

QUESTIONS AND ANSWERS RELATING TO AMENDMENTS ON VARIOUS ENHANCEMENTS TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MAIN BOARD, SECOND BOARD (“LR”) AND THE MESDAQ MARKET (“MMLR”)

[FAQ issued: 14/12/2006]

1. Revised Rights Issue Framework

1.1 When will a listed issuer be required to announce the important relevant dates of a rights issue pursuant to the amended paragraph 6.21 of the LR/Rule 6.20 of the MMLR?

A listed issuer is required to announce the important relevant dates concurrently with the announcement of the books closing date for a rights issue. A listed issuer must make the announcement via Bursa Link by using the relevant templates for announcements of the books closing date and important relevant dates i.e. the "Entitlements (Notice of Books Closure)" and "Important Relevant Dates for Renounceable Rights" templates respectively.

1.2 What is the cut-off time for a listed issuer to submit to the Exchange a copy of the abridged prospectus (“AP”) in respect of a rights issue pursuant to the new paragraph 6.22A of the LR/Rule 6.20A of the MMLR?

A listed issuer must submit to the Exchange a copy of the AP together with a soft copy in PDF file format before 3.00 p.m. at least 2 market days prior to the commencement of trading of rights.

1.3 Are there any specific requirements to be complied with by a listed issuer with regard to providing the confirmation that Bursa Depository is ready to credit the new securities to the accounts of the entitled holders?

In order to provide the confirmation that Bursa Depository is ready to credit the new securities to the accounts of the entitled holders, a listed issuer should procure a confirmation from Bursa Depository as set out below when the listed issuer submits the new scrip in respect of new securities to Bursa Depository. The listed issuer should include the following confirmation in its cover letter to Bursa Depository when submitting the said new scrip:-

“(To be completed by Bursa Malaysia Depository Sdn Bhd)

We hereby confirm that Bursa Malaysia Depository Sdn Bhd has received all the relevant documents from the share registrar/ issuer to facilitate the crediting of the above allotment. The above securities will be credited into the designated CDS accounts one (1) market day prior to the listing/quotation of the above securities.

.....
Name : (Authorised signatory)

Date : ”

Bursa Depository will then acknowledge on the said cover letter. The listed issuer must submit a copy of the cover letter duly acknowledged by Bursa Depository to the Exchange as the confirmation required under the amended paragraph (c) of Part C, Appendix 6A, together with the other documents as required under Part C of Appendix 6A of the LR/MMLR in support of an application for quotation of new issue of securities.

1.4 Listed Issuer B announces its books closing date for a rights issue on 12 January 2007. Is Listed Issuer B required to comply with the new rights issue framework?

No, Listed Issuer B is not subject to the new rights issue framework, i.e. amended paragraphs 6.18, 6.20, 6.21, 6.22A, 6.23 and 6.25 of the LR/Rules 6.17, 6.19, 6.20, 6.20A, 6.21 and 6.23 of the MMLR. However, Listed Issuer B is required to announce the important relevant dates of a rights issue via Bursa Link using the new "Important Relevant Dates for Renounceable Rights" template. In addition, Listed Issuer B must comply with paragraph 6.04(2) of the LR/Rule 6.04(2) of the MMLR and the amended Part C, Appendix 6A of the LR/MMLR when making its application for the quotation of the rights issue to the Exchange.

1.5 What is the cut-off time for the listed issuer to file with the Exchange the complete documents in support of an application for quotation of a new issue of securities pursuant to Appendix 6A, Part C of the LR/MMLR?

The listed issuer must file with the Exchange the complete documents no later than 12.00 p.m. at least 2 market days prior to the listing and quotation of the new securities.

1.6 What is the information required when the listed issuer provides the confirmation to the Exchange as to its latest issued and paid-up capital as required under paragraph (a), Part C of Appendix 6A, of the LR/MMLR?

The listed issuer must provide the number and par value of its issued and paid-up share capital based on its latest return of allotment duly filed with the Registrar of Companies. The listed issuer, however, is not required to furnish a copy of the return of allotment to the Exchange.

2. Reduction of timeframes for other corporate exercises

2.1 Listed Issuer A makes an announcement of books closure date (BCD) for a bonus issue in December 2006 and the BCD falls on 15 January 2006. Does the amended paragraph 6.29 on period for allotment of bonus issue apply to Listed Issuer A?

No, the amended paragraph 6.29 of the LR/Rule 6.31 of the MMLR on period of allotment of bonus issue does not apply to Listed Issuer A, since the announcement for the BCD of its bonus issue is made before 15 January 2007.

3. Enhancement of the Continuing Disclosure Obligations

3.1 Mr. P was required to despatch certain private and confidential documents pertaining to a material corporate proposal of X Bhd which has yet to be announced. Mr. P subsequently discovered that the documents were missing under suspicious circumstances and hence, was unable to despatch the same. Mr. P immediately reported the matter to X Bhd. Is X Bhd required to make an immediate disclosure of the corporate proposal?

X Bhd would be required to make an assessment of the circumstances and must make an immediate announcement pursuant to the amended paragraph 9.06(3) of the LR/Rule 9.06(3) of the MMLR if the suspicious circumstances aforesaid would reasonably lead to the belief that the material information has been inadvertently disclosed.

It is to be noted that the illustration provided hereinabove is not exclusive and the circumstances which may cause a listed issuer to believe that material information may have been inadvertently disclosed are varied and subjective on a case to case basis. It may include situations where a listed issuer is of the view that the necessary degree of confidentiality cannot be maintained or suspicious 'leak' of the information by party(ies) privy to the material information. In such circumstances, the listed issuer would have to make an immediate announcement notwithstanding that there is no unusual market activity or insider trading in the listed issuer's securities or rumours/reports concerning the information.

3.2 Is selective disclosure of material information now allowed under the Amendments?

Pursuant to paragraph 9.08(2) of the LR and Rule 9.08(2) of the MMLR, listed issuers must ensure that under no circumstances disclosure of material information is made on an individual or selective basis to analysts, shareholders, journalists or other persons unless such information has previously been fully disclosed and disseminated to the public.

However, pursuant to the new paragraph 9.08(3) of the LR and Rule 9.08(3) of the MMLR, under limited circumstances, selective disclosure to such persons where it is necessary towards achieving certain corporate objectives is permitted subject to the requirements therein. Hence, disclosure of unpublished material information to solicitors and advisers in undertaking a corporate or due diligence exercise is permitted provided that the strictest confidentiality is imposed and maintained.

3.3 Do the Amendments impose a new obligation on listed issuers to make an announcement on internal management targets, prospects, revenue and profit estimate, forecast and projection?

The Amendments do not impose a new obligation on listed issuers to announce its internal management targets, prospects, revenue and profit estimate, forecast and projection. The obligation as to whether such disclosure should be made by listed issuers are as set out in Chapter 9 of the LR and MMLR.

The Amendments merely prescribes additional disclosure obligations which have to be complied with by listed issuers who choose to announce its internal management targets or have previously announced/disclosed its prospects, revenue or profit estimate, forecast or projection in a public document in the following respect:-

- that the announcement on the listed issuer's internal management targets must explain the nature of the internal targets in accordance with paragraph 9.16(1)(f) of the LR/Rule 9.16(1)(f) of the MMLR; and
- immediate and periodic disclosure obligations under the new paragraph 9.19(34A) of the LR/Rule 9.19(36A) of the MMLR and Notes 3(b) and 4 of Appendix 9B of the LR/MMLR.

3.4 Pursuant to Bursa Securities' query on 25 January 2007 in respect of the unusual market activity in X Bhd's securities, X Bhd has in its clarifying announcement on the same day, confirmed that it had entered into a material acquisition and provided the profit estimate together with the accounting bases, calculations and assumptions thereof. Is X Bhd required to ensure that the accounting bases, calculations and assumptions of the profit estimate disclosed in the clarifying announcement are reviewed by the external auditors?

As the clarifying announcement is made on an immediate basis, X Bhd would not be required to ensure that the accounting bases, calculations and assumptions of the profit estimate disclosed is reviewed by the external auditors pursuant to the amended paragraph 9.16(1)(v) of the LR/Rule 9.16(1)(v) of the MMLR. However, X

Bhd must still ensure that the clarifying announcement and the disclosure of its revenue or profit estimate, forecast or projection complies with the standards of disclosure prescribed in paragraph 9.16 of the LR/Rule 9.16 of the MMLR.

- 3.5 This question is independent of Question 3.4. What if X Bhd discloses its profit forecast in its quarterly report? Is X Bhd required to ensure that the accounting bases, calculations and assumptions of the profit forecast disclosed in the quarterly report are reviewed by the external auditors?**

Yes. Since the profit forecast is disclosed by X Bhd in its quarterly report and there is sufficient time to ensure that such review is undertaken prior to the release of the quarterly report, X Bhd would need to ensure that the accounting bases, calculations and assumptions of the profit forecast disclosed in the quarterly report are reviewed by the external auditors.

- 3.6 Paragraph 9.19(34A) of the LR/Rule 9.19(36A) of the MMLR requires the listed issuer to make an immediate announcement of any circumstances or development which are likely to materially affect the results or outcome of any prospects, revenue or profit estimate, forecast, projection or internal targets of the listed issuer previously announced or disclosed in a public document. What is the extent of the variation to the results or outcome of the prospects, estimate, forecast, projection or internal targets that would be considered as “material”?**

Bursa Securities does not prescribe a threshold where the variation would be considered “material” for purposes of making the requisite announcement under paragraph 9.19(34A) of the LR/Rule 9.19(36A) of the MMLR. The variation would be considered material if the information of such variation is reasonably expected to have a material effect on :-

- (a) the price, value or market activity of any of the listed issuer’s securities; or
- (b) the decision of a holder of securities of the listed issuer or an investor in determining his choice of action.

- 3.7 Y Bhd had announced in its 3rd quarterly report for the financial period ended 30 September 2006 that the prospects of its profit before tax for the 4th quarter for the financial period ending 31 December 2006 (“4th Quarterly Results”) is likely to be 20% higher than what was reported in the previous financial year end based on the sales order in hand and the new business strategy in a new market. However, subsequently on 23 January 2007 prior to the issuance of the 4th Quarterly Results, Y Bhd discovered that it would not be able to achieve the prospect of its 4th Quarterly Results as announced earlier and that Y Bhd estimated that the earnings for the 4th Quarterly Results is likely to be 10% lower than what was reported in the previous financial year end due to the following reasons :-**

- (i) the sales volume was disappointing; and
- (ii) Y Bhd is unable to execute its new business strategy in the new market coupled with the sudden hike in the price of raw materials resulting in higher operating costs.

- a. Is Y Bhd required to make an immediate announcement of the aforesaid circumstances or can Y Bhd defer from making an announcement until the quarterly report for the financial period ending 31 December 2006 is finalized?**

Pursuant to the new paragraph 9.19(34A) of the LR/Rule 9.19(36A) of the MMLR, Y Bhd is required to make an immediate disclosure of the aforesaid circumstances even though the results or outcome is not definite. Y Bhd cannot defer releasing the requisite announcement until the quarterly report and/or accounts are finalized.

- b. Is it sufficient for Y Bhd to disclose in the announcement that it would not be able to achieve the prospect of its 4th Quarterly Results as announced earlier without stating the resultant financial effects?**

No. The requisite announcement pursuant to paragraph 9.19(34A) of the LR/Rule 9.19(36A) of the MMLR must include the resultant financial effects which should be quantified where possible or qualified, if necessary.

Hence, Y Bhd must include in the announcement that the estimated earnings for its 4th Quarterly Results is likely to be 10% lower than what was reported in the previous financial year end. In addition, Y Bhd must ensure that the announcement comply with the requirements prescribed under paragraph 9.16(1) of the LR/Rule 9.16(1) of the MMLR.

- 3.8 Based on the same facts as in Question 3.7 above, assuming that Y Bhd discovered on 23 January 2007 that based on its latest revised sales record and the successful implementation of new cost saving measures, Y Bhd's profit before tax for the 4th Quarterly Results is likely to be materially higher than the prospect earlier announced. Is Y Bhd required to make an immediate announcement of such circumstances?**

Yes, Y Bhd would still be required to make an immediate announcement of the aforesaid circumstances pursuant to paragraph 9.19(34A) of the LR/Rule 9.19(36A) of the MMLR. It is to be noted that paragraph 9.19(34A) of the LR/Rule 9.19(36A) of the MMLR requires the immediate announcement to be made irrespective of whether the results or outcome is better or less favourable than the prospects, forecast, projection, estimate or internal targets previously announced or disclosed.

- 3.9 Pursuant to the initial public offering of Z Bhd, Z Bhd had disclosed in the prospectus that it expects the gross proceeds from the public issue of approximately RM35million to be fully utilised as follows :-**

| Details of proposed utilisation of proceeds | Proceeds (RM 000) |
|--|--------------------------|
| Acquisition of a new factory | 5,000 |
| Purchase of equipment | 6,000 |
| Repayment of bank borrowings | 13,000 |
| Working capital | 10,000 |
| Estimated listing expenses | 1,000 |
| Total | 35,000 |

Subsequent to the listing of Z Bhd, Z Bhd decided on 20 December 2006 that it would need to purchase additional equipment and thus, Z Bhd would need a total of RM6.4 million towards the purchase of equipment. Z Bhd further decided that the additional RM400,000 would be from its working capital. Is Z Bhd required to make an immediate announcement of these changes to its proposed utilisation of proceeds?

As Z Bhd would now utilise RM6.4 million towards the purchase of equipment, Z Bhd would be required to make an immediate announcement of the changes including the deviation in the utilisation of the RM400,000 which was originally proposed for working capital purposes pursuant to paragraph 9.19(31) of the LR/Rule 9.19(32) of the MMLR. The requisite announcement under paragraph 9.19(31) of the LR/Rule 9.19(32) of the MMLR refers to instances of deviation to the amount allocated for a particular purpose.

- 3.10 Based on the same facts as in Question 3.9 above, would Z Bhd be required to make an immediate announcement pursuant to paragraph 9.19(31) of the LR/Rule 9.19(32) of the MMLR notwithstanding that Z Bhd has yet to proceed with the purchase of the additional equipment?**

Yes, Z Bhd would be required to make the immediate announcement pursuant to paragraph 9.19(31) of the LR/Rule 9.19(32) of the MMLR notwithstanding that Z Bhd has yet to proceed with the purchase. For purposes of paragraph 9.19(31) of the LR/Rule 9.19(32) of the MMLR, listed issuers would inherently be required to make the announcement once a decision has been made to change the proposed utilisation of proceeds and not until actual implementation of the change.

- 3.11 The amended paragraph 9.19(44) of the LR/Rule 9.19(45) of the MMLR requires an immediate announcement of any valuation which has been conducted on the non-current assets of the group, where the revaluation surplus or deficit will be incorporated in the financial statements of the listed issuer. Would this include valuation of the listed issuer's investment in subsidiaries?**

No. For purposes of paragraph 9.19(44) of the LR/Rule 9.19(45) of the MMLR, the valuation is only in respect of the non-current assets of the group and thus, it would not include valuation of the listed issuer's investment in subsidiaries.

- 3.12 What is "corporate social responsibility"?**

Corporate social responsibility ("CSR") is a concept that focuses on a company's behaviour and actions. CSR has been defined as open and transparent business practices that are based on ethical values and respect for the community, employees, the environment, shareholders and other stakeholders. In essence, what this means is companies integrating socially responsible behaviour into their business operations. For instance, this can range from making charitable donations or enhancing employee welfare to aligning or modifying the company's operations to ensure that it is more environmentally friendly. These are of course very limited examples as there is no singular model on how to approach CSR. Each company, based on the nature of their business and resources may choose to undertake the CSR activities that are more suitable for them at that point in time.

- 3.13 By requiring listed issuers to disclose CSR activities in their annual reports, does it mean that the Exchange is making CSR activities compulsory for all listed issuers?**

No, the practice of CSR is completely voluntary and at the discretion of listed issuers. The requirement for disclosure of CSR activities is for enhanced transparency and to encourage listed issuers to bear in mind CSR when undertaking their business and operations.

- 3.14 Which part of the annual report should the CSR activities of the listed issuer and its subsidiaries be disclosed?**

The Exchange has not prescribed any specific requirements pertaining to where the CSR statement should be located. A listed issuer may disclose the statement anywhere in the annual report so long as it is clearly set out.

- 3.15 Do the CSR Amendments prescribe the contents of the disclosure to be made in relation to the CSR activities?**

No. The CSR Amendments did not prescribe the contents of what the listed issuers should disclose. A listed issuer must, however, ensure that the disclosure complies with the requirements of paragraph 2.17 of the LR or Rule 2.18 of the MMLR, as the

case may be. Where a listed issuer has not undertaken any CSR activities for a particular year, the CSR Amendments state that a negative statement must be inserted.

3.16 How can I find out more about CSR?

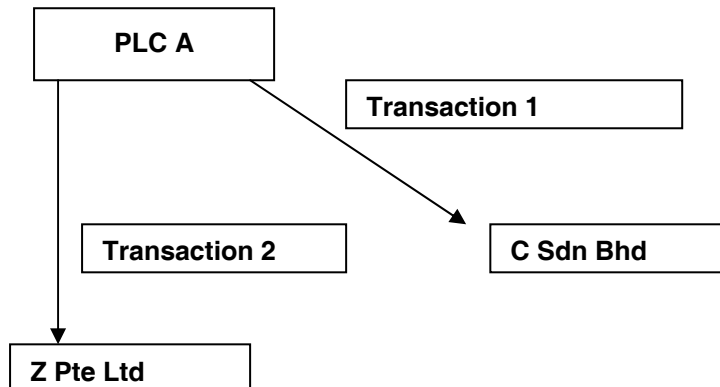
Further information on CSR can be found on the Exchange's website at www.bursamalaysia.com under the CSR Framework for Malaysian public listed companies.

4. Review of the requirements pertaining to Transactions and Related Party Transactions

4.1 Mr. X holds an aggregate nominal amount of 8% of the voting shares in ABC Berhad, a listed company and he is not the largest shareholder of ABC Berhad. Is he a major shareholder in ABC Berhad under Chapter 10 of the LR and MMLR?

No. Even though he holds more than 5% of the aggregate of the nominal amounts of all the voting shares in ABC Berhad ("shareholdings"), he would now not be regarded as a major shareholder of ABC Berhad under Chapter 10 of the LR and MMLR as he holds less than 10% of the shareholdings and is not the largest shareholder of ABC Berhad.

4.2



PLC A proposes to enter into Transactions 1 and 2 with C Sdn Bhd and Z Pte Ltd respectively. The terms and conditions of the transactions were agreed upon on 30 January 2007.

Mr. C, a director and major shareholder of C Sdn Bhd, was also a director and major shareholder in PLC A but has resigned as a director of and disposed off his shares in PLC A on 1 September 2006 and 29 September 2006 respectively.

Mr. Z, a director and major shareholder of Z Pte Ltd, was also a major shareholder of PLC A prior to 1 March 2006.

Are Transactions 1 and 2 related party transactions?

As Transaction 1 involved the interest of Mr. C who was a director and major shareholder of PLC A within the preceding 6 months from 30 January 2007, Transaction 1 would be regarded as a related party transaction pursuant to the LR and MMLR.

However, as Transaction 2 merely involves the interest of Mr. Z who is no longer a major shareholder within the preceding 6 months from 30 January 2007, Mr. Z would no longer be regarded as a major shareholder under the new definition of “major shareholder” and Transaction 2 would not be regarded as a related party transaction pursuant to the LR and MMLR.

4.3(a) ABC Berhad, a company listed on the Main Board of Bursa Securities and/or its subsidiaries propose(s) to enter into the following transactions:-

| | Details of transactions | Party(ies) | Highest percentage ratio triggered | Value of consideration given or received |
|----|--------------------------------|--|---|---|
| 1. | Transaction 1 in February 2007 | ABC Berhad and Mr. X, a major shareholder of ABC Berhad | 5% | RM100,000 |
| 2. | Transaction 2 in March 2007 | Subsidiary of ABC Berhad and Mr. Y, an unrelated third party | 10% | RM240,000 |
| 3. | Transaction 3 in April 2007 | ABC Berhad and Syarikat 123 Sdn Bhd, a joint venture company of ABC Berhad and Mr. Z, a major shareholder of ABC Berhad. | 0.22% | RM500,000 |

What are the obligations of ABC Berhad in relation to the aforementioned transactions?

The obligations of ABC Berhad are as follows:-

Transaction 1

Pursuant to paragraph 10.08(1)(a) of the LR, no obligation is triggered by ABC Berhad in relation to the related party transaction as even though the highest percentage ratio triggered is 5% (i.e. threshold for shareholders’ approval for related party transactions), the value of consideration given is less than RM250,000.

Transaction 2

Pursuant to paragraph 10.04(3) of the LR, no immediate announcement is required as notwithstanding the highest percentage ratio is 10% (i.e. threshold for immediate announcement for transactions) as the value of the consideration given in relation to Transaction 2 is less than RM250,000.

Transaction 3

Pursuant to paragraph 10.08(1) of the LR, as the highest percentage ratio is less than 0.25%, no requirement is imposed on ABC Berhad to make an immediate announcement in respect of the related party transaction.

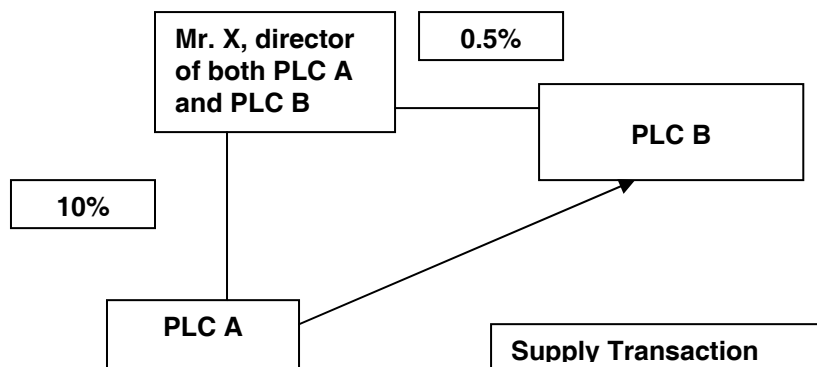
(b) Would similar obligations apply if ABC Berhad is a company listed on the MESDAQ Market?

ABC Berhad’s obligations for Transactions 1 and 2 would not be similar as the threshold of RM250,000 is not applicable under the MMLR. Hence, in relation to Transaction 1, ABC must make an immediate announcement and seek shareholders’

approval pursuant to Rules 10.08(1) and (2) of the MMLR and for Transaction 2, ABC must make an immediate announcement pursuant to Rule 10.04 of the MMLR.

However, in relation to Transaction 3, similar to the LR, as the highest percentage ratio triggered for Transaction 3 is less than 0.25%, pursuant to Rule 10.08(1) of the MMLR, no requirement is imposed on ABC Berhad to make an immediate announcement in respect of the related party transaction.

4.4 What is the nature of the supply transaction vis-à-vis PLC A and PLC B respectively in the light of the interest of the common director, Mr. X who has shareholdings of 10% in PLC A and 0.5% in PLC B?



Insofar as PLC A is concerned, the supply transaction would not be regarded as a related party transaction pursuant to paragraph 10.08(9)(c) of the LR/Rule 10.08(9)(c) of the MMLR provided that Mr. X does not receive or derive any benefits from PLC A and PLC B in relation to the said transaction.

The transaction would however be regarded as a related party transaction vis-à-vis PLC B.

4.5 For the purposes of computation of indicators of materiality under Chapter 10 of the LR and MMLR, is there now a requirement to submit a copy of the external auditors' review report to Bursa Securities?

Yes. A copy of the external auditors' review report must now be furnished by the listed companies to Bursa Securities where the figures used such as in the case of total assets, net assets, net book value of assets, net profits and cost of investment are based on the published or announced interim or unaudited financial report which must be the latest.

5. Listing Fees

5.1 When will the Listing Fees Amendments come into effect?

The Listing Fees Amendments will take effect from 1 January 2007. However, as a transitional measure, listed issuers and listed companies are given a rebate of 50% on the increase in fees payable pursuant to the Listing Fee Amendments in respect of 2007. However, with effect from 1 January 2008, the revised listing fees will be payable in full.

5.2 Will the Listing Fees Amendments apply in relation to shares which have received the approval-in-principle from Bursa Securities in 2006 but which are only listed in 2007?

Yes.

- 5.3 Under the Listing Fees Amendments, the amount of certain listing fees payable is based on the total market value of the issued capital of the listed issuer. What is the basis for calculating the said market value?**

The basis for calculating the market value of the security is provided for in paragraph 1.1 in the Schedule of Fees of the LR and MMLR respectively.

- 5.4 In relation to the computation of the market value of the securities in an initial or additional listing of securities under the LR and for an initial listing of securities under the MMLR:**

- (a) What if there is more than one issue or offer price?**

Paragraph 1.1(a)(i) of the Schedule of Fees in the LR and paragraph 1.1(a) of the Schedule of Fees in the MMLR provide that where there is more than one issue or offer price, the average issue or offer price shall be taken for the purposes of computing the market value of the securities to determine the initial or additional listing fees payable.

- (b) What if there is no issue or offer price?**

Paragraph 1.1(a)(ii) of the Schedule of Fees in the LR and paragraph 1.1(b) of the Schedule of Fees in the MMLR provide that where there is no issue or offer price, the market value of the securities shall be based on the last traded price on the first day of listing or such other valuation as may be determined by the Exchange. Where the market value is based on the last traded price on the first day of listing, this will mean that the listing fees are to be paid to the Exchange on the next market day following the first day of listing.

- 5.5 ABC Berhad has an existing issued and paid-up capital of RM100,000,000 comprising of 100,000,000 shares of RM1.00 each. ABC Berhad is to be listed on the Main Board of Bursa Securities on 1 March 2008 with an initial public offering of 150,000,000 ordinary shares of RM1.00 each. The issue price of the said shares has been fixed at RM3.00 per share.**

- (a) Pursuant to the Listing Fees Amendments, what is the amount of the initial listing fee payable by ABC Berhad?**

Under the Listing Fees Amendments, the initial listing fee will be calculated based on the market value of the enlarged issued and paid-up capital of ABC Berhad upon listing. The calculation is as follows:

Initial listing fee = 0.01% of total market value of issued capital of ABC Berhad

$$0.01\% \times [RM3.00 \times (100,000,000 + 150,000,000)] = RM75,000.$$

- (b) What would be the amount of the initial listing fees payable if ABC Berhad is listed on 1 March 2007 instead of 1 March 2008?**

Prior to the Listing Fees Amendments, the initial listing fee chargeable on ABC Berhad would have been calculated as follows under the Schedule of Fees in the LR:

$RM500 \times 250 = RM125,000$, but this would have been subject to the maximum fee of RM50,000. As such, the initial listing fee that ABC Berhad would have been required to pay was RM50,000.

Following the Listing Fees Amendments, the initial listing fee that ABC Berhad will be required to pay is RM75,000 (based on the calculation in (a) above).

This means that the Listing Fees Amendments has resulted in an increase in the initial listing fees payable by ABC Berhad of RM25,000, as follows:

RM75,000 (based on new calculation under the Listing Fees Amendments) – RM50,000 (based on the previous calculation prior to the Listing Fees Amendments) = RM25,000.

Since ABC Berhad is being listed in 2007, it is entitled to the 50% rebate on the increase in fees, as follows:

RM25,000 x 50% rebate = RM12,500.

Amount of initial listing fee payable by ABC Berhad if its listing date is in 2007: RM75,000 – RM12,500 = RM62,500.

(c) If ABC Berhad is listed on 1 March 2008, what is the annual listing fee payable by the company in respect of 2008?

Pursuant to paragraphs 1.1(c) and 2.3 of the Schedule of Fees in the LR, the annual listing fee payable by ABC Berhad for 2008 is as follows:

$0.0025\% \times ([RM3.00 \times (100,000,000 + 150,000,000)]) = RM18,750$. Taking into account that ABC Berhad is listed in March, the annual listing fee will be pro-rated to RM15,625.

However, the minimum annual listing fee under paragraph 2.3 of the Schedule of Fees in the LR is RM20,000. As such, for 2008, the annual listing fee payable by ABC Berhad is RM20,000.

(d) With reference to paragraph (c) above, what would be amount of the first annual listing fee payable by ABC Berhad if it is listed on 1 March 2007 instead?

Prior to the Listing Fees Amendments, the initial listing fee chargeable on ABC Berhad would have been calculated as follows under the Schedule of Fees in the LR:

Issued and paid-up capital > RM100 million = RM750 per month
Annual listing fee = RM750 x 10 months = RM7,500.

Following the Listing Fees Amendments, the annual listing fee that ABC Berhad will be required to pay is RM20,000 (based on the calculation in (c) above).

This means that the Listing Fees Amendments has resulted in an increase in the annual listing fees payable by ABC Berhad of RM12,500, as follows:

RM20,000 (based on new calculation under the Listing Fees Amendments) – RM7,500 (based on the previous calculation prior to the Listing Fees Amendments) = RM12,500.

Since ABC Berhad is being listed in 2007, it is entitled to the 50% rebate on the increase in fees, as follows:

RM12,500 x 50% rebate = RM6,250.

Amount of annual listing fee payable by ABC Berhad if its listing date is in 2007: RM20,000 – RM6,250 = RM13,750.

- 5.6 XYZ Berhad is an existing listed company which proposes to undertake a bonus issue of 1 new share for every 2 existing shares held by its shareholders. What is the amount of additional listing fees payable by XYZ Berhad?**

XYZ does not have to pay any additional listing fees in respect of the said bonus issue as the said bonus issue will not result in any change in the market value of XYZ Berhad's shares. Pursuant to paragraph 1.5 of the Schedule of Fees in both the LR and MMLR, the Exchange will not charge any additional listing fees for an issue of additional shares arising from a corporate proposal where there is no change in the total market value of that class of listed shares.

- 5.7 M Berhad is an existing listed issuer on the Main Board of Bursa Securities with an issued and paid-up capital of RM100,000,000 comprising of 100,000,000 shares of RM1.00 each. M Berhad proposes to undertake a share scheme for its employees (ESOS) of up to 15% of its issued and paid-up capital, at an exercise price of RM10. What is the amount of the additional listing fees payable by M Berhad for the listing of the ESOS shares?**

Based on its existing issued and paid-up capital, M Berhad may issue up to 15,000,000 ESOS shares. Under paragraph 2.2 of the Schedule of Fees in the LR, the additional listing fees payable by M Berhad is 0.01% of the total market value of the additional shares listed, subject to a minimum fee of RM10,000 and a maximum fee of RM100,000.

As M Berhad may issue any amount of ESOS shares up to 15,000,000 shares and the options may be exercised over a period of time, what this will mean in practice is that at the first instance of listing the ESOS shares, M Berhad will be required to pay the minimum additional listing fee of RM10,000. Based on this amount, the number of ESOS shares that M Berhad can issue at the first instance is as follows, assuming that the issue price for the ESOS shares is RM10:

0.01% of the total market value of the additional shares listed = Additional listing fee payable

$$0.01\% \times (\text{RM}10 \times \text{number of ESOS shares}) = \text{RM}10,000$$

$$\begin{aligned} (\text{RM}10 \times \text{number of ESOS shares}) &= \text{RM}10,000 / 0.01 \times 100 \\ &= \text{RM}100,000,000 \end{aligned}$$

$$\begin{aligned} \text{Therefore, number of ESOS shares} &= \text{RM}100,000,000 / \text{RM}10 \\ &= 10,000,000 \text{ shares} \end{aligned}$$

Therefore, based on the first additional listing fee of RM10,000 paid by M Berhad, the company can issue up to 10,000,000 ESOS shares.

However, for the issuance of the remaining balance of 5,000,000 ESOS shares, M Berhad would be required to pay a further additional listing fee as follows:

0.01% x (RM10 x 5,000,000) = RM5,000. However, under paragraph 2.2 of the Schedule of Fees in the LR, the minimum fee payable is RM10,000. As such, M Berhad will be required to pay a further RM10,000 in relation to the issuance of the remaining 5,000,000 ESOS shares.

- 5.8 N Berhad is an existing listed issuer on the Main Board of Bursa Securities who wishes to undertake a corporate proposal comprising of a rights issue, private**

placement and issuance of shares for debt settlement purposes. How will the additional listing fees be calculated in respect of this proposal?

The additional listing fees payable by N Berhad in respect of the rights issue, private placement and issuance of shares for debt settlement purposes will be calculated separately notwithstanding that the shares are issued as part of one corporate proposal.

5.9 If a listed issuer on the Main Board of Bursa Securities were to quote its private placement shares in several tranches, would it have to pay the additional listing fees at the point of quotation for each and every tranche of the shares?

Yes.

6. Other enhancements to the LR/MMLR

(Note : Questions 6.1 to 6.3 are not applicable to MESDAQ companies)

6.1 Listed Issuer X made an announcement in relation to a proposed bonus issue on 25 September 2006 and had announced that its estimated timeframe for submission of the application to Bursa Securities was in December 2006. As at 15 January 2007, Listed Issuer X has yet to make the submission to Bursa Securities in relation to the proposed bonus issue. Must Listed Issuer X comply with the new paragraph 6.03 (2) of the LR?

Yes, Listed Issuer X must make an announcement pursuant to paragraph 6.03(2) of the LR on 15 January 2007, informing the fact of such failure, the reasons therefor and when it expects to make the application.

6.2 Based on the facts given in Question 6.1 above, will Listed Issuer X commit a breach of the LR if it does not make the announcement under paragraph 6.03(2) of the LR on 15 January 2006?

Yes, Listed Issuer X would have committed a breach of the LR and enforcement action may be taken against it accordingly pursuant to Chapter 16 of the LR.

6.3 Listed Issuer Y made an announcement in relation to a proposed rights issue on 4 September 2006 and had announced that its estimated timeframe for submission of the application to the Securities Commission was in November 2006. However, it only made its submission to the Securities Commission in relation to the proposed rights issue on 12 January 2007. Is Listed Issuer X required to comply with the new paragraph 6.03 (2) of the LR?

No, since Listed Issuer Y had made the submission to the Securities Commission prior to 15 January 2007, it is not required to make an announcement pursuant to paragraph 6.03(2) of the LR.

6.4 With the amendments to paragraph 6.30E(d) of the LR/Rule 6.37(d) of the MMLR, does it mean that apart from the external auditor, a merchant bank or Participating Organisation who acts as an adviser to a listed issuer can confirm adjustments (other than on a bonus issue) under a share scheme for employees (ESOS)?

Yes, but this is subject to the provisions contained in the listed issuer's ESOS by-laws.