

Our Ref: SR/RPA(ISS)/LD 13/12 [eCash]

3 September 2012

The Company Secretary
(Listed Corporations)

Via email

Dear Sir/Madam,

AMENDMENTS TO BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS RELATING TO ELECTRONIC PAYMENT OF CASH DISTRIBUTIONS

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 facilitate electronic payment of cash distributions ("**eCash Distributions Amendments**").

1. BACKGROUND

- 1.1 Currently, a listed corporation is mandated under the ACE LR to pay cash dividends to its shareholders who have provided their bank account details to Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") by directly crediting such payments into its shareholders' bank accounts ("**eDividend Services**"). The listed corporation is also required to provide electronic notification to its shareholders once the listed corporation has paid the cash dividends out of its account.
- 1.2 In line with our continuous efforts to promote business efficacy and improve market efficiency, we have amended the ACE LR to extend the eDividend Services to other various common types of cash distributions ("**Cash Distributions**") made by listed corporations presently, as prescribed by Bursa Malaysia Securities Berhad ("**the Exchange**").
- 1.3 We believe that the eCash Distributions Amendments will benefit the market by:
- (a) providing faster access to cash distributions and other forms of cash payments;
 - (b) offering greater convenience to investors by eliminating the need to deposit the payment cheques into the securities holders' bank accounts;

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- (c) minimising existing problems of physical cheque payment, such as lost or expired cheques, delays in receiving cash distributions or other forms of cash payments and unauthorised deposit of the cheques;
- (d) increasing efficiency arising from a reduction in administrative work for the issuer; and
- (e) providing greater consistency in processing of cash payments in connection with securities listed on the Exchange.

This is important to ensure that the Malaysian capital market continues to be efficient and attractive to investors.

2. KEY AMENDMENTS

2.1 The key features of the eCash Distributions Amendments include the following:

- (a) extending the requirements for eDividend Services, and the requirement to provide electronic notification, to Cash Distributions; and
- (b) defining "**Cash Distributions**" to mean cash payments made by a listed corporation in respect of securities which are listed and quoted for trading on the Exchange, as prescribed by the Exchange, and these include -
 - (i) cash dividends;
 - (ii) payments of interest or profit rates on debt securities or sukuk respectively;
 - (iii) capital repayment; and
 - (iv) cash payments in lieu of odd lots arising from distributions in specie.

2.2 For ease of reference, the eCash Distributions 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.

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The text of the eCash Distributions Amendments (with the amendments tracked) is attached in **Appendix 1** for your reference.

3. IMPLEMENTATION

All listed corporations who announce a books closing date for cash distributions **on or after 2 January 2013** must comply with the eCash Distributions Amendments. However, listed corporations are encouraged to comply with the eCash Distributions Amendments earlier.

4. QUESTIONS & ANSWERS

Further to the above, we have attached as **Appendix 2**, a copy of the updated Questions & Answers to facilitate listed corporations' compliance with the eCash Distributions Amendments.

5. ADDITIONAL INFORMATION

- 5.1 This letter, the eCash Distributions Amendments and the updated Questions & Answers are also available at Bursa Malaysia's website at <http://www.bursamalaysia.com>.
- 5.2 If you have any queries on the above, please do not hesitate to liaise with the contact persons from our Listing Division who have been assigned to you as informed via our letter dated 20 June 2008 (Our Ref: IS/LD/09/08), the details of which can also be found at <http://www.bursamalaysia.com/contact>.

Thank you.

Yours faithfully,



SELVARANY RASIAH
Chief Regulatory Officer

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