, the number of public shareholders and a certificate of distribution of the shares in the format attached hereto as Appendix 2;</p> <p>(d) A confirmation from Bursa Malaysia Depository Sdn Bhd (hereinafter referred to as “the Depository”) of the receipt of the allotment tape for crediting of the securities;</p> <p>(e) A cheque drawn to the order of Bursa Malaysia Securities Berhad for the listing fees (see Schedule of Fees for computation of amount);</p> <p>(f) Where a moratorium is imposed on the sale of securities, the following information of the moratorium :-</p> <ul style="list-style-type: none"> (i) the names of securities holders ; (ii) the number of securities; (iii) the date(s) of expiry of the moratorium; and (iv) a confirmation that the above information

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			<p>has been submitted to the Depository;</p> <p>(g) A confirmation from the Adviser that all conditions, including conditions imposed by the relevant authorities, if any, which are required to be met prior to the listing and quotation of the securities have been met;</p> <p>(h) A confirmation from the Adviser that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the applicant's shares including any order, injunction or any other directive issued by any court of law;</p> <p>(i) A confirmation from the Adviser that the shares rank pari passu in all respects with each other; and</p> <p>(j) Such other documents are required to be submitted together with the initial listing application but which are not or have not been submitted.</p>
Chapter 3 : New Issues of Securities	<p>Rule 3.3.1 (b) and (c).</p> <p>Rules 3.4, 3.5, 3.7, 3.8, 3.11.4, 3.11.6, 3.11.7 to 3.11.10, 3.13.1(b), 3.13.2, 3.21, 3.22, 3.24</p> <p>Appendix 3A and Appendix 3B.</p>	<p>Rules 3.1, 3.2, 3.10.1(a), 3.10.2, 3.10.3, 3.13.1 (a).</p>	<p>V. Procedures in relation to new issues of securities</p> <ul style="list-style-type: none"> A listed company is required to comply with paragraph 6.03 of the LR in substitution of Rule 3.3.1 (except for 3.3.1(b) and (c)) of the MMLR. <p>VI. Additional listing application - general</p> <ul style="list-style-type: none"> A listed company must <u>via its Adviser</u> file with Bursa Securities an application for listing in the form of Part A of Appendix 6A of the LR, duly signed by the listed company together with the following documents:- <ul style="list-style-type: none"> (a) One copy of the circular, prospectus or abridged prospectus which is registered with the relevant authorities; (b) A certified true copy of the relevant resolution passed by securities holders in general meeting; (c) A letter from the Adviser confirming all approvals of relevant authorities have been obtained; (d) One copy each of all letters of approval from the relevant authorities; (e) In the case of a bonus issue, where applicable, the documents set out in Rule 3.12.2(c)(ii);

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			<p>(f) In the case of a share scheme for employees:-</p> <ul style="list-style-type: none"> (i) a draft copy of the bylaws; and (ii) a confirmation from the Adviser that the listed company has complied with the provisions set out in Rule 3.14 of the MMLR where applicable; <p>(g) A cheque drawn to the order of the Bursa Malaysia Securities Berhad for the processing fee (see the Schedule of Fees for the computation of the amount), where applicable; and</p> <p>(h) One copy of the receipt from the Second Opinion Valuer evidencing full payment of the fees owing in relation to the Second Opinion Valuation, where applicable.</p> <ul style="list-style-type: none"> • If any of the above documents are not filed because they are not applicable or available in any case, a listed company must submit a separate exhibit explaining why such documents are not applicable or available. <p>VII. Application for quotation</p> <ul style="list-style-type: none"> • A listed company must submit <u>via its Adviser</u> an application for quotation which must be accompanied by the following documents :- <ul style="list-style-type: none"> (a) A copy of the return of allotment duly filed with the Companies Commission of Malaysia (if applicable). (b) A confirmation that all notices of allotment have been issued and despatched to the entitled holders. (c) A confirmation from the Depository of the receipt of the allotment tape for crediting of the new securities. (d) A cheque drawn to the order of the Bursa Malaysia Securities Berhad for the listing fees (see Schedule of Fees for computation of amount). (e) A confirmation from the Adviser of whether the new issue of securities rank <i>pari passu</i> with the existing securities of the same class or a confirmation that the notices of allotment above have been endorsed with the relevant remarks, as the case may be (where applicable). (f) In the case of acquisitions to be satisfied wholly or partly by a new issue of securities, a letter of confirmation in the form of

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			<p>Appendix 6D of the LR.</p> <p>(g) A confirmation from the Adviser that all conditions including conditions imposed by the relevant authorities, if any, which are required to be met prior to the listing and quotation of the securities have been met.</p> <p>(h) A confirmation from the Adviser that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and/or quotation of the securities including any order, injunction or any other directive issued by any court of law.</p> <p>(i) In the case of a bonus issue, a certified true copy of the relevant resolutions passed by securities holders in general meeting.</p> <p>(j) Such other documents which are required to be submitted together with the additional listing application but which not/have not been submitted.</p> <p>VIII. Additional listing application for debt securities</p> <ul style="list-style-type: none"> In addition to Part VI above subject to necessary modifications, a listed company must submit via its Adviser an additional listing application which shall include the following:- <p>(a) the information set out in Part D of Appendix 6A in the LR, duly executed by the listed company; and</p> <p>(b) the supporting documents set out in Part E of Appendix 6A of the LR .</p> <p>IX. Additional listing application – warrants & other convertibles</p> <p>(a) In addition to part VI above subject to necessary modifications, a listed company must submit via its Adviser an additional listing application which shall include the supporting documents set out in Part F of Appendix 6A of the LR</p> <p>X. Circular to shareholders</p> <ul style="list-style-type: none"> A listed company must ensure that the circular to be sent to securities holders of the

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			listed company to obtain approval of the securities holders in respect of a new issue of securities includes the information set out in Appendix 3C of the MMLR. In this respect, the draft circular must be submitted to Bursa Securities together with a checklist showing compliance with Appendix 3C.
Chapter 4 : Transactions	Rule 4.11.4 Part IV-Reverse Take- Overs :Rules 4.13 – 4.15 Appendix 4D, 4E and 4F.	Rules 4.1 to 4.3	XI. Notices to the Exchange <ul style="list-style-type: none"> Rule 4.11.3 is modified in that a listed company is required to furnish to the Exchange a schedule of its shareholding structure in the format attached hereto as Appendix 2 in substitution of the format set out therein.
Chapter 5 : Reorg of Capital			XII. Sub-division of shares <ul style="list-style-type: none"> Approval by Bursa Securities is not required in respect of a listed company that intends to undertake a subdivision of its shares as part of a restructuring proposal (“Restructuring Company”). However, the Restructuring Company must still procure the approval of the SC. The Restructuring Company that has obtained the approval of the SC for subdivision of its shares must comply with all requirements of Part II except for Rules 5.5. and 5.6
Chapter 6 : Related-Party Transactions			
Chapter 7 : Continuous Listing Obligations	Rule 7.34	Appendix 7 C	
Chapter 8 : Prospectus			
Chapter 9 : Articles of Association			
Chapter 10 : Certificates			

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and Registers			
Chapter 11 : Accounting Std's and Valuation of Assets			
Chapter 12 : Dealings in Securities			
Chapter 13 : Corporate Governance			
Chapter 14 : Advisers and Sponsors	Rules 14.6.1	<p>Rules 14.1, 14.2, 14.3, 14.4.1 and 14.6.2.</p> <p>Parts V and VI</p> <p>Appendix 14B</p> <p>Rules 14.5, 14.7, 14.8 and 14.10 are adopted by the SC in connection with the obligations of an Adviser in relation to:-</p> <ul style="list-style-type: none"> the Applicant and the application for issue and listing; and the Listed Company and the application for any corporate exercise proposed to be undertaken by the Listed Company, <p>except in relation to the Applicant/Listed Company undertaking a bonus issue or employee share option scheme.</p> <p>Rules 14.5, 14.7, 14.8 and 14.10 are retained</p>	

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		<p>by Bursa Securities in connection with the obligations of an Adviser in relation to:-</p> <ul style="list-style-type: none"> the Applicant and the initial listing application and the corresponding application for quotation; and the Listed Company and the additional listing application and corresponding application for quotation. <p>Note:-</p> <p>Rule 14.4.1(a)(ii) and (b)</p> <p>The term “the Exchange” shall be retained.</p>	
Chapter 15 : Compliance and Enforcement			
Schedule of Fees	<p>A. Applicant and Listed Company</p> <p>Admission fees i.e. processing fees of RM 30,000 to be paid by the applicant upon submission of the application.</p> <p>Fees for subsequent proposals i.e. perusal fees to be paid by applicant upon submission of the application.</p>	Items 1, 2, 3 and 4.	<p>XIII. Processing fees for bonus issues and employee share schemes</p> <ul style="list-style-type: none"> An applicant or listed company must pay the following processing fees to Bursa Securities:- <ol style="list-style-type: none"> processing fee for bonus issues RM 5,000 + 0.005% of the issued and paid-up capital to be listed subject to a maximum amount of RM 300,000 processing fee for employee share scheme RM 3,000

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Guidance Notes	Guidance Notes 3 and 4. Entire Guidance Note 5 but excluding: - paragraph 5.10 in relation to exemption on maintaining level of operation under Rule 7.5.1 only; and - paragraph 5.11 (Reporting requirements)	Guidance Note 5 – paragraph 5.4 Note:- Paragraph 5.4 The term “the Exchange” shall be retained.	

<i>Particulars</i>	<i>Number of shares</i>	<i>Number of shareholders</i>	<i>Percentage (%)</i>
<i>Issued and paid-up capital</i>			
<i>Less</i>			
<i>Directors of the Applicant/listed company and its subsidiaries and/or associated companies</i>			
<i>Substantial shareholders of the applicant/listed company (except where such shareholder may be included as "public")</i>			
<i>Associates of directors or substantial shareholders of the applicant/listed company</i>			
<i>Shareholders holding less than 100 shares</i>			
<i>Public shareholdings</i>			<hr/> <hr/>