

Ref: SR/YYT(LRDII)/LD06/04

9 February 2004

**The Company Secretary
(Listed Issuers)**

Dear Sir/Madam

**REQUIREMENTS RELATING TO BONUS ISSUES AND SHARE SCHEMES FOR
EMPLOYEES ("ESOS")**

Pursuant to section 9 of the Securities Industry Act, 1983, amendments have been made to the Listing Requirements of the Malaysia Securities Exchange Bhd ("MSEB") in relation to bonus issues and ESOS ("the Amendments to the LR"). The Amendments to the LR are attached herewith as **Appendix 1**.

The Amendments to the LR were undertaken in consequence of recent amendments to Schedule 1 of the Securities Commission Act ("SCA Amendments") exempting public companies undertaking bonus issues and ESOS from procuring the approval of the Securities Commission. The SCA Amendments took effect from 5 January 2004.

With the Amendments to the LR, public companies seeking a listing on MSEB and public listed companies on the MSEB (collectively referred to as "companies") which undertake to issue and list securities arising from bonus issues and/or ESOS on the MSEB are only required to apply to the MSEB in relation to the listing of securities arising from such bonus issues and/or ESOS. Listing applications in relation to bonus issues and/or ESOS made to the MSEB must comply with the requirements in relation to bonus issues and ESOS as prescribed under the LR.

KEY CHANGES

The key changes effected by the Amendments to the LR are as follows:-

- (1) Prescribing the criteria and procedures involved in relation to an initial listing application involving a bonus issue and/or an ESOS.
- (2) Prescribing the processing fees payable in respect of a listing application in relation to a bonus issue and an ESOS.

REQUIREMENTS RELATING TO BONUS ISSUES AND SHARE SCHEMES FOR EMPLOYEES

Bonus Issue

- (3) Setting out the additional requirements and procedures for issuance and listing of bonus issue shares which are not from retained profits and a bonus issue which is to be implemented on a staggered basis.
- (4) Prescribing the additional requirement to procure confirmation from the Securities Commission that the revaluation of land and buildings complies with the Securities Commission's Guidelines on Asset Valuation where the bonus issue is to be made by way of capitalisation of reserves arising from revaluation of land and buildings and the fee payable in relation thereto.
- (5) Enhancing the minimum contents of disclosure in announcements and circulars relation to a bonus issue.

ESOS

- (6) Prescribing the requirements and/or procedures involved in relation to the establishment, implementation and termination of an ESOS including a requirement that the total number of shares to be issued under an ESOS does not exceed 15% of its issued and paid-up capital at any one time.
- (7) Setting out the requirement in relation to participation of non-executive directors in an ESOS.
- (8) Enhancing the minimum contents of disclosure in announcements and circulars in relation to an ESOS.

Implementation

The Amendments to the LR take effect from **10 February 2004**. Therefore, with effect from 10 February 2004, companies which intend to issue and list securities arising from bonus issues and/or ESOS on MSEB are only required to apply to MSEB in relation to the listing of such securities.

Additional information

A copy of Questions and Answers pertaining to the above is attached as **Appendix 2**, to facilitate compliance by companies. Please take note that the Amendments to the LR and the Questions and Answers are available for reference on the web site of the MSEB at <http://www.klse.com.my>.

For further information or any enquiries on the Amendments, kindly contact:-

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REQUIREMENTS RELATING TO BONUS ISSUES AND SHARE SCHEMES FOR EMPLOYEES

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Thank you.

Yours faithfully



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**AMENDMENTS TO THE LISTING REQUIREMENTS OF MALAYSIA SECURITIES EXCHANGE BERHAD FOR THE MESDAQ MARKET
IN RELATION TO BONUS ISSUES AND SHARE SCHEMES FOR EMPLOYEES**

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
CHAPTER 1 – DEFINITIONS AND INTERPRETATIONS			
1.1	“Share scheme for employees” means a share scheme involving a new issue of shares to employees.	1.1	Nil.
CHAPTER 2 - ADMISSION			
PART VI – OTHER REQUIREMENTS			Nil.
2.26	No change.	2.26	Fees
2.26.1	<p>(a) An Applicant shall pay to the Exchange:-</p> <p style="margin-left: 20px;">(i) a processing fee for the application for listing; (ii) the SC’s Valuation Review Fee where its listing application involves a bonus issue arising from a revaluation of land and buildings; and (iii) an initial listing fee and an annual listing fee where its application for listing has been approved</p> <p style="margin-left: 20px;">of such amount and in such manner as is specified in the Schedule of Fees and sub-Rule (d) below.</p> <p>(b) The Exchange may, in its sole discretion, request an</p>	2.26.1	<p>(a) An Applicant shall, upon submission of its application for listing to the Exchange, pay to the Exchange a processing fee of such amount as is specified in the Schedule of Fees.</p> <p>(b) An Applicant whose application for listing has been approved shall pay to the Exchange an initial listing fee and an annual listing fee of such amount and within such time period as is specified in the Schedule of Fees.</p> <p>(c) The Exchange may, in its sole discretion, request an Applicant</p>

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.	<p>Applicant to pay to the Exchange, in addition to the processing fee, any incidental expenses incurred by the Exchange in relation to any additional work required to be carried out by the Exchange for the purpose of assessing the Applicant's application.</p> <p>(c) No refund of any fees paid will be allowed.</p> <p>(d) All payments must be made by cheques drawn to the order of the Malaysia Securities Exchange Berhad and in the case of the SC's Valuation Review Fee, the SC.</p>	Rule.	<p>to pay to the Exchange, in addition to the processing fee, any incidental expenses incurred by the Exchange in relation to any additional work required to be carried out by the Exchange for the purpose of assessing the Applicant's application.</p> <p>(d) No refund of any fees paid will be allowed.</p> <p>Nil.</p>
2.27	<p>Additional Requirements for Issue of New Securities</p> <p>In addition to complying with the requirements of this Chapter, any part of the application for listing that involves an issue of new securities of the Applicant after listing, including but not limited to bonus issues and share schemes for employees, must comply with the requirements in Chapter 3, where applicable.</p>		Nil.
2.28	<p>Additional Requirements for Share Schemes for Employees</p> <p>Where an Applicant has implemented a share scheme for employees and such scheme has not expired or been terminated prior to listing, the scheme must comply with the requirements in Rule 3.14 of Chapter 3, where applicable.</p>	GN6 MMLR Rule 6.15	As a general policy, unlisted public companies are not encouraged to establish share option schemes for employees if they plan to seek listing and quotation on the Exchange. If an unlisted public company with an employee share option scheme currently in operation submits to the Exchange and the SC an application for flotation, all options under the scheme would have to be exercised or terminated prior to flotation. Companies may, as part of its flotation exercise, establish an employee share option scheme to be approved by the existing shareholders of the company prior to

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
			flotation. Disclosure of the option granted to each participant of the scheme together with a summary of the major terms of the scheme approved by the shareholders including but not limited to the potential diluting effect on the shareholdings upon listing and the impact on the earnings per share arising from the exercise of such outstanding options must be made in the prospectus.
CHAPTER 3 - NEW ISSUES OF SECURITIES			
3.1	Application	3.1	Application
3.1.1	This Chapter sets out the requirements that must be complied with by an Applicant or a Listed Company for any new issue of securities.	3.1.1	This Chapter applies to all new issues of securities by a Listed Company, and governs the nature of the disclosures to be made to shareholders before any issue of new securities may be made by a Listed Company.
3.1.2	For the purposes of Rules 3.12 and 3.14, unless the context otherwise requires, a “Listed Company” shall include an “Applicant”.		
3.3	No change.	3.3	Procedure relating to new issues
3.3.1	No change.	3.3.1	The procedure stated below shall apply to new issues of securities by a Listed Company, with any necessary modifications as may be applicable:-
(c)	The Listed Company must submit two (2) copies each of the application to the Exchange and the SC respectively via an Adviser. Such application shall be accompanied by the following documents:-	(c)	The Listed Company submits two (2) copies each of its application to the Exchange and the SC respectively. Such application shall be accompanied by the following documents:-

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	<p>(i) – (iv) [no change].</p> <p>(v) One copy of the receipt from the Second Opinion Valuer evidencing full payment of the fees owing in relation to the Second Opinion Valuation, where applicable.</p>		<p>(i) – (iv) [no change].</p> <p>Nil.</p> <p>Nil.</p>
3.10	No change.	3.10	Fees
3.10.1	<p>A Listed Company shall pay to the Exchange:-</p> <p>(a) a perusal fee; (b) the SC's Valuation Review Fee where its listing application involves a bonus issue arising from a revaluation of land and buildings; (c) the additional listing fee where its application for listing of a new issue of securities has been approved</p> <p>of such amount and in such manner as is specified in the Schedule of Fees and sub-Rule 2.26.1(d).</p>	3.10.1	A Listed Company shall pay to the Exchange a perusal fee of such amount as may be determined by the Exchange from time to time and within such time period as is specified in the Schedule of Fees.
		3.10.2	A Listed Company whose application for listing of new securities has been approved shall pay to the Exchange a listing fee of such amount and within such time period as is specified in the Schedule of Fees.
3.10.2	The Exchange may, in its sole discretion, request a Listed Company to pay to the Exchange, in addition to the perusal fee and the listing fee, any incidental expenses incurred by the Exchange in relation to any additional work required to be carried out by the Exchange for the purpose of assessing the Listing Company's application.	3.10.3	The Exchange may, in its sole discretion, request a Listed Company to pay to the Exchange, in addition to the perusal fee and the listing fee, any incidental expenses incurred by the Exchange in relation to any additional work required to be carried out by the Exchange for the purpose of assessing the Listing Company's application.

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
3.10.3	No refund of any fees paid will be allowed.	3.10.4	No refund of any fees paid will be allowed.
3.12.2	Bonus issue from reserves		
(a)	Where a Listed Company intends to make a bonus issue of securities which is not from its retained profits, the following requirements must be complied with:-		Nil.
	(i) The Listed Company must have the necessary reserves for capitalisation to be made for the bonus issue;	3.12.2	The reserves to be capitalised for the bonus issue must be identified and certified by the Listed Company's auditors to be sufficient to cover the issue.
	(ii) Where the bonus issue is to be made by way of the capitalisation of reserves arising from revaluation of assets:-		
	(A) only the surplus arising from revaluation of investments in subsidiaries or associated companies or land and buildings may be capitalised for the purpose of the bonus issue; and	3.12.3	Reserves arising from the revaluation of assets may only be capitalised if:-
			(a) Such reserves arose from the revaluation of land and buildings. The Exchange does not allow any surplus arising from the revaluation of other fixed assets such as plant and machinery to be capitalised; and
			(b) The revaluation has been made in accordance with Part II of Chapter 11.
	(B) where the surplus arising from revaluation of land and buildings is to be capitalised for the purpose of the bonus issue, at least 20% of the valuation amount of the revalued land and buildings which complies		Nil.

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	<p>with sub-Rules 3.12.3(a)(i) and (c), where applicable is to be retained in the revaluation reserves after the capitalisation for the bonus issue.</p>		
(b)	<p>The available reserves for capitalisation must be confirmed by the reporting accountants or external auditors of the Listed Company, as the case may be, if the available reserves are not based on the latest audited accounts of the Listed Company.</p>		Nil.
(c)	<p>The Listed Company must ensure the following:-</p> <p>(i) The application for a bonus issue is submitted within two (2) market days from the receipt of the letter from the SC confirming that the revaluation is in compliance with the SC's Guidelines on Asset Valuation, where applicable.</p> <p>(ii) The application for a bonus issue must include the following, where applicable:</p> <p>(A) a confirmation from the Listed Company's Adviser that the Listed Company has complied with all the provisions of sub-Rules (a) and (b) above;</p> <p>(B) a letter from the SC confirming that the revaluation is in compliance with the SC's Guidelines on Asset Valuation; and</p> <p>(C) a confirmation of the available reserves by the reporting accountants or external auditors as stipulated in sub-Rule (b) above.</p>		Nil.

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
(d)	<p>In its circular to shareholders to obtain the approval for the bonus issue, the Listed Company must include the following:-</p> <p>(i) a statement that the available reserves have been confirmed by the external auditors, if applicable;</p> <p>(ii) where the reserves to be capitalised arise from a revaluation of land and buildings, the name of the independent registered valuer, and the date and method of valuation. Incorporate the valuation certificate which shall contain all particulars of and information on the property being valued and regard shall be had to the SC's Guidelines on Asset Valuation as to the contents of the valuation certificate. Make available for inspection the valuation report and valuation certificate; and</p> <p>(iii) where a Second Opinion Valuation has been obtained pursuant to sub-Rule 3.12.3(a), the figures for the original valuation and the Second Opinion Valuation.</p>		Nil.
3.12.3 (a)	<p>Revaluation of land and buildings</p> <p>A Listed Company must ensure that:-</p> <p>(i) The revaluation of land and buildings referred to in Rule 3.12.2 and the valuation report in respect of the revaluation must comply with the SC's Guidelines on Asset Valuation which are in force from time to time; and</p>		Nil.

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	<p>(ii) It complies with all instructions, directives or conditions issued or imposed by the SC in respect of the revaluation including any instruction to obtain a second opinion on the revaluation from a valuer appointed by the SC at the expense of the Listed Company (referred to in this chapter as “Second Opinion Valuation” and “the Second Opinion Valuer” respectively).</p> <p>(b) The Listed Company must submit simultaneously:-</p> <p>(i) two (2) copies each of the valuation report in respect of the revaluation to the SC and the Exchange respectively; and</p> <p>(ii) a cheque drawn to the order of the SC for the SC’s Valuation Review Fee to the Exchange (see the Schedule of Fees for the computation of the amount)</p> <p>via an Adviser except in the case of a Second Opinion Valuation which must be submitted by the Second Opinion Valuer.</p> <p>(c) Where a Second Opinion Valuation is obtained pursuant to sub-Rule (a)(ii), the Listed Company must adopt the lower of the two (2) revaluation figures in complying with the provisions in Rule 3.12.</p> <p>(d) For the purpose of Rule 3.12, revaluation of land and buildings includes revaluation of an investment in a subsidiary or associated company by reason of the revaluation of land</p>		

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	and buildings held by such subsidiary or associated company.		
3.12.4	Staggered implementation of a bonus issue		Nil.
(a)	A Listed Company may implement a bonus issue in stages over a period of time.		
(b)	A Listed Company must ensure that the first announcement on the bonus issue includes amongst others the following information:-		
	(i) The details of the reserves to be capitalised for the bonus issue;		
	(ii) Total size of the bonus issue;		
	(iii) Basis of allotment;		
	(iv) Tentative books closing dates;		
	(v) Effects of the bonus issue on share capital, net tangible assets, reserves, earnings and dividends;		
	(vi) The extended implementation period;		
	(vii) A statement that the Listed Company has adequate reserves to cover the entire bonus issue;		
	(viii) A statement as to the potential price effects of the staggered implementation; and		
	(ix) The rationale/justification for the implementation of the bonus issue on a staggered basis.		
(c)	Subsequent announcements must be made before each books closing date pursuant to sub-Rule 7.14(a) which shall contain a statement that the Listed Company has adequate reserves to implement the bonus issue.		

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
(d)	<p>The Listed Company must include the following information/documents:-</p> <p>(i) In its application for the bonus issue to be made in stages pursuant to sub-Rule 3.3.1(c), amongst others, the information set out in sub-Rule (b) above; and</p> <p>(ii) In its circular to shareholders to obtain approval for the bonus issue to be made in stages, amongst others:</p> <p>(A) the information set out in sub-Rule (b) above; and</p> <p>(B) a statement drawing shareholders' attention to the staggered implementation of the bonus issue.</p>		
3.12.4	<p>Fixing of books closing date for a bonus issue</p> <p>A Listed Company must not fix a books closing date to determine persons entitled to participate in a bonus issue until:-</p> <p>(a) the approval-in-principle of the Exchange for the issuance and listing of the bonus issue has been obtained; and</p> <p>(b) the approval of the shareholders in general meeting in respect of the bonus issue has been obtained.</p>		Nil.
3.14	Schemes for employees	3.14	Schemes of employees
3.14.1	Eligibility and allocation		Nil.

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	No change.	3.14.1	The following Rules apply to new issues of shares or options to employees of a Listed Company and/or its subsidiaries.
(a)	Subject to the provisions set out in sub-Rules (b) and (c) below and Rule 3.14.8, the board of directors of the Listed Company may determine the eligibility and allocation criteria under a share scheme for employees.	GN6 MMLR Rule 6.9	The company's Board of Directors is given the discretion (albeit not absolute) to determine the share-allocation criteria. A set of criteria on staff eligibility and allocation should be clearly specified and all employees made aware of it through, for example, posting on a notice board or notification in writing to the employees. Verification of allocation is required to be carried out by a firm of public accountants as part of its annual audit exercise and this should be disclosed in the annual report.
(b)	The Listed Company must ensure that participation in the scheme is restricted to directors and employees of the Listed Company's group.	GN6 MMLR Rule 6.8	Only staff and executive directors of the group are eligible to participate in the scheme, the group being the company and its subsidiary/subsidiaries as defined under the Companies Act (provided they are not dormant). In this connection, executive directors are those involved in the day to day management and on the payroll of the company.
(c)	The Listed Company must also ensure that: (i) the aggregate allocation to directors and senior management must not exceed 50% of the total number of shares to be issued under the scheme; and (ii) the allocation to a director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more of the issued and paid-up capital of the Listed Company, must not exceed 10% of the	GN6 MMLR Rule 6.5	There should be equitable allocation to the various grades of eligible employees, such that not more than 50% of the shares available under the scheme should be allocated, in aggregate, to directors and senior management. In addition, not more than 25% of the shares available under the scheme shall be allocated to any individual person.

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
(d)	<p>total number of shares to be issued under the scheme.</p> <p>For the purpose of sub-Rules (b) and (c) above, unless the context otherwise requires:-</p> <p>(i) “group” means the Listed Company and its subsidiaries which are not dormant; and</p> <p>(ii) “persons connected with an employee” shall have the meaning given in relation to persons connected with a director or major shareholder as defined in Rule 1.1.</p>		Nil.
3.14.2	<p>Number of shares</p> <p>(a) The Listed Company must ensure that the total number of shares to be issued under a share scheme for employees does not exceed 30% of its issued and paid-up capital at any one time.</p> <p>(b) For the purpose of sub-Rule (a) above, where a Listed Company purchases its own shares or undertakes any other corporate proposal resulting in the total number of shares to be issued under the scheme exceeding 30% of its issued and paid-up capital, no further options shall be offered until the total number of shares to be issued under the scheme falls below 30% of its issued and paid-up capital.</p>	GN6 MMLR Rule 6.4	<p>The number of options offered under the scheme shall not exceed 30% of the issued capital of the company at any one time.</p> <p>Nil.</p>
3.14.3	Pricing	GN6 MMLR	The price payable for the shares under the scheme shall be:-

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	<p>The price payable for the shares under a shares scheme for employees shall be:-</p> <p>(a) for an Applicant implementing the scheme as part of its listing proposal, not less than the initial public offer price; or</p> <p>(b) for a Listed Company, based on the 5-day weighted average market price of the underlying shares at the time the option is offered, with a discount that does not exceed 10%.</p>	<p>Rule 6.6</p> <p>(a) For a listed company, based on the 5-day weighted average market price of the underlying shares at the time the option is granted, with a discount of not more than 10% if deemed appropriate; and</p> <p>(b) For companies offering employee share options as part of its listing proposal, not less than the initial public offer price.</p>	
3.14.4	<p>Duration</p> <p>A Listed Company must ensure that a share scheme for employees shall be for a duration of not more than ten (10) years.</p>	<p>GN6 MMLR Rule 6.10</p>	<p>An employee share option scheme shall be for a duration of not more than ten (10) years.</p>
3.14.5	<p>Adjustments</p> <p>A Listed Company must comply with the following as regards adjustments of price or number of shares to be issued under a share scheme for employees:-</p> <p>(a) A scheme may provide for adjustment of the subscription or option price or the number of shares (excluding options already exercised) under the scheme, in the event of a rights issue, bonus issue, consolidation or subdivision of shares or capital reduction;</p> <p>(b) Such adjustments should ensure that the capital outlay to be incurred by a participant in exercising his options</p>	<p>3.14.3</p> <p>GN6 MMLR Rule 6.7</p>	<p>An option scheme may provide for adjustments of the subscription or option price or the number of shares under the scheme, in the event of a rights issue, bonus issue or other capitalisation exercise, consolidation of shares or capital reduction, for the purpose of giving a participant the same proportion of the capital as that to which he was previously entitled.</p> <p>A scheme may provide for adjustments of the subscription or option price or the number of shares (excluding options already granted) under the scheme, in the event of a rights issue, bonus issue or other capitalisation issue, consolidation of shares or capital reduction. Such adjustments should give a participant the same proportion of the capital as that to which he/she was previously entitled. The issue of securities as consideration for an acquisition, for example, will not be regarded as a circumstance requiring such</p>

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	<p>remains unaffected;</p> <p>(c) The issue of securities as consideration for an acquisition, pursuant to a special issue or private placement shall not be regarded as a circumstance requiring such adjustments; and</p> <p>(d) Adjustments other than on a bonus issue must be confirmed in writing by the external auditors of the Listed Company.</p>		<p>adjustments.</p> <p>Nil.</p>
3.14.6	Bylaws	3.14.4	The scheme must contain the following provisions:-
(a)	A Listed Company must ensure that the bylaws of a share scheme for employees includes the provisions set out in Appendix 3D.	(i)	The persons to whom the shares or options may be issued;
(b)	The Listed Company must submit the final copy of the bylaws of the share scheme to the Exchange together with a letter of compliance written by a person with legal qualifications or the Adviser confirming that the provisions of the bylaws comply with these Requirements and the Rules of the Central Depository and a checklist showing compliance with Appendix 3D no later than five (5) market days after the effective date of the bylaws.	(ii)	The total number of shares or options to be issued;
(c)	Any amendments to the bylaws must also be submitted to the Exchange no later than five (5) market days after the effective date of the said amendments together with a letter of compliance as prescribed in sub-Rule (b) above.	(iii)	A fixed maximum entitlement for any one participant;
		(iv)	The subscription price of the shares or the exercise price of the options, the basis for determining the same, the amount payable on application or acceptance, and the period in or after which payments or calls are to be made;
		(v)	The duration of the scheme;
		(vi)	The terms of the scheme, including the number of options that a participant would be allowed to exercise annually, the rights of the option holders in the event of a take-over, and the voting, dividend and other rights, including those arising

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
			<p>on a liquidation of the Listed Company, attaching to the shares;</p> <p>(vii) The interests of directors of the Listed Company if they are trustees of the scheme or have an interest, whether directly or indirectly, in the scheme; and</p> <p>(viii) Any provisions for adjustment as described in Rule 3.14.3.</p>
3.14.7	Implementation		
(a)	<p>The effective date for the implementation of the scheme shall be the date of full compliance with all relevant requirements in this Chapter including the following:-</p> <p>(i) submission of the final copy of the bylaws of the scheme to the Exchange pursuant to Rule 3.14.6;</p> <p>(ii) receipt of approval-in-principle for the issuance and listing of the shares to be issued under the scheme from the Exchange;</p> <p>(iii) procurement of shareholders' approval for the scheme;</p> <p>(iv) receipt of approval of any other relevant authorities, where applicable ; and</p> <p>(v) fulfilment of all conditions attached to the above approvals, if any.</p>	<p>GN6 MMLR Rule 6.12</p> <p>An employee share option scheme can be launched or implemented by a company upon receipt of relevant approvals from the SC, the Exchange and shareholders, the fulfilment of any conditions attached thereto and upon the Adviser for the scheme submitting to the SC and the Exchange the following:-</p> <p>(a) Final copy of the By-laws of the scheme; and</p> <p>(b) Confirmation letter from the Adviser that the company:-</p> <p>(i) Has fulfilled the SC's and the Exchange's conditions of approval for the scheme and that the By-laws do not contravene any of the provision of these guidelines; and</p> <p>(ii) Has obtained other relevant approvals for the scheme and has fulfilled any conditions imposed therein.</p>	
(b)	<p>The Listed Company's Adviser must submit a confirmation to the Exchange of full compliance pursuant to sub-Rule (a) above stating the effective date of implementation together with a certified true copy of the relevant resolution passed by</p>	<p>GN6 MMLR Rule 6.13</p> <p>The date of the confirmation letter submitted by the Adviser would signify the effective date for the launch or implementation of the scheme.</p>	

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
(c)	<p>shareholders in the general meeting.</p> <p>The submission of the confirmation must be made no later than five (5) market days after the effective date of implementation of the bylaws.</p>		
3.14.8	<p>Share scheme for employees after listing</p> <p>(a) A Listed Company must ensure that all schemes, whether implemented by the Listed Company or its subsidiary, involving the issue of shares to employees comply with the following provisions:-</p> <p>(i) the scheme must be approved by the shareholders of the Listed Company in general meeting.;</p> <p>(ii) the resolution must approve a specific scheme and refer either to the scheme itself or to a summary of its principal terms included in the circular;</p> <p>(iii) unless the shares subject to the scheme are identical with other listed shares they must be separately designated;</p> <p>(iv) where directors of the Listed Company are trustees of the scheme or have an interest, direct or indirect, in the scheme, the circular must disclose that interest;</p> <p>(v) where the scheme is implemented by a subsidiary, the bylaws of such scheme must include the provisions set out in Appendix 3D.</p>	<p>3.14</p> <p>3.14.1</p> <p>3.14.2</p> <p>GN6 MMLR Rule 6.3</p> <p>3.14.4</p>	<p>Schemes of employees</p> <p>The following Rules apply to new issues of shares or options to employees of a Listed Company and/or its subsidiaries.</p> <p>The scheme must be approved by the shareholders of the Listed Company in general meeting. The resolution must approve a specific scheme and refer either to the scheme itself or to a summary of its principal terms.</p> <p>An employee share option scheme, a summary of which must be circulated to the shareholders, must be approved by the shareholders in a general meeting.</p> <p>The scheme must contain the following provisions:-</p> <p>(i) The persons to whom the shares or options may be issued;</p> <p>(ii) The total number of shares or options to be issued;</p>

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
(b)	<p>A Listed Company must ensure that the circular to shareholders in relation to a share scheme for employees pursuant to sub-Rule (a) above contains, amongst others, the following information:-</p> <p>(i) the information set out in Appendix 3D; and</p>	3.14.5	<p>(iii) A fixed maximum entitlement for any one participant;</p> <p>(iv) The subscription price of the shares or the exercise price of the options, the basis for determining the same, the amount payable on application or acceptance, and the period in or after which payments or calls are to be made;</p> <p>(v) The duration of the scheme;</p> <p>(vi) The terms of the scheme, including the number of options that a participant would be allowed to exercise annually, the rights of the option holders in the event of a take-over, and the voting, dividend and other rights, including those arising on a liquidation of the Listed Company, attaching to the shares;</p> <p>(vii) The interests of directors of the Listed Company if they are trustees of the scheme or have an interest, whether directly or indirectly, in the scheme; and</p> <p>(viii) Any provisions for adjustment as described in Rule 3.14.3.</p> <p>The precise terms of the scheme, if not circulated to the shareholders, must be made available for inspection at the registered office of the Listed Company for at least fourteen (14) days prior to the general meeting at which it is to be considered</p>

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
(c)	<p>(ii) where applicable, the rationale for extending participation in the share scheme to non-executive directors.</p> <p>Sub-Rules (a) and (b) do not apply to:-</p> <p>(i) an Applicant that is implementing a share scheme for employees as part of its listing proposal; or</p> <p>(ii) share schemes for employees implemented by subsidiaries of the Listed Company which are listed on the Main Board or Second Board of the Exchange or a stock exchange deemed comparable by the Exchange.</p>		Nil.
	Deleted.	GN6 MMLR Rule 6.14	Blanket approval may be granted for the listing of and quotation for the additional shares arising from the scheme.
	Deleted.	GN6 MMLR Rule 6.19	In relation to each scheme, the company must inform the Exchange of the grant on any option, the exercise of any option and the allotment and issue of shares pursuant to the exercise of the option.
	Deleted.	GN6 MMLR Rule 6.20	Companies to disclose in the annual report in respect of each of its directors and other participants in aggregate, the particulars of outstanding options, date of grant, exercise period, price and the number of options exercised and/or lapsed.
	Appendix 3D		Nil.

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	<p>Contents of bylaws of a share scheme for employees</p> <p>(1) The persons to whom shares may be issued under the scheme ("participants") and the basis of determining the eligibility of participants.</p> <p>(2) The maximum number of options to be offered under the scheme.</p> <p>(3) The maximum entitlement for each class or category of participant (where applicable) and the maximum entitlement for any one participant (where applicable).</p> <p>(4) The amount payable on application or acceptance and the basis for determining the subscription or sale, or option price, the period in or after which payments or calls, or loans to provide the same, may be paid or called upon.</p> <p>(5) The time limit for the scheme.</p> <p>(5) The period during which the participants are debarred from disposing the shares so allotted, if applicable.</p> <p>(7) The voting, dividend, transfer and other rights, including those arising on a liquidation of the Listed Company or the subsidiary, as the case may be, attaching to the shares.</p> <p>(8) A provision that the matters relating to items (1) - (7)</p>		

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	above cannot be altered to the advantage of participants without shareholders' prior approval.		
CHAPTER 7 – CONTINUING LISTING OBLIGATIONS			
	PART IX – CONTINUING OBLIGATIONS IN RELATION TO A SHARE SCHEME FOR EMPLOYEES		
7.35	Allocation under a share scheme for employees		Nil.
7.35.1	A Listed Company must disclose to employees the criteria for allocation of options pursuant to a share scheme for employees.		
7.35.2	A Listed Company must ensure that allocation of options pursuant to a scheme is verified by the audit committee, as being in compliance with the criteria referred to in Rule 7.35.1 above, at the end of each financial year.		
7.35.3	A Listed Company must also ensure that a statement by the audit committee verifying such allocation is included in the annual report.		
7.36	Termination of a share scheme for employees	GN6 MMLR Rule 6.16	A company is allowed to terminate an employee share option scheme in midstream if the By-laws of the scheme contain a provision that empowers the company to terminate the scheme.
7.36.1	A Listed Company may not terminate a share scheme for employees prior to expiry unless:- (a) The bylaws of the scheme contain a provision empowering the Listed Company to do so; (b) The Listed Company obtains the prior approval of its	GN6 MMLR Rule	Prior to the termination of a scheme, the company must satisfy all the following conditions:-

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
7.36.2	<p>shareholders; and</p> <p>(c) The Listed Company obtains written consent of all optionholders who have yet to exercise their options, whether partly or wholly.</p> <p>A Listed Company must ensure that the circular sent to shareholders to obtain the approval of the shareholders in respect of the termination of a share scheme for employees includes the information set out in Appendix 7D.</p>	6.17	<p>(a) To obtain approval of the SC and the Exchange for the termination of the existing scheme;</p> <p>(b) To obtain the consent of its shareholders at a general meeting, wherein at least a majority of the shareholders present should vote in favour of the termination; and</p> <p>(c) To obtain the written consent of all option-holders who have yet to exercise their options, either in part or in whole.</p>
7.36.3	The draft circular must be submitted to the Exchange together with a checklist showing compliance with Appendix 7D.	GN6 MMLR Rule	In seeking to obtain the approval of the SC and the Exchange and the consent of shareholders and option-holders for the termination of the scheme, the company must provide sufficient information on the following matters:-
7.36.4	In seeking the consent of the optionholders, the Listed Company must provide them with the information set out in Appendix 7D.	6.18	<p>(a) Reasons for termination (whether or not the reasons are specified in the termination clause of the By-laws):-</p> <p>(b) Whether or not the termination of the scheme would be in the best interest of the company; and</p> <p>(c) Any other information that would justify termination of the scheme.</p>
7.37	Implementation of a new share scheme for employees	GN6 MMLR Rule	A company may establish a new employee share option scheme after the expiry date of the current scheme or upon termination of the current scheme. However, the new scheme shall be subject to the approval of the SC and the Exchange.
7.37.1	A Listed Company that has implemented a share scheme for employees must not implement a new scheme unless the existing scheme has expired or been terminated in accordance with Rule 7.36.	6.11	

AMENDED PROVISIONS		EXISTING PROVISIONS						
Rule.		Rule.						
7.38	Restriction on dealings		Nil.					
7.38.1	A non-executive director must not sell, transfer or assign shares obtained through the exercise of options offered to him pursuant to a share scheme for employees within one (1) year from the date of offer of such options.							
	<p>No change.</p> <p>No change.</p> <p>No change.</p> <p>(13) A statement by the audit committee in relation to the allocation of options pursuant to a share scheme for employees as required under Rule 7.35.</p> <p>(14) A breakdown of the options offered to and exercised (if any) by non-executive directors pursuant to a share scheme for employees in respect of the financial year in tabular form as follows:-</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Name of director</th> <th style="text-align: left;">Amount of options offered</th> <th style="text-align: left;">Amount of options exercised</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td></td> <td></td> </tr> </tbody> </table>	Name of director	Amount of options offered	Amount of options exercised	1.			<p>Appendix 7B</p> <p>Annual report.</p> <p>(1) – (12) [no change]</p> <p>Nil.</p> <p>Nil.</p>
Name of director	Amount of options offered	Amount of options exercised						
1.								

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	<p>2.</p> <p>3.</p> <p>Total</p>		
(1)	<p>Appendix 7D</p> <p>Contents of circular to shareholders for approval</p> <p>The rationale for termination of the scheme;</p>		Nil.
(2)	<p>A statement by the board of directors stating whether the termination is in the best interests of the Listed Company, and where a director disagrees with such statement, a statement by such director setting out the reasons and factors taken into consideration in forming that opinion; and</p>		
(3)	<p>Any other information that would justify the termination of the scheme.</p>		
4.	<p>No change.</p> <p>No refund of any fees paid will be allowed except in relation to the SC's Valuation Review Fee as may be determined by the SC.</p> <p>No change.</p> <p>SC's Valuation Payable upon</p>	4.	<p>SCHEDULE OF FEES</p> <p>No refund of any fees paid will be allowed.</p> <p>A. Applicant and Listed Company</p> <p>Nil.</p>

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	<p>Review Fee*</p> <p>Where total market value of land and buildings is less than RM1million RM3,000</p> <p>Where total market value of land and buildings is RM1 million and more RM3,000 + 0.01% of the total market value of the land and buildings subject to a maximum amount of RM100,000</p> <p>No change.</p> <p>* The fees as determined by the SC for the SC's review of the valuation reports pursuant to Rule 3.12.3.</p> <p>Where the valuation report forms part of a submission to the SC pursuant to section 32 of the Securities Commission Act, 1993 and is being or has been reviewed by the SC in connection thereto, the SC's Valuation Review Fee is not applicable.</p> <p>Where a Second Opinion Valuation is obtained, the SC's</p>		<p>submission of the valuation report in accordance with the provisions of sub-Rule 3.12.3(b).</p> <p>Note: For perusal of documents, the Exchange will charge a fee as determined from time to time.</p> <p>Nil.</p> <p>Nil.</p> <p>Nil.</p>

AMENDED PROVISIONS		EXISTING PROVISIONS	
Rule.		Rule.	
	Valuation Review Fee will be based on the lower of the two (2) revaluation figures.		