



MEMORANDUM

CN - No. 2012-0003

The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: Amendments to the MPO Rules

To : **THE INVESTING PUBLIC AND MARKET PARTICIPANTS**

Subject : **AMENDED RULE ON MINIMUM PUBLIC OWNERSHIP**

Date : **January 3, 2012**

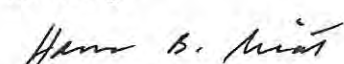
Please be advised that in a letter dated December 22, 2011 and received by the Exchange on December 29, 2011, the Securities and Exchange Commission (the "Commission") informed the Exchange that the Commission approved the Exchange's proposed amendments to the PSE Rule on Minimum Public Ownership (the "Amended MPO Rule") on December 19, 2011 with modifications.

We attach as Annexes "A" and "B," respectively, the letter of the Commission dated December 22, 2011 and the official copy of the Amended MPO Rule duly signed by the Exchange and the Commission.

As directed by the Commission, the Amended MPO Rule took effect on January 1, 2012.


MARSHA M. RESURRECCION
 Head, Issuer Regulation Division

Noted By:


HANS B. SICAT
 President & CEO

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Finance	Market Regulatory Division	Issuer Regulation Division	TD/ MOD	Capital Markets Dev't. Division	Office of the General Counsel
Tel. No.688-7561	Tel. No. 688-7541	Tel. No. 688-7510	Tel. No. 688-7480/819-4430	Tel. No. 688-7534	Tel. No. 688-7413

cc: Atty. Jay [unclear]
[unclear]

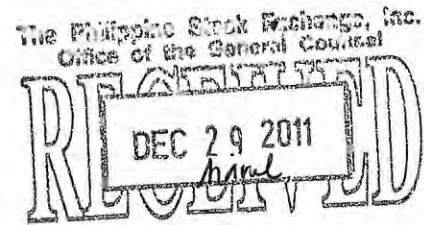


Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City
Market Regulation Department

ANNEX "A"

December 22, 2011

PHILIPPINE STOCK EXCHANGE INC.
PSE Plaza, Ayala Triangle
Makati City
Fax: 891-9004



Attention: Mr. Hans B. Sicat, President & CEO

Gentlemen:

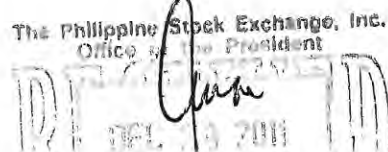
Please be informed that the Commission, in its executive session held on 19 December 2011, resolved to APPROVE PSE's proposed amendments to the Rules on Minimum Public Ownership, with modifications, as follows:

"(f) Listed companies shall disclose within fifteen (15) calendar days after the end of each quarter a public ownership report.

(g) Companies which are non-compliant with MPO as of December 31, 2011, may be allowed a grace period to comply with the MPO. The grace period shall be reckoned from the date of effectivity of these amendments and shall not exceed twelve (12) months but not beyond December 31, 2012.

(h) Listed companies other than those under paragraph (g) that are non-compliant with the MPO may be allowed a grace period to comply with the MPO to be reckoned from either: (i) the date when the listed company makes a disclosure that its public ownership level has fallen below the MPO prescribed by the Exchange; or (ii) when the listed company submits its quarterly Public Ownership Report which shows that the listed company has not complied with the MPO requirement, whichever comes earlier, and such grace period shall not exceed twelve (12) months but not beyond December 31, 2012.

(i) Immediately after the grace period, the Exchange shall impose a trading suspension for a period of not more than six (6) months.



If after the lapse of the suspension period, a listed company remains non-compliant with the MPO, it shall be automatically delisted.

(j) Listed companies which become non-compliant with the MPO on or after January 1, 2013 shall be suspended from trading for a period of not more than six (6) months and shall be automatically delisted if it remains non-compliant with the MPO after the lapse of the suspension period.

(k) The Involuntary Delisting Rules of the Exchange will not apply to the delisting of the listed company's securities covered by these rules on MPO but the five (5)-year prohibition on relisting shall apply.

(l) In cases falling under paragraph (h) of these rules, a listed company which is non-compliant with the MPO may apply with the Exchange for an extension of the grace period or in cases under paragraph (j) for granting of a grace period.

The Exchange, after determining that the shortfall in the public ownership in any of said cases is due to justifiable causes and the listed company has a concrete program to restore the public ownership level to the required percentage, may recommend to the Commission for approval the extension of the grace period or granting of a grace period for such reasonable period. For purposes of these rules, justifiable causes may include tender offer and merger and acquisition transactions.

(m) A company that undergoes voluntary delisting on the ground of non-compliance with these rules must conduct, either by itself or through its controlling shareholder(s), a tender offer to all stockholders of record. The Exchange shall allow a voluntary delisting if the company demonstrates that following the acquisition of the tendered shares, the person(s) conducting the tender offer have obtained more than ninety percent (90%) of the issued and outstanding shares of the company, or such level or percentage aligned with the minimum public float prescribed by the Exchange. However, if at the time the petition for delisting is filed, the person(s) proposing the delisting beneficially own ninety percent (90%) of the issued and outstanding shares of the Company, or such level or percentage aligned with the minimum public float prescribed by the Exchange, said person(s) shall still be required to make a tender offer to all other stockholders of record."

The foregoing amendments shall take effect on January 1, 2012.

Following our procedures , you are required to submit to this office immediately four (4) copies of the approved version of the amended rules bearing the initials of two PSE officials on each page of said rules. The copies bearing the initials of PSE officials and the Director, Market Regulation Department, SEC, shall be the official copies.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Vicente', is written over the printed name and title.

VICENTE GRACIANO P. FELIZMENIO JR.
Director

ANNEX "B"



Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City
Market Regulation Department

2 January 2012

PHILIPPINE STOCK EXCHANGE INC.
PSE Plaza
Ayala Avenue
Makati City
Fax: 891-9004

Attention: Mr. Hans B. Sicat, President & CEO

Gentlemen:

Attached are two (2) copies of the approved amendments to the Rules on Minimum Public Ownership (MPO), bearing the signatures of PSE representatives and countersigned by the Director, Market Regulation Department, SEC.

Please immediately post the rules in your website.

Very truly yours,


VICENTE GRACIANO FELIZMENIO JR.
Director



Amended Rule on Minimum Public Ownership

ARTICLE XVIII

CONTINUING LISTING REQUIREMENTS

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SECTION 3. Minimum Public Ownership.

- (a) Listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of ten percent (10%) of the listed companies' issued and outstanding shares, exclusive of any treasury shares, or as such percentage that may be prescribed by the Exchange. The Exchange may impose a higher percentage effective upon receipt by the Commission of a written notice of such increase. The Exchange may decrease the percentage or suspend or remove the same only with prior approval from the Commission.
- (b) For purposes of this section, public ownership shall be determined based on the *Guidelines in Determining the Public Ownership of Listed Companies*. Any amendment to the said guidelines shall be subject to prior approval of the Commission.
- (c) A listed company shall immediately disclose to the Exchange if it becomes aware that the number of listed securities which are in the hands of the public has fallen below the prescribed minimum percentage.
- (d) Once the listed company becomes aware that the number of its listed securities in the hands of the public has fallen below the prescribed minimum percentage, the listed company shall take steps to ensure compliance at the earliest possible time, and shall immediately disclose to the Exchange such steps.
- (e) A listed company shall include in its annual report a statement on the level of its public float. The statement should be based on information that is publicly available to the listed company and within the knowledge of its directors as at the end of the fiscal year, or at the latest practicable date, prior to the issuance of the annual report.
- (f) Listed companies shall disclose within fifteen (15) calendar days after the end of each quarter a public ownership report.
- (g) Companies which are non-compliant with MPO as of December 31, 2011, may be allowed a grace period to

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Amended Rule on Minimum Public Ownership

comply with the MPO. The grace period shall be reckoned from the date of effectivity of these amendments and shall not exceed twelve (12) months but not beyond December 31, 2012.

- (h) Listed companies other than those under paragraph (g) that are non-compliant with the MPO may be allowed a grace period to comply with the MPO to be reckoned from either: (i) the date when the listed company makes a disclosure that its public ownership level has fallen below the MPO prescribed by the Exchange; or (ii) when the listed company submits its quarterly Public Ownership Report which shows that the listed company has not complied with the MPO requirement, whichever comes earlier, and such grace period shall not exceed twelve (12) months but not beyond December 31, 2012.
- (i) Immediately after the grace period, the Exchange shall impose a trading suspension for a period of not more than six (6) months. If after the lapse of the suspension period, a listed company remains non-compliant with the MPO, it shall automatically be delisted.
- (j) Listed companies which become non-compliant with the MPO on or after January 1, 2013 shall be suspended from trading for a period of not more than six (6) months and shall be automatically delisted if it remains non-compliant with the MPO after the lapse of the suspension period.
- (k) The Involuntary Delisting Rules of the Exchange will not apply to the delisting of the listed company's securities covered by these rules on MPO but the five (5)-year prohibition on relisting shall apply.
- (l) In cases falling under paragraph (h) of these rules, a listed company which is non-compliant with the MPO may apply with the Exchange for an extension of the grace period or in cases under paragraph (i) for granting of a grace period.

The Exchange, after determining that the shortfall in the public ownership in any of said cases is due to justifiable causes and the listed company has a concrete program to restore the public ownership level to the required percentage, may recommend to the Commission for approval the extension of the grace period or granting of a grace period for such reasonable period. For purposes of

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Amended Rule on Minimum Public Ownership

these rules, justifiable causes may include tender offer and merger and acquisition transactions.

(m) A company that undergoes voluntary delisting on the ground of non-compliance with these rules must conduct, either by itself or through its controlling shareholder(s), a tender offer to all stockholders of record. The Exchange shall allow a voluntary delisting if the company demonstrates that following the acquisition of the tendered shares, the person(s) conducting the tender offer have obtained more than ninety percent (90%) of the issued and outstanding shares of the company, or such level or percentage aligned with the minimum public float prescribed by the Exchange. However, if at the time the petition for delisting is filed, the person(s) proposing the delisting beneficially own ninety percent (90%) of the issued and outstanding shares of the Company, or such level or percentage aligned with the minimum public float prescribed by the Exchange, said person(s) shall still be required to make a tender offer to all other stockholders of record.

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THE PHILIPPINE STOCK EXCHANGE, INC.

SECURITIES AND EXCHANGE COMMISSION

ARGEL G. ASTUDILLO

VP, Corporate Governance Office and
OIC, Office of the President

vw

VICENTE GRACIANO P. FELIZMENIO, JR

Director
Market Regulation Department

MARIETTA U. TAN

Vice-President
Controllership and Treasury Division

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