

Our Ref: SR/TAC/ro/LD07/10

19 February 2010

The Company Secretary
(Listed Issuers / Companies)

Via email

Dear Sir/Madam,

IMPLEMENTATION OF ELECTRONIC DIVIDEND PAYMENT (“eDividend”)

Background

1. Electronic Dividend Payment or eDividend refers to the payment of cash dividends by a listed issuer to its shareholders by directly crediting the shareholders' cash dividend entitlements into their respective bank accounts.
2. In tabling the Federal Budget 2010, the Prime Minister announced that all listed issuers are required to offer eDividend services to their shareholders. The Securities Commission's (“SC”) subsequent press release stated that shareholders are given a one-year grace period to provide their bank account information to Bursa Malaysia Depository Sdn Bhd (“**Bursa Depository**”) (as the repository of such information) and that eDividend will be implemented in the third quarter of 2010.
3. The main objectives of implementing eDividend are, amongst others, to promote greater efficiency of the dividend payment system and to put the Malaysian market on par with practices in other regional markets in relation to receipt of dividend proceeds by shareholders.
4. At the same time, the move towards eDividend is a further step towards the national agenda of migrating to electronic payments as well as adherence to G-30's recommendation on best practices of a paperless environment and zero-intervention process.

Implementation of eDividend

5. The eDividend framework will be implemented in two phases as described below:

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First phase

- (a) The first phase involves the collation of bank account information from shareholders where shareholders will be able to start providing their bank account information to Bursa Depository (through their authorised depository agents/brokers) from 19 April 2010.

Second phase

- (b) In the second phase, Bursa Depository will be able to provide bank account information together with the Record of Depositors to those listed issuers who need the bank account information for eDividend. As such, by 1 September 2010, listed issuers may request for the bank account information together with the Record of Depositors from Bursa Depository.

Listed Issuers’ Obligations

6. In line with the announcement and press release, and pursuant to paragraph 2.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“**Main LR**”), all listed issuers who announce a books closing date for cash dividend entitlements **on or after 1 September 2010** are directed to pay the cash dividends via eDividend to shareholders who have provided their bank account information to Bursa Depository. For the avoidance of doubt, this directive does not apply to dividends in specie declared by a listed issuer.
7. In this regard, listed issuers are advised to take all reasonable and appropriate steps to ensure that they comply with this directive. Listed issuers may appoint a service provider to provide the eDividend services but they remain responsible for the acts or omissions of the service provider in relation to the eDividend and vis-à-vis their shareholders.
8. In addition, to ensure the successful implementation of the eDividend initiative for the listed issuer community, we would like to seek all listed issuers’ support on creating greater awareness of the benefits of eDividend and participation in shareholder education relating to eDividend. In this connection, all listed issuers are required to communicate to their shareholders on the availability of eDividend and its benefits at the earliest opportunity. This may be done through various channels and means such as:
- (a) Issuing a separate notice to shareholders on eDividend and its benefits;
- (b) Including information on eDividend and its benefits in annual reports or other printed materials (for example, circular and notices of meeting to shareholders);

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- (c) Briefing the shareholders on eDividend and its benefits during Annual General Meetings or Extraordinary General Meetings;
 - (d) Promoting eDividend and its benefits through investor relation activities; or
 - (e) Setting out relevant information on eDividend including its benefits through listed issuers' websites.
9. The Exchange and Bursa Depository will also be embarking on various communications initiatives to increase shareholder awareness on eDividend. This will be done through, amongst others, press releases and advertisements in local media, flyers, the Exchange's website, messaging to CDS account holders and joint road-shows with brokers.

Rule Changes and Others

10. The Exchange and Bursa Depository will be issuing the relevant changes to the rules and procedures to reflect the eDividend framework as stated in paragraphs 5 to 6 above in due course.
11. In this regard, the Exchange and Bursa Depository have, on 19 February 2010, issued Consultation Paper No. 1/2010 to seek your feedback on our proposed rule changes and issues relating to eDividend. All listed issuers may refer to the Consultation Paper No. 1/2010 which is posted on our website, for further details. All listed issuers are also encouraged to participate in this public consultation.

Questions and Answers

12. Further to the above, we are pleased to enclose the following for your reference:
- (a) Questions and Answers in relation to implementation of eDividend pursuant to this directive to facilitate and aid listed issuers' understanding of eDividend and compliance with this directive; and
 - (b) Frequently Asked Questions on eDividend for depositors/shareholders to facilitate and aid listed issuers in communicating with their shareholders on the availability and benefits of eDividend.

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13. If you have any query on the above, please do not hesitate to liaise with the contact persons from our Listing Division who have been assigned to you as informed via our letter dated 20 June 2008 (Our Ref: IS/LD09/08), the details of which can also be found at http://www.bursamalaysia.com/website/bm/contact_us.html.

Thank you.

Yours faithfully,



SELVARANY RASIAH
Chief Regulatory Officer

TAC/ro

Frequently Asked Questions (FAQ) on eDividend (Payment of Electronic *Cash Dividend*)

What?

1. What is eDividend?

- A. eDividend is a service which allows an issuer to electronically pay your cash dividend entitlements directly into your bank account instead of making payment via bank cheques.

2. What do I have to do?

- A. As a depositor, you have to provide your bank account information to Bursa Depository.

Why?

3. Why eDividend?

- Faster access to dividends which is credited directly into your bank account
- Convenience – eliminates the need to go to a bank
- One-off provision of bank account details for all the companies you invest in at Bursa Malaysia
- Better account management with the option to consolidate the dividends from all your CDS accounts into one bank account
- Misplaced, lost or expired cheques will no longer be an issue

When?

4. When can I start providing my bank account information for eDividend?

You can start providing your bank account information to your Authorised Depository Agent (ADA) (referred to in this FAQ as your “stock broker”) from 19 April 2010 and you have a grace period of one year, until 18 April 2011 to provide such information. The sooner you provide your bank account information, the sooner you will be able to benefit from the advantages of eDividend.

5. Will I incur any additional costs for receiving eDividend or in providing my bank account information for the purposes of eDividend?

- A. No. You can benefit from eDividend without any charges, if your bank account information is provided to your stock broker within the one year grace period.

6. What happens after that one year grace period?

- A. After that one year grace period, depositors who have not provided their bank account information will not be able to benefit from receiving their dividends in a timely, effective and efficient manner. Moreover, depositors will have to bear an administrative fee when they provide their bank account information to their stock brokers after the one year grace period.

How?

7. How do I provide my bank account information for eDividend?

- A. You must complete the relevant prescribed form and submit it together with the required supporting documents at your stock broker's office where your CDS account is maintained.

Note: If you are unable to be present at the stock broker's office, the signing of the relevant prescribed form and the supporting documents must be witnessed by an acceptable witness specified by Bursa Depository. An acceptable witness includes an Authorised Officer of your stock broker, a Dealer's representative, a notary public, or an authorised officer of Malaysian Embassy/High Commission. Once signed accordingly, the document should be submitted to your stock broker.

8. What supporting documents are required?

- A. If you are an individual depositor, when providing your bank account information for eDividend, bring along:-
- (i) Original documents for verification.
 - (ii) Copy of Identification documents i.e. NRIC, Passport, Authority Card or other acceptable identification documents.
 - (iii) Copy of your bank statement/ bank saving book/ details of your bank account obtained from your bank's website that has been certified by your bank/ copy of the letter from your bank confirming your bank account details.

If you are a corporate depositor, you are required to submit the following documents when providing your bank account details:-

- (i) Certified true copy of Certificate of Incorporation/ Certificate of Registration.

- (ii) Certified true copy of your bank statement/ bank savings book/ details of your bank account obtained from your bank's website/ any letter from bank confirming your bank account details.

In the case of a bank savings book or bank statement, for the purpose of confidentiality, you are advised to show to your stock broker only the part containing your bank account particulars when providing your bank account information for eDividend.

9. Is there any restriction on the type of bank account that can be assigned for the purposes of eDividend?

- A. You are allowed to provide the details of existing active savings or current accounts maintained with a local bank that is under your name or in the case of a joint account, has your name as one of the accountholders.

10. Can I provide bank account information of a bank that is located overseas?

- A. No, you must provide details of a bank account maintained with a financial institution that are offering MEPS Inter-Bank GIRO (IBG) service. A current list of IBG members can be located via the following website http://www.meps.com.my/faq/interbank_giro.asp?id=2#answer

11. Can I change my bank account information provided for eDividend?

- A. Yes, you are allowed to change your bank account details by submitting the relevant prescribed form together with the relevant supporting documents substantiating your request to your stock broker. There will be no cost charged to you for changing or updating your bank account details.

12. How will I receive my dividends for those shares held in my CDS accounts if I have not provided my bank account information?

- A. If you have not provided your bank account information, you will not be able to benefit from receiving your dividends in a timely, effective and efficient manner. You will then be paid your cash dividend entitlements through an existing manner as authorised under the issuer's Articles of Association.

Other questions

13. When will listed issuers be required to pay dividends via eDividend to their shareholders?

- A. All listed issuers who announce a books closing date for dividend entitlements on or after 1 September 2010 are required to pay

dividends via eDividend to their shareholders who have provided their bank account information to Bursa Depository.

14. When will my bank account be credited with my dividend entitlement?

Dividends will be paid by the issuer on the payment date. Generally, your dividend will be credited into your bank account within the same day of payment depending on your bank's processes.

15. How will my bank account information be used and will it remain confidential?

A. Your bank account details and other related information:

- (i) will be used solely for the purpose of enabling dividend payments to be credited directly into your bank account and for other purposes relevant for eDividend e.g. using your email address to send notifications to you;
- (ii) will only be provided to those persons necessary to facilitate the payment of your dividends via eDividend e.g. the issuers, share registrars and the appointed paying banks; and
- (iii) is protected under the Securities Industry (Central Depositories) Act 1991 that strictly prohibits the disclosure of such information to any person unless you expressly authorise the disclosure in writing. All the parties, including those parties referred to in item (ii) above, are compelled to strictly adhere to these provisions. It should be noted that by signing the relevant form to provide your bank account information, you will be authorising the disclosure of your bank account information to these parties.

16. What will happen to my dividend if the payment cannot be credited into my bank account?

A. If the dividend cannot be credited into your bank account due to any reason whatsoever (for example due to an incorrect bank account number, a closed bank account or an inactive bank account), you will be contacted by Bursa Depository to validate your bank account details with your stock brokers. Arrangements will be made by the issuer to pay dividends using an existing manner as authorised under the listed issuer's Articles of Association.

17. Will I be notified that my application for eDividend has been successful?

- A. Bursa Depository will send a confirmation by posting a computer generated notice to your correspondence address as specified in your CDS account details. The confirmation will also include your bank account information which you have provided in the relevant prescribed form for providing your bank account information, for verification.

18. Will I still receive my dividend tax voucher?

- A. Yes, you will continue to receive your tax voucher so long as it is required under the law.

19. Will I be notified once the listed issuer has paid the dividend?

Yes, you will be notified electronically once the listed issuer has paid the dividend out of its account, if you have provided both your mobile phone number and your email address to Bursa Depository. Such electronic notification may be via mobile phone or email, at the listed issuer's discretion.

Email is currently the main method of electronic notification and if you only provide your mobile phone number, you may only be notified of the dividend payment when you receive your tax vouchers.

20. Can I choose to discontinue receiving dividends via eDividend?

- A. No, you are not allowed to discontinue receiving dividends via eDividend once you have provided your bank account information for the purposes of eDividend.

21. What if my CDS account is held in the name of a nominee?

- A. If your CDS account is held in the name of a nominee, the depositor entitled to provide the bank account information for eDividend will be the nominee.

22. Do I need to provide bank account information separately for eDividend for each of my CDS accounts if I have more than one CDS account?

- A. If you want all dividend payments arising from shares held in your CDS accounts to be credited into the same bank account, you can request for consolidation of all of your CDS accounts for dividend payment at the point of providing your bank account information for eDividend.

You can also opt to assign different bank accounts for each of your CDS accounts. In this case, you will need to provide your bank account

information separately for each of the CDS accounts at the respective stock brokers where your CDS accounts are maintained.

23. Do I need to provide my bank account information again when opening a new CDS account after having provided my bank account information earlier and consolidating my CDS accounts?

- A. No, once you have provided your bank account information for eDividend and opted for consolidation, your bank account details under your existing CDS accounts will be automatically assigned to your new CDS account.

However, if you had provided your bank account information for eDividend and had not opted for the consolidation feature, you will need to provide your bank account information every time you open a new CDS account.

24. Can I opt to consolidate all my CDS accounts for the purpose of eDividend after initially opting to have different bank accounts assigned to my various CDS accounts?

- A. Yes, however you will need to decide and assign only one bank account to receive all the dividend payment arising from shares held in all your various CDS accounts. You will be able to perform the consolidation at the stock broker's office where you maintain a CDS account that your bank account has been assigned for the purpose of e-Dividend.

25. Do I need to provide my bank account information for eDividend to Bursa Depository if I have already been receiving my dividends from listed issuers who are currently providing payment of dividends via electronic means?

- A. Yes, you will still be required to provide your bank account information to your stock broker.