

Subject **HDM-CARLAW CORPORATION BERHAD (“HDMC” or “COMPANY”)
ANNOUNCEMENT UNDER GUIDANCE NOTE 3 (“GN3”) OF THE BURSA
MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS**

Contents

1. INTRODUCTION

The Board wishes to announce that the Company is an Affected Listed Company pursuant to the Guidance Note (“GN”) 3 paragraph 2.1(h) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) ACE Market Listing Requirements (“**AMLR**”) based on the Company’s statement of insolvency in an announcement made to Bursa Securities on 2 September 2009 to Bursa Securities made pursuant to GN5 of the AMLR (“**GN3 Company**”)

(This announcement is thereafter referred to as the “**First Announcement**”)

2. OBLIGATIONS OF THE COMPANY AS AN AFFECTED LISTED COMPANY

As an Affected Listed Company, the Company is required to comply with the following conditions pursuant to Rule 8.04 and GN3 of the AMLR:

- (a) submit to Bursa Securities a regularisation plan and obtain Bursa Securities’ approval to implement the plan within 12 months from the date the Company announces that it is a GN3 Company (“**Submission Timeframe**”);
- (b) appoint a Sponsor within 3 months from the date the listed corporation announces that it is a GN3 Company and retain the said Sponsor until the Company is no longer considered as a GN3 Company by Bursa Securities under Rule 8.04(8) of AMLR;
- (c) implement the regularisation plan within 6 months from the date the regularisation plan is approved by Bursa Securities. However, in the event court proceedings is involved, the Company has up to 12 months from the date the regularisation plan is approved by Bursa Securities, to complete the implementation of the regularisation plan (“**Implementation Timeframe**”);
- (d) provide such information as may be prescribed by the Bursa Securities from time to time for public release;
- (e) do such other acts or things as may be required by Bursa Securities;
- (f) retain the services of a Sponsor for at least 3 full financial years after the Company is no longer considered as a GN3 Company by Bursa Securities under Rule 8.04(8) of AMLR;
- (g) announce the status of the Company’s plan to regularize its condition and the number of months to the end of the relevant timeframes on a monthly basis (“**Monthly Announcement**”) until further notice from Bursa Securities;
- (h) announce the Company’s compliance or non-compliance with a particular obligation pursuant to GN3 on an immediate basis; and

- (i) announce details of the Regularisation Plan which announcement must fulfill the requirements as set out in paragraph 4.2 of GN3.

3. CONSEQUENCES OF NON-COMPLIANCE WITH SUCH OBLIGATIONS

If the Company fails to comply with any part of its obligations indicated above, Bursa Securities shall :-

- (a) suspend the trading of the Company's listed securities on the next market day after 5 market days from the date of notification of suspension by Bursa Securities; and
- (b) de-list the Company subject to the Company's right to appeal against the de-listing under Rule 8.04(6) of the AMLR.

4. STATUS OF THE COMPANY'S PLAN TO COMPLY WITH THE OBLIGATION TO REGULARISE ITS CONDITION

Appropriate announcement on the Regularisation Plan shall be announced by the Company in due course.

Date of announcement: 3 September 2009