



Our Ref: WKY/JE(lk)/LD14/06

5 October 2006

The Company Secretary  
(Listed companies)

*Via e-mail*

Dear Sir/Madam,

**LETTER DATED 4 AUGUST 2006 ("Directive") - DISCLOSURE IN RELATION TO ANY AGREEMENT, ARRANGEMENT, JOINT VENTURE OR COLLABORATION FOR THE PURPOSE OF BIDDING FOR OR SECURING A PROJECT OR CONTRACT**

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We refer to our letter dated 4 August 2006 where the Exchange issued a Directive pursuant to Paragraph 2.19 of the Bursa Malaysia Securities Berhad Listing Requirement ("LR") and Rule 2.20 of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market ("MMLR").

We would like to provide a list of Questions and Answers ("Q&As") which is attached as **Appendix 1** to assist listed companies in complying with the above.

The list of Q&As is also available for reference on the web-site of Bursa Malaysia at <http://www.bursamalaysia.com>.

Should the company require further clarification, please contact the following persons:-

1. Josephine Edward (ext. 7274)
2. Yew Yee Tee (ext. 7336)

Thank you.

Yours faithfully

A handwritten signature in black ink, appearing to read "Devanesan Evanson", written over a horizontal line.

**DEVANESAN EVANSON**  
Chief Regulatory Officer

Handwritten initials "WKY/JE" in black ink, positioned above the typed initials.

**LETTER DATED 4 AUGUST 2006 (“the Directive”) - DISCLOSURE IN RELATION TO ANY AGREEMENT, ARRANGEMENT, JOINT VENTURE OR COLLABORATION FOR THE PURPOSE OF BIDDING FOR OR SECURING A PROJECT OR CONTRACT (“the Venture”)**

- 1. Does the Directive impose a new obligation on listed issuers as to whether an announcement should be made of any Venture entered into by them ?**

The Directive does not impose any new obligations on listed issuers **as to whether announcements should be made in relation to the Venture. The obligations as to whether disclosure should be made by listed issuers are as set out specifically in Chapter 9 of the Listing Requirements (“LR”).**

The Directive merely prescribes that in the event an announcement is made of a Venture be it pursuant to the LR including arising from an unusual market action query by Bursa Securities or voluntarily, the listed issuer must ensure that the announcement includes the information as set out in the Directive and thereafter up dates as prescribed in the Directive.

- 2. What constitutes a Venture as referred to in the Directive?**

All arrangements by a listed issuer for the purpose of bidding for or securing a project or contract constitute a Venture including a situation where a listed issuer or its subsidiary submits a tender for a project on its own (i.e. without involving the participation of any other parties).

- 3. Is the Directive applicable to Ventures which were entered into prior to 4 August 2006 (the date of the Directive)?**

The listed issuer is only required to comply with Part B of the Directive (Updates on the status of the Venture). Part A of the Directive is not applicable.

- 4. What if some of the information required to be disclosed in the Directive is unavailable at the time of the announcement?**

The listed issuer is still required to make the announcement and to make a negative statement in respect of the items which are unavailable.

Bursa Securities expects the listed issuer to immediately announce the information once it becomes available.

- 5. The Directive requires a listed issuer to announce the status of the progress of the Venture simultaneously with the listed issuer’s quarterly report. Does this form part of the quarterly report?**

No, although Bursa Securities requires the status of the progress of the Venture to be disclosed simultaneously with the listed issuer’s quarterly report, it has to be disclosed in a separate announcement.

6. **Following from question No. 6, if the listed issuer is unable to announce the quarterly report on its due date i.e. not later than 2 months after the end of each quarter of a financial year, does the announcement of the status of the progress of the Venture (“Updates”) has to be delayed as well?**

No, the listed issuer has to ensure that the Updates must be made not later than 2 months after the end of each quarter of a financial year failing which this would tantamount to a breach of the LR.

7. **Pursuant to paragraph 5.2 of the Directive, one of the circumstances whereby the obligation to periodically disclose an update of the status of the Venture would no longer be applicable is when the operations in relation to all the projects or contracts envisaged to be undertaken pursuant to the Venture have “generated revenue”. When are operations in relation to a project or contract envisaged to have generated revenue?**

Operations of a project or contract would be regarded to have generated revenue when the revenue from the said operations are recognised and reflected in the financial statements of the said listed issuer which have been announced or published.