
**QUESTIONS AND ANSWERS IN RELATION TO
BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS FOR THE ACE MARKET
(As at 17 June 2009)**

TRANSITIONAL ARRANGEMENTS

Note:

For the purpose of this Questions and Answers, unless the context otherwise requires, the words and expressions defined in the Bursa Malaysia Securities Berhad Listing Requirements for the ACE Market, when used in this Question and Answer, have the meanings given in the said Listing Requirements, and

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“Bursa Securities” means Bursa Malaysia Securities Bhd;

“MMLR” means Bursa Securities Listing Requirements for the MESDAQ Market which are effective from 8 May 2009 until 2 August 2009;

“ACE LR” means the Bursa Securities Listing Requirements for the ACE Market, which come into effect on 3 August 2009; and

Any reference to the “existing” provision of a Guidance Note means the Guidance Note which is effective from 8 May 2009 until 2 August 2009.

Sponsorship

- 1. A MESDAQ company has complied with the existing Rule 12.03(a) of the MMLR which allows a MESDAQ company to purchase its own shares after 3 years of admission to the Official List. However, the company is still maintaining the services of its sponsor due to Rule 3.24 of the MMLR which requires the services of sponsor for at least 3 full financial years. Can the MESDAQ company carry out the purchase in view that Rule 12.03(a) the ACE LR does not allow a listed corporation to purchase its own shares within the Sponsorship Period?**

No, the company must stop purchasing its own share after the effective date of Rule 12.03(a) the ACE Market, i.e. after 3 August 2009.

Public shareholding spread

- 2. In Bursa Securities’ circular issued on 8 May 2009, compliance with minimum number of 1000 public shareholders holding not less than 100 shares each is waived with immediate effect. It was also stated that a listed corporation which does not comply with the minimum number of 1000 public shareholders need not apply for extension of time or waiver from Bursa Securities.**

X Bhd announced on 17 April 2009 that it did not comply with the minimum number of public shareholding spread requirement and was given an extension of time to comply with the same. Must X Bhd announce its deemed compliance with the public spread requirement after 8 May 2009?

**Questions & Answers
in relation to Transitional Arrangements**

Yes, X Bhd must announce that it is deemed to be in compliance with the public spread requirement pursuant to Bursa Securities' circular issued on 8 May 2009.

3. Is the immediate waiver referred to in Question 2 above applicable to the compliance on the 25% public shareholding spread requirement?

No, the waiver is only granted for compliance with the requirement on the minimum number of 1000 public shareholders holding not less than 100 shares each. Listed corporations must still meet the 25% public shareholding spread requirement.

4. A Bhd has not complied with any of the requirements on the minimum percentage and numbers of public shareholders under Rule 8.15 of the MMLR. In view of the waiver granted in Question 2 above, does A Bhd need to continue making the quarterly announcement as required under the existing Guidance Note 13? If yes, must A Bhd include in the announcement, the number of its public shareholders?

Notwithstanding the immediate waiver to comply with the minimum number of 1000 public shareholders requirement, as A Bhd is not in compliance with the 25% public shareholding requirement, it must still make the quarterly announcement. However, since the minimum number of public shareholders requirement is no longer applicable, A Bhd need not disclose the number of its public shareholders as required in paragraphs 3.2(b) and 3.4 of the existing Guidance Note 13 in its announcement.

Valuation

5. What is the transitional requirement for submission of valuation report to Bursa Securities for transactions which are announced before 3 August 2009?

All transactions which trigger the requirement for valuation report as stipulated under Rule 10.04 of the ACE LR and are announced before 3 August 2009 will have to submit the valuation report to Bursa Securities if the circular is issued to shareholders or the draft circular is submitted to Bursa Securities for perusal, on or after 3 August 2009.

Cash Companies

6. ABC Bhd is classified by Bursa Securities as a Cash Company on 11 May 2009. Can ABC Bhd choose to regularise its condition under Rule 8.03 of the ACE LR and the Guidance Note 2 which is coming into effect on 3 August 2009 ("Revised GN2 Framework")?

Yes, pursuant to paragraph 2.3 of Guidance Note 20, ABC Bhd may choose to regularise its condition under the Revised GN2 Framework provided that it –

- (a) applies to Bursa Securities and obtains its approval for ABC Bhd to regularise its condition under the Revised GN2 framework; and
- (b) is still within the stipulated or extended timeframe granted by Bursa Securities to submit its plan to regularise its condition under Rule 8.14 of the MMLR.

GN3 Companies

7. **ABC Bhd triggers the Prescribed Criteria under Guidance Note No. 3/2006 (“Existing GN3”) in February 2009 and is in the midst of formulating its regularisation plan.**

(a) **Can ABC Bhd choose not to regularise its financial condition under the ambit of Rule 8.16 of the MMLR (“Existing GN3 Framework”) but submit a regularisation plan to Bursa Securities for approval under Rule 8.04 of the ACE LR and Guidance Note 3 which will take effect on 3 August 2009 (“Revised GN3 Framework”)?**

Yes, pursuant to paragraph 2.3 of Guidance Note 20, ABC Bhd may choose to regularise its condition under the Revised GN3 Framework provided that it –

- (i) applies to Bursa Securities and obtains its approval for ABC Bhd to regularize its financial condition under the Revised GN3 Framework; and
- (ii) is still within the stipulated or extended timeframe granted by Bursa Securities to submit its plan to regularise its condition under the Existing GN3 Framework.

(b) **Does ABC Bhd have 12 months from February 2009 to submit its regularisation plan as allowed under Rule 8.04 of the ACE LR?**

No, the submission timeframe applicable to ABC Bhd is still subject to Rule 8.16 of the MMLR, i.e. 8 months or such extended time approved by Bursa Securities.