

QUESTIONS AND ANSWERS RELATING TO AMENDMENTS TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET (“MMLR”) IN RELATION TO STRUCTURED WARRANTS, TRANSACTIONS AND RELATED PARTY TRANSACTIONS

1. **ABC Berhad 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 March 2007	ABC Berhad and Mr. X, a major shareholder of ABC Berhad	5%	RM50,000
2.	Transaction 2 in March 2007	Subsidiary of ABC Berhad and Mr. Y, an unrelated third party	10%	RM80,000
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 MMLR, 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 RM100,000.

Transaction 2

Pursuant to paragraph 10.04(3) of the MMLR, 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 RM100,000.

Transaction 3

Pursuant to paragraph 10.08(1) of the MMLR, 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.

2. **If the relevant percentage ratio of a recurrent related party transaction (“RRPT”) exceeds 0.25%, does a listed company have to make an announcement?**

The threshold set out in Rule 10.08(1) i.e. if the relevant percentage ratio is equal to or exceeds 0.25% is not applicable to RRPTs. The obligation to make an immediate announcement of RRPTs (where no mandate has been obtained) is set out in paragraph 2.1 of Guidance No. 8/2006.