

ADDITIONAL QUESTIONS AND ANSWERS RELATING TO THE AMENDMENTS TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MAIN BOARD AND SECOND BOARD (“LR”) AND THE MESDAQ MARKET (“MMLR”) IN RELATION TO LISTING FEES ISSUED BY THE EXCHANGE IN ITS LETTERS DATED 14.12.2006 AND 22.12.2006 (“AMENDMENTS”)

1. **Paragraph 2.3 of the Schedule of Fees of the LR provides that the annual listing fees payable by listed issuers shall be 0.0025% of the total market value of the issued capital of the listed issuer, subject to a minimum fee of RM20,000 and a maximum fee of RM100,000.**

- (a) **How is “total market value” calculated for the purposes of paragraph 2.3?**

Paragraph 1.1(b) of the Schedule of Fees of the LR provides that in relation to annual listing fees (other than the first annual listing fee payable upon listing) market value shall be based on the last traded price on the last market day of the calendar year or where the securities are suspended on such day, the last traded price prior to suspension or such other valuation as may be determined by the Exchange.

As such, the total market value of the issued capital of the listed issuer which is not suspended shall be calculated as follows:

$$\text{Total market value} = \text{Last traded price on the last market day of the calendar year} \times \text{Total number of shares of the listed issuer as at the last market day of the calendar year}$$

- (b) **Are treasury shares included in the above calculation of “total market value”?**

Yes, treasury shares form part of the “total number of shares of the listed issuer as at the last market day of the calendar year” referred to in paragraph (a) above.

2. **Where can a listed issuer obtain the last traded price of its securities for the purposes of calculating its annual listing fees?**

The said information can be obtained from the Exchange’s website at www.bursamalaysia.com throughout the month of January.

3. **ABC Berhad is listed on the Main Board in July 2008. Based on the calculation set out in paragraph 2.3 of the Schedule of Fees of the LR, ABC Berhad computes that its first annual listing fee amounts to RM50,000. Bearing in mind that ABC Berhad is only listed halfway through 2008, what is the amount of the annual listing fee that it must be pay for 2008?**

The amount of the first annual listing fee payable by ABC Berhad will be pro-rated. As such, the total annual listing fee that ABC Berhad will be required to pay in respect of 2008 is RM25,000 (i.e. half of RM50,000).

4. **DEF Berhad is also listed on the Main Board in July 2008. Based on the calculation set out in paragraph 2.3 of the Schedule of Fees of the LR, DEF Berhad computes that its first annual listing fee amounts to RM15,000. However, paragraph 2.3 of the Schedule of Fees of the LR provides that the minimum annual listing fee payable is RM20,000. Bearing in mind that DEF Berhad is only listed halfway through 2008, what is the amount of the annual listing fee that must be paid by DEF Berhad for 2008?**

DEF Berhad will be required to pay the amount of RM20,000 as the annual listing fee for 2008 as this is the minimum fee payable pursuant to paragraph 2.3 of the Schedule of Fees of the LR. Notwithstanding that ABC Berhad is only listed in July 2008, the said amount of RM20,000 will not be pro-rated as it is the minimum fee payable by listed issuers.

5. **If a listed issuer has issued warrants which are due to expire in March 2007 and based on the calculation set out in paragraph 4.3 of the Schedule of Fees of the LR, such listed issuer is required to pay the minimum annual listing fee of RM20,000 in respect of such warrants for 2007, will the said amount be pro-rated?**

No. Although the warrants will expire in March 2007, the listed issuer will still be required to pay the minimum annual listing fee of RM20,000. The said amount will not be pro-rated as it is the minimum fee payable by listed issuers.

The said listed issuer will however be entitled to a rebate of 50% in the year 2007 on any increase in the annual listing fee that would have been payable prior to the Amendments.

6. **Which category in the Schedule of Fees would “preference shares” fall under in relation to the listing fees payable?**

The provisions on the listing fees payable in respect of “shares” as set out in paragraph 2 of the Schedule of Fees in the LR and MMLR respectively would apply to non-convertible preference shares. However, in relation to convertible preference shares, whether irredeemable or otherwise, the provisions on the listing fees payable in respect of “convertible equity securities” as set out in paragraph 4 of the Schedule of Fees in the LR and MMLR respectively would apply.

7. **Which category in the Schedule of Fees would “structured warrants” fall under in relation to the listing fees payable?**

The provisions on the listing fees payable in respect of “convertible equity securities” as set out in paragraph 4 of the Schedule of Fees in the LR and MMLR respectively would apply to structured warrants. This category applies to all types of warrants, irrespective of whether they are cash settled or convertible to shares.

8. **In computing the annual listing fees for warrants, should the total number of warrants outstanding as at the last market day of the calendar year, or the total number of warrants previously issued be used?**

The total number of warrants outstanding as at the last market day of the calendar year should be used to compute the total market value of the securities to arrive at the annual listing fees for warrants.

9. **If the listing fees payable by a listed issuer under the Amendments is the same as the amount that would have been payable under the Listing Requirements prior to the Amendments, is the listed issuer entitled to the 50% rebate in respect of the listing fees payable in 2007?**

No. The 50% rebate only applies in 2007 to any increase in fees payable as a result of the Amendments and will not apply if the revised fees under the Amendments are equal to or less than the amount of fees that would have been payable prior to the Amendments.

10. **Paragraph 3.3 of the Schedule of Fees of the LR provides that the annual listing fee payable in respect of debt securities is a fixed sum of RM2,000 for each class of securities. If a listed issuer issues the debt securities in April 2008, will the said amount be pro-rated?**

No. The Exchange will not pro-rate any annual listing fee which is a fixed sum. This includes for example the annual listing fees referred to in paragraph 3.3 of the Schedule of Fees of the LR and MMLR and paragraphs 2.3 and 4.3 of the MMLR.

11. **In relation to the annual listing fees payable by MESDAQ Market companies:**

- (a) **What constitutes “nominal value”?**

For the purposes of determining the amount of the annual listing fee payable by MESDAQ Market companies, “nominal value” is calculated as follows:

$$\text{Nominal value} = \frac{\text{Par value of the shares/securities as at 31 December}}{\text{Total number of shares/securities of the listed company as at 31 December}} \times$$

- (b) **Are treasury shares included in the above calculation of “nominal value”?**

Yes, treasury shares form part of the “total number of shares/securities of the listed company as at 31 December” referred to in paragraph (a) above.

- (c) **Should the computation of annual listing fees for warrants and transferable subscription rights (“TSRs”) be based on the nominal value of the warrants/TSRs or the number of warrants/TSRs?**

Pursuant to paragraph 4.3 of the Schedule of Fees of the MMLR, the computation of annual listing fees for warrants shall be based on the total number of outstanding warrants or TSRs as at 31 December. The nominal value of securities is applicable when computing other types of convertible equity securities such as convertible preference shares.

12. **XYZ Berhad is listed on the Main Board and has an existing employee share option scheme (“ESOS”).**

- (a) **Prior to the Amendments, XYZ Berhad has paid RM2,000 as the additional listing fee for the listing of up to 4,000,000 new shares to be issued pursuant to the exercise of the ESOS. As at 31 December 2006, XYZ Berhad has listed 2,000,000 new ordinary shares issued pursuant**

to the exercise of the ESOS. The par value of XYZ Berhad’s ordinary shares of RM1.00.

On 15 January 2007, XYZ Berhad submitted an application for the quotation of a further 1,000,000 new shares arising from the exercise of the ESOS. The exercise price for the 1,000,000 new ordinary shares is RM6.00 per share. What is the amount of the additional listing fee that XYZ Berhad will be required to pay in respect of the additional listing of the said 1,000,000 new ordinary shares arising from the exercise of ESOS?

XYZ Berhad will have a credit balance of unutilised additional listing fees amounting to RM1,000.00 as at 31 December 2006 computed as follows:-

	RM
Additional listing fee paid	2,000.00
Less :	
Additional listing fee utilised (2.0 million shares x RM1.00 (par value) x RM500 per RM million)	<u>1,000.00</u>
Unutilised additional listing fee (credit balance)	<u>1,000.00</u>

The additional listing fee for the new batch of 1,000,000 new ordinary shares issued at RM6.00 per share pursuant to the ESOS is computed as follows (pursuant to the Amendments):-

$$0.01\% \times (1,000,000 \times RM6.00) = RM600.00$$

However, the additional listing fee payable prior to the Amendments is as follows:-

$$1.0 \text{ million shares} \times RM1.00 \text{ (par value)} \times RM500 \text{ per RM million} = RM500.00$$

From the aforesaid, the Amendments have resulted in an increase in the additional listing fee payable by XYZ Berhad of RM100.00 (i.e. RM600.00 – RM500.00).

Since the additional shares are being listed in 2007, XYZ Berhad is entitled to a 50% rebate on the increase in the additional listing fee as follows:-

$$RM100.00 \times 50\% \text{ (rebate)} = RM50.00$$

Therefore, the amount of additional listing fees payable for the listing of the 1,000,000 new ordinary shares arising from the exercise of ESOS is **RM550.00** (i.e. RM600.00 – RM50.00 (rebate)).

Since XYZ Berhad’s unutilised additional listing fee (credit balance) of RM1,000.00 as at 31 December 2006 is sufficient to cover the additional listing fee of RM550.00 for this batch of 1,000,000 new ordinary shares, XYZ Berhad is not required to pay additional listing fee at this junction.

XYZ Berhad’s unutilised additional listing fee (credit balance) after the listing of the current batch of 1,000,000 new ordinary shares will amount to **RM450.00** (i.e. RM1,000.00 – RM550.00), and can be utilised by XYZ Berhad to offset against additional listing fee chargeable for the further listing of new ordinary shares arising from future exercise of ESOS.

(b) Following on from paragraph (a) above, XYZ Berhad is submitting another application in 2007 for the quotation of a further 2,000,000 new shares arising from exercise of ESOS. The exercise price for the 2,000,000 new ordinary shares is RM6.00 per share. What is the amount of the additional listing fee that XYZ Berhad will be required to pay in

respect of the additional listing of the said 2,000,000 new ordinary shares arising from the exercise of ESOS?

The additional listing fee for the new batch of 2,000,000 new ordinary shares issued at RM6.00 per share pursuant to the ESOS is computed as follows (pursuant to the Amendments):-

$$0.01\% \times (2,000,000 \times \text{RM}6.00) = \text{RM}1,200.00$$

However, the additional listing fee payable prior to the Amendments is as follows:-

$$2.0 \text{ million shares} \times \text{RM}1.00 \text{ (par value)} \times \text{RM}500 \text{ per RM million} = \text{RM}1,000.00$$

As such, the Amendments have resulted in an increase in the additional listing fee payable by XYZ Berhad of RM200.00 (i.e. RM1,200.00 – RM1,000.00).

Since the additional shares are being listed in 2007, XYZ Berhad is entitled to a 50% rebate on the increase in the additional listing fees as follows:-

$$\text{RM}200.00 \times 50\% \text{ (rebate)} = \text{RM}100.00$$

Therefore, the amount of additional listing fee payable for the listing of the 2,000,000 new ordinary shares arising from the exercise of ESOS is **RM1,100.00** (i.e. RM1,200.00 – RM100.00 (rebate)).

Since XYZ Berhad's unutilised additional listing fee (credit balance) of RM450.00 (after the listing of 1,000,000 new ordinary shares referred to in paragraph (a) above) is insufficient to cover the additional listing fee of RM1,100.00 for this batch of 2,000,000 new ordinary shares, XYZ Berhad will be required to pay the additional listing fee imposed under the Amendments, at this juncture.

Since the minimum fee payable pursuant to the Amendments is RM10,000.00 the additional listing fee payable by XYZ Berhad is **RM10,000.00**.

XYZ Berhad's unutilised additional listing fee (credit balance) after the listing of the 2,000,000 new ordinary shares and after the payment of the additional listing fee of RM10,000.00 is computed as follows:-

	RM
Unutilised additional listing fee (credit balance) (brought forward after deducting the additional listing fees payable in respect of the listing of the 1,000,000 new ordinary shares referred to in paragraph (a) above)	450.00
Less:-	
Additional listing fee for the new batch of 2,000,000 new ordinary shares (1,100.00)	
Add:-	
Additional listing fee paid	<u>10,000.00</u>
Unutilised additional listing fee (credit balance) carried forward	<u>9,350.00</u>

The aforesaid unutilised additional listing fee (credit balance) carried forward amounting to **RM9,350.00** can be utilised by XYZ Berhad to offset against the additional listing fee chargeable for further listing of new ordinary shares arising from future exercises of ESOS.

(Note: The above methodology for computation of the additional listing fees payable in relation to ESOS is similarly applicable to issuers listed on the Second Board)

13. M Berhad is listed on the MESDAQ Market and has an existing ESOS which was implemented in 2006.

(a) On 17 January 2007, M Berhad submitted an application for the quotation of new shares arising from the exercise of the ESOS. What is the amount of the additional listing fees payable by M Berhad in relation to the additional listing of these new shares?

Pursuant to the Amendments, paragraph 2.2 of the Schedule of Fees of the MMLR provides that a fixed fee of RM10,000 is payable as additional listing fees.

As such, the additional listing fees payable by M Berhad in relation to the listing of the new shares shall be calculated as follows:

	RM
Additional listing fee payable pursuant to the Amendments	10,000
Less:	
Additional listing fee paid in 2006	<u>2,500</u>
	7,500

From the aforesaid, the Amendments have resulted an increase in the additional listing fee payable by M Berhad of RM7,500. Since the additional shares are being listed in 2007, M Berhad is entitled to a 50% rebate on the increase in the additional listing fee as follows:-

$$RM7,500 \times 50\% \text{ (rebate)} = RM3,750.$$

Therefore, the amount of additional listing fees payable for the listing of the new shares arising from the exercise of the ESOS in 2007 is **RM3,750** (i.e. RM7,500 – RM3,750 (rebate)).

(b) In 2008, M Berhad submits a further application for the quotation of additional new shares arising from the exercise of the ESOS. What is the amount of the additional listing fees payable by M Berhad in 2008 in relation to the additional listing of these new shares?

As M Berhad has already paid the additional listing fees required by paragraph 2.2 of the Schedule of Fees of the MMLR, as per paragraph (a) above, M Berhad will not be required to pay any additional listing fees in relation to the listing of the additional new shares in 2008.

(c) If upon the expiry of the existing ESOS, M Berhad subsequently implements a new ESOS, what would be the amount of the additional listing fees payable by M Berhad in relation to the additional listing of new shares under the new ESOS?

M Berhad's payment of the additional listing fees referred to in paragraph (a) will not extend to the new shares issued pursuant to the exercise of the new ESOS. As such, M Berhad will be required to pay the additional listing fee of RM10,000 in relation to the listing of additional shares arising from the exercise of the new ESOS.

14. Under the Amendments, listed issuers are now required to submit to the Exchange a copy of the details of the computation of the amount of listing fees payable ("Submission"). Do the LR or MMLR prescribe the contents of the Submission?

No. The Exchange has not prescribed the contents of the Submission.