

QUESTIONS AND ANSWERS RELATING TO AMENDMENTS TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET (“MMLR”) ON PUBLIC SHAREHOLDING SPREAD REQUIREMENTS

- 1. What are the actions that may be taken against a listed company which fails to comply with the required shareholding spread?**

Where a listed company fails to comply with the required shareholding spread and no further extension of time is granted by Bursa Securities, Bursa Securities may suspend and/or de-list the listed company pursuant to Rule 8.15(3) of the MMLR. However, where appropriate, Bursa Securities may take such enforcement action and impose such other penalty(ies) as it deems fit against the listed company pursuant to Rule 16.17 of the MMLR instead.

- 2. On 4 January 2007, D Bhd notify Bursa Securities and make the required announcement that its public shareholding spread is 9%. Will the trading in D Bhd’s shares be suspended?**

Pursuant to Rule 8.15(4) of the MMLR and paragraph 5.0 of Guidance Note No. 13/2007, Bursa Securities will automatically impose a suspension upon expiry of 30 market days from the date of D Bhd’s immediate announcement of its situation unless the public shareholding spread of D Bhd increases to above 10% before the expected date of suspension. Where the latter occurs, D Bhd should immediately inform Bursa Securities of its improvement in its public spread and seek its confirmation on whether the suspension will still be imposed.

- 3. Pursuant to a scheme of compromise or arrangement which involves a share swap, Company P holds 79% of the listed shares of Y Bhd, a listed company, whilst Company Q, which is the holding company of Company P (i.e. an associate of Company P), holds all the remaining listed shares of Y Bhd. Will the trading in Y Bhd’s shares be suspended?**

Yes. Pursuant to Rule 8.15(5) of the MMLR and paragraph 6.0 of Guidance Note No. 13/2007, trading in Y Bhd’s shares will be suspended as Company P and its associate, Company Q, hold 100% of the listed shares of Y Bhd.