

ANNEXURE B

PROPOSED AMENDMENTS RELATING TO THE CONTINUING DISCLOSURE OBLIGATIONS
AND OTHER AMENDMENTSACE Market Listing Requirements

CHAPTER 6 NEW ISSUES OF SECURITIES

PART I – ADDITIONAL REQUIREMENTS RELATING TO AN ISSUE OF CONVERTIBLE
SECURITIES

6.55 Deed poll and trust deed to comply with Requirements

- (1) – (2) [No change].
- (3) A deed poll or trust deed must not include any provision for –
- (a) the extension or shortening of tenure of the convertible securities; or
 - (b) changes to the number of shares received for the exercise or conversion of each convertible security or changes to the pricing mechanism for the exercise or conversion price of the convertible security, except where these changes are adjustments following capitalisation issues, rights issue, bonus issue, consolidation or subdivision of shares or capital reduction exercises.

(4) Sub-Rule (3) above does not apply to debt securities.

[End of Proposed Amendments to Chapter 6]

CHAPTER 8 CONTINUING LISTING OBLIGATIONS**PART H – OTHERS****8.24 Material variations**

- (1) ~~Where a proposal has been approved by shareholders in general meeting and a listed corporation proposes to make a material amendment, modification or variation to such proposal, the A~~ listed corporation must issue a circular to its shareholders and seek its shareholder approval of such material amendment, modification or variation if it proposes to make:-
- (a) a material change to the utilisation of proceeds raised by the listed corporation from its initial public offering or new issue of securities which has been approved by way of specific shareholder approval; or
 - (b) a material amendment, modification or variation to a proposal which has been approved by shareholders in general meeting.
- (2) For the purpose of sub-Rule (1) above ~~:-~~
- (a) a change to the utilisation of proceeds is considered material if such change is 25% or more of the total proceeds raised; or
 - (b) an amendment, modification or variation is considered material if it can be reasonably expected to have a material effect on the decision of a holder of securities of the listed corporation in relation to such proposal.
- (3) Sub-Rule (1)~~(b)~~ above does not apply to any amendment, modification or variation resulting from such direction or condition as may be imposed by the relevant authorities.

[End of Proposed Amendments to Chapter 8]

CHAPTER 9 CONTINUING DISCLOSURE**PART A – GENERAL****9.01 Introduction**

- (1) [No change].
- (2) The disclosure requirements set out in this Chapter consist of the following:
- (a) corporate disclosure policy of the Exchange (Parts B to H);
 - (b) preparation of announcements (Parts I and L(A));
 - (c) immediate disclosure requirements (Part J);
 - (d) periodic disclosure requirements (Part K); and
 - (e) circulars and other requirements (Parts L and L(A)).
- (3) – (4) [No change].

PART B – CORPORATE DISCLOSURE POLICY**9.02 Corporate disclosure policy**

- (1) [No change].
- (2) A listed corporation must adhere to the following 6 specific corporate disclosure policies ~~concerning disclosure, which are as follows:~~
- (a) immediate disclosure of material information (Part C);
 - (b) thorough public dissemination (Part D);
 - (c) clarification, confirmation or denial of rumours or reports (Part E);
 - (d) response to unusual market activity (Part F);
 - (e) unwarranted promotional disclosure activity (Part G); and
 - (f) insider trading (Part H).

PART C – IMMEDIATE DISCLOSURE OF MATERIAL INFORMATION**9.05 Withholding of material information**

- (1) – (2) [No change].

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- (3) The following are ~~some~~the exceptional circumstances where disclosure may be temporarily withheld:
- (a) when immediate disclosure would prejudice the ability of the listed corporation to pursue its corporate objectives. ~~Public disclosure of a plan to acquire certain real estate for example, could result in an increase in the listed corporation's cost of the desired acquisition or could prevent the listed corporation from carrying out the plan at all. In such circumstances, if the unfavourable result to the listed corporation outweighs the undesirable consequences of non-disclosure, disclosure may properly be deferred to a more appropriate time;~~
- (b) when the facts are in a state of flux and a more appropriate moment for disclosure is imminent; or
- ~~Occasionally, corporate developments give rise to information which, although material, is subject to rapid change. If the situation is about to stabilise or resolve itself in the near future, it may be proper to withhold public announcement until a firm announcement may be made, since successive public announcements concerning the same subject but based on changing facts may confuse or mislead the public rather than enlighten it. In the course of a successful negotiation for the acquisition of another corporation, for example, the only information known to each party at the outset may be the willingness of the other to hold discussions. Shortly after that, it may become apparent to the parties that it is likely an agreement can be reached. Finally, an agreement in principle may be reached on specific terms. In such circumstances a listed corporation need not issue a public announcement at each stage of the negotiations, describing the current state of constantly changing facts but may await agreement in principle on specific terms. If, on the other hand, progress in the negotiations should stabilise at some other point, disclosure should then be made if the information is material; or~~
- (c) where ~~company or securities~~the laws may restrict the extent of permissible disclosure before or during a public offering of securities or a solicitation of proxies prohibit the disclosure of such information.

9.06 Maintaining confidentiality

- (1) Whenever material information is being temporarily withheld, a listed corporation must ensure that the strictest confidentiality is maintained including by limiting the number of persons having access to the material information and ensuring security of all confidential documents.
- (2) ~~The listed corporation should limit the number of people with access to the material information and ensure the security of all confidential documents.~~[Deleted]
- (3) [No change].

9.07 Monitoring of market activity and making of announcements

During a period where information is withheld from the public, the market activity of the listed corporation's securities must be closely monitored. The listed corporation must immediately announce the information withheld to the Exchange in accordance with these Requirements, ~~in~~ if the following circumstances occurs:

- (a) – (c) [no change].

PART D – THOROUGH PUBLIC DISSEMINATION**9.08 Thorough public dissemination**

- (1) [No change].
- (2) A listed corporation must ensure that no disclosure of material information is made on an individual or selective basis to analysts, shareholders, journalists or other persons unless such information has previously been fully disclosed and disseminated to the public. ~~In the event that~~ if material information is inadvertently disclosed ~~on the occasion of~~ any meetings with analysts, shareholders, journalists or others, it must be publicly disseminated as promptly as possible.
- (3) There may be limited circumstances where selective disclosure of material information is necessary, for example where the listed corporation is undertaking a corporate exercise or to facilitate a due diligence exercise. In such circumstances, the listed corporation must ensure that —
- (a) the disclosure is restricted to only relevant persons; and
- (b) the strictest confidentiality is maintained; and
- (c) the requirements in Rule 9.07 are complied with.
- (4) ~~Disclosures of material information can often be made after the market closes.~~ If the disclosure is made immediately before or during trading hours, the Exchange may impose a temporary halt or suspension in trading of the listed corporation's securities. ~~Such a temporary halt or suspension provides an opportunity for the~~ to facilitate dissemination and evaluation of the information released.
- (5) [No change].

PART E – CLARIFICATION, CONFIRMATION OR DENIAL OF RUMOURS OR REPORTS**9.09 Clarification, confirmation or denial of rumours or reports**

- (1) [No change].
- (2) For the purpose of sub-Rule (1) above, the listed corporation must publicly clarify any rumour or report ~~which is in any form whatsoever and howsoever~~ circulated by any means including ~~that~~ by word-of-mouth, ~~and not limited to~~ an article ~~or otherwise~~, published in a newspaper, newswire, magazine, a broker's market report or any other publication.

9.10 Response to rumour or report

(1) A listed corporation must respond to a rumour or report by making an immediate announcement to the Exchange as follows:

(a) ~~In the case of a if the~~ rumour or report contains ~~ing~~ erroneous material information ~~which has been circulated, the listed corporation must immediately announce to the Exchange~~ a denial or clarification of the rumour or report ~~and provide together with~~ facts sufficient to support the denial or to clarify any misleading aspects of the rumour or report. ~~A~~The listed corporation must also take reasonable effort ~~must be made~~ to bring the announcement to the attention of the ~~particular group~~ party that initially distributed ~~it the erroneous rumour or report; In the case of an erroneous newspaper article, for example, this should be done by sending a copy of the announcement to the newspaper's financial editor, or in the case of an erroneous broker's market report, by sending a copy to the broker responsible for the report and~~

~~(2)(b)~~ ~~In the case of a if the~~ rumour or report contains ~~ing~~ material information that is correct, ~~an announcement setting forth a confirmation of the rumour or report together with the facts of the matter must be prepared for public release, which must include but not be limited to, and~~ an indication of the state of negotiations or of corporate plans in the rumoured area. Such announcements are essential even if the matter has yet to be presented to the listed corporation's board of directors for consideration.

~~(3)~~ In the case of a rumour or report predicting future sales, earnings or other quantitative data, a listed corporation is not ordinarily required to provide a response ~~from the listed corporation is ordinarily required~~. However, if such a report is manifestly based on or contains erroneous information, or is wrongly attributed to the listed corporation, the listed corporation must -

(a) ~~respond promptly to the supposedly factual elements of the rumour or report as required under Rule 9.09 and this Rule 9.10; and~~

(b) ~~In addition, the listed corporation must~~ include in the announcement, a statement to the effect that the listed corporation itself has made no such prediction and ~~currently knows of no it is unaware of any~~ facts that would justify making such a prediction.

PART F – RESPONSE TO UNUSUAL MARKET ACTIVITY**9.11 Unusual market activity**

(1) [No change].

(2) If the listed corporation determines that the unusual market activity results from material information that has already been publicly disclosed pursuant to these Requirements, the listed corporation is generally not required to make further announcement ~~is required, although~~ However, if the unusual market activity indicates that such information may have been misinterpreted, the listed corporation must issue a clarifying announcement to the Exchange.

- (3) If the unusual market activity results from a "leak" of previously undisclosed information, ~~the listed corporation must publicly disclose~~ the information in question ~~must be publicly disclosed by the listed corporation~~ in accordance with these Requirements.
- (4) [No change].
- (5) ~~Finally, if the listed corporation is unable to determine the~~ cause of the unusual market activity ~~cannot be determined~~, the listed corporation must announce that there have been no undisclosed developments which would account for the unusual market activity.

PART G – UNWARRANTED PROMOTIONAL DISCLOSURE ACTIVITY

9.12 Promotional disclosure activity

- (1) A listed corporation must refrain from any form of promotional disclosure activity ~~in any form whatsoever or howsoever~~ which may mislead investors or cause unwarranted price movement and activity in a listed corporation's securities.
- (2) [No change].

9.13 Hallmarks of promotional disclosure activity

Although the distinction between legitimate public relations activities and such promotional disclosure activity ~~is one that must necessarily be drawn from~~ depends on the facts of a particular case, the following are frequent hallmarks of promotional activity:

- (a) – (e) [no change].

PART I – PREPARATION OF ANNOUNCEMENTS

9.16 ~~Content of press or other public announcement~~ [Deleted]

- ~~(1) The content of a press or other public announcement is as important as its timing. A listed corporation must ensure that each announcement –~~
- ~~(a) is factual, clear, unambiguous, accurate, succinct and contains sufficient information to enable investors to make informed investment decisions;~~
- ~~(b) is not false, misleading or deceptive, and does not contain any language which is inflammatory, defamatory or scandalous of another person;~~
- ~~(c) is balanced and fair. Thus, the announcement must avoid amongst others –~~
- ~~(i) the omission of material facts;~~
- ~~(ii) the omission of material unfavourable facts, or the slighting of such facts, (e.g. by "burying" them at the end of a press release);~~
- ~~(iii) the presentation of favourable possibilities as certain, or as more probable than is actually the case;~~

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- ~~(iv) — the representation with respect to any future performance, occurrence or matter (including the doing of, or the refusing to do, any act) without adequate justification (supported by proper bases and assumptions) or any reasonable grounds for making of such representation;~~
 - ~~(v) — the presentation of financial estimate, forecast or projection without reasonable bases and assumptions. If any financial estimate, forecast or projection is released, it must be prepared in compliance with Chapters 12 and 13 in Part I, Division 1 of the SC's Prospectus Guidelines in relation to future financial information. In addition, the underlying accounting policies and assumptions of the financial estimate, forecast or projection must be reviewed by the external auditors or reporting accountants, as the case may be, in accordance with Chapters 12 and 13 in Part I, Division 1 of the SC's Prospectus Guidelines in relation to future financial information, except where the financial estimate, forecast or projection is required to be released on an immediate basis in response to a media report;~~
 - ~~(vi) — negative statements phrased so as to create a positive implication; e.g. "The company cannot now predict whether the development will have a materially favourable effect on its earnings" (creating the implication that the effect will be favourable even if not materially favourable), or "The company expects that the developments will not have a materially favourable effect on earnings in the immediate future" (creating the implication that the development will eventually have a materially favourable effect); or~~
 - ~~(vii) — the use of promotional jargon calculated to induce investment or create interest in the securities of the listed corporation rather than to inform;~~
 - ~~(d) — avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman;~~
 - ~~(e) — explains, if the consequences or effects of the information on the listed corporation's future prospects cannot be assessed, why this is so; and~~
 - ~~(f) — explains, in relation to an announcement on internal targets, that the information disclosed are merely internal management targets or aspirations set to be achieved by the listed corporation and not a financial estimate, forecast or projection.~~
 - ~~(2) — Where an adviser is appointed by the listed corporation for preparation or submission of the announcement to the Exchange, such adviser must also comply with sub-Rule (1) above.~~
 - ~~(3) — A listed corporation or its adviser does not commit a breach of sub-Rules (1) or (2) above, as the case may be, if such person proves that —~~
 - ~~(a) — he had made all enquiries as were reasonable in the circumstances; and~~
 - ~~(b) — after making such enquiries, he had reasonable grounds to believe and did believe until the submission of the announcement that the announcement did fulfil the requirements of sub-Rule (1) above.~~
 - ~~(4) — Where any announcement referred to in sub-Rule (1) above has been submitted to the Exchange and the person referred to in sub-Rules (1) and (2) above subsequently becomes aware that the announcement may not fulfil the requirements of sub-Rule (1) above, the person must immediately notify the Exchange of the same.~~
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PART J – IMMEDIATE DISCLOSURE REQUIREMENTS**9.19 Immediate announcements to the Exchange**

A listed corporation must immediately announce to the Exchange the events set out below. This requirement is in addition to the other announcement requirements which are imposed under this Chapter and other parts of these Requirements, and are not exhaustive:

- (1) – (4) [no change];
- (5) ~~any re-organisation of the group structure of the listed corporation~~[deleted];
- (6) – (10) [no change];
- (11) any change in the financial year end of the listed corporation together with the reasons for the change;
- (12) – (22) [no change];
- (23) ~~any transaction requiring an announcement to be made under Chapter 10 of these Requirements~~[deleted];
- (24) ~~any acquisition (including subscription) of shares in another corporation or any other event which results in such corporation becoming a subsidiary of the listed corporation~~[deleted];
- (25) ~~any disposal of shares in another corporation or any other event which results in such corporation ceasing to be a subsidiary of the listed corporation~~[deleted];
- (26) – (28) [no change];
- (29) ~~any scheme of compromise, arrangement, amalgamation or reconstruction~~[deleted];
- (30) – (32) [no change];
- (33) any change to the utilisation of proceeds raised by the listed corporation from the issuance of securities that deviates by 5% or more from the ~~original utilisation of total~~ proceeds raised;
- (34) ~~a subdivision of shares or consolidation by the listed corporation~~[deleted];
- (35) any deviation of 10% or more between the profit after tax and ~~minority~~non-controlling interest stated in a financial estimate, forecast or projection previously announced or disclosed in a public document and the announced financial statements, giving an explanation of the deviation and the reconciliation of the deviation;
- (36) any deviation of 10% or more between the profit or loss after tax and ~~minority~~non-controlling interest stated in the announced unaudited financial statements and the audited financial statements, giving an explanation of the deviation and the reconciliation of the deviation;
- (37) – (52) [no change].

PART K – PERIODIC DISCLOSURES**9.23A Interim audited financial statements due to change in financial year**

If a listed corporation extends its financial year end to beyond 18 months from the last financial year end, the Exchange may require the listed corporation to issue an interim audited financial statements for the 18-month period or such period as the Exchange may deem fit.

PART L – CIRCULARS AND OTHER REQUIREMENTS**9.31 ~~Standard of disclosure for circulars~~[Deleted]**

- ~~(1) — A listed corporation must ensure that any circular issued to the securities holders of the listed corporation —~~
- ~~(a) — is factual, clear, unambiguous, accurate, succinct and contains all such information as securities holders and their advisers would reasonably require and reasonably expect to find in a circular of that nature, for the purpose of making an informed decision;~~
 - ~~(b) — is not false, misleading or deceptive;~~
 - ~~(c) — is balanced and fair. Thus, the circular must avoid amongst others —~~
 - ~~(i) — the omission of important unfavourable facts, or the slighting of such facts (e.g. by "burying" them at the end of a press release);~~
 - ~~(ii) — the presentation of favourable possibilities as certain, or as more probable than is actually the case;~~
 - ~~(iii) — the representation with respect to any future performance, occurrence or matter (including the doing of, or the refusing to do, any act) without adequate justification (supported by proper bases and assumptions) or any reasonable grounds for making of such representation;~~
 - ~~(iv) — the presentation of financial estimate, forecast or projection without reasonable bases and assumptions, or without review by the external auditors or reporting accountants, as the case may be, of the underlying accounting policies and assumptions. If any financial estimate, forecast or projection is released, it must be prepared in compliance with Chapters 12 and 13 in Part I, Division 1 of the SC's Prospectus Guidelines in relation to future financial information, and the underlying accounting policies and assumptions of the financial estimate, forecast or projection must be reviewed by the external auditors or reporting accountants, as the case may be, in accordance with Chapters 12 and 13 in Part I, Division 1 of the SC's Prospectus Guidelines in relation to future financial information;~~
 - ~~(v) — negative statements phrased so as to create a positive implication; e.g. "The company cannot now predict whether the development will have a materially favourable effect on its earnings" (creating the implication that the effect will be favourable even if not materially favourable), or "The company expects that the developments will not have a materially favourable effect on earnings"~~

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~~in the immediate future" (creating the implication that the development will eventually have a materially favourable effect); and~~

- ~~(vi) use of promotional jargon calculated to induce investment or create interest in the securities of the listed corporation rather than to inform;~~
- ~~(d) avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman; and~~
- ~~(e) explains, if the consequences or effects of the information on the listed corporation's future prospects cannot be assessed, why this is so.~~
- ~~(2) Where an adviser is appointed by the listed corporation for the preparation of the circular for issuance to the holders of the listed securities, such adviser must also comply with sub-Rule (1) above.~~
- ~~(3) A listed corporation or its adviser does not commit a breach of sub-Rules (1) or (2) above, as the case may be, if such person proves that—~~
 - ~~(a) he had made all enquiries as were reasonable in the circumstances; and~~
 - ~~(b) after making such enquiries, he had reasonable grounds to believe and did believe until the issue of the circular that the circular did fulfil the requirements of sub-Rule (1) above.~~
- ~~(4) Where any circular referred to in sub-Rule (1) above has been issued and the person referred to in sub-Rules (1) or (2) above subsequently becomes aware that the circular may not fulfil the requirements of sub-Rule (1) above, the person must immediately notify the Exchange of the same.~~

PART L(A) - STANDARD OF DISCLOSURE FOR ANNOUNCEMENT AND CIRCULAR

9.35 Standard of disclosure for announcement and circular

- (1) A listed corporation must ensure that each public announcement and any circular issued to the securities holders of the listed corporation -
 - (a) is factual, clear, unambiguous, accurate, succinct and contains sufficient information to enable securities holders and investors to make informed investment decisions;
 - (b) is not false, misleading or deceptive;
 - (c) does not contain any language which is inflammatory, defamatory or scandalous of another person;
 - (d) is balanced and fair. Thus, the announcement or circular must avoid, amongst others -
 - (i) the omission of material facts;
 - (ii) the omission of material unfavourable facts, or the slighting of such facts (e.g. by "burying" them at the end of an announcement or circular);

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- (iii) the presentation of favourable possibilities as certain, or as more probable than is actually the case;
- (iv) the representation regarding any future performance, occurrence or matter (including the doing of, or the refusing to do, any act) without adequate justification (supported by proper bases and assumptions) or any reasonable grounds for making such representation;
- (v) the presentation of financial estimate, forecast or projection without reasonable bases and assumptions, or the underlying accounting policies and assumptions without review by the external auditors or reporting accountants, as the case may be;
- (vi) negative statements phrased so as to create a positive implication; or
- (vii) the use of promotional jargon calculated to induce investment or create interest in the securities of the listed corporation;
- (e) avoids over-technical language, and is expressed to the extent possible in language comprehensible to the layman; and
- (f) explains, that the information in an announcement on internal targets is merely internal management targets or aspirations set to be achieved by the listed corporation and not a financial estimate, forecast or projection.
- (2) A listed corporation must ensure that any financial estimate, forecast or projection released is prepared in compliance with Chapters 12 and 13 in Part I, Division 1 of the SC's Prospectus Guidelines in relation to future financial information. In addition, the underlying accounting policies and assumptions of the financial estimate, forecast or projection must be reviewed by the external auditors or reporting accountants, as the case may be, in accordance with Chapters 12 and 13 in Part I, Division 1 of the SC's Prospectus Guidelines in relation to future financial information, except where the financial estimate, forecast or projection is required to be released on an immediate basis in response to a media report.
- (3) An adviser must also comply with sub-Rules (1) and (2) above if the adviser is appointed by the listed corporation to prepare or submit the announcement or circular.
- (4) A listed corporation or its adviser does not commit a breach of sub-Rules (1), (2) or (3) above, as the case may be, if such person proves that -

 - (a) he had made all enquiries as were reasonable in the circumstances; and
 - (b) after making such enquiries, he had reasonable grounds to believe and did believe until the submission of the announcement or the issue of the circular that the announcement or circular did fulfil the requirements of sub-Rules (1) or (2) above.
- (5) Where any announcement has been submitted to the Exchange or any circular has been issued and the listed corporation or adviser subsequently becomes aware that the announcement or circular may not fulfil the requirements of sub-Rules (1) or (2) above, the person must immediately notify the Exchange of the same.

APPENDIX 9B**Quarterly report**
(Rule 9.22(2))**Notes**

- (1) – (4) [No change].
- (5) An explanatory note for any (only applicable to the final quarter for corporations which have previously announced or disclosed a financial estimate, forecast or projection, or profit guarantee in a public document) -
- (a) variance of actual profit after tax and ~~minority~~non-controlling interest and the profit after tax and ~~minority~~non-controlling interest stated in the financial estimate, forecast or projection (where the variance exceeds 10%); and
 - (b) [no change].
- (6) – (19) [No change].

[End of Proposed Amendments to Chapter 9]

CHAPTER 10 TRANSACTIONS**APPENDIX 10A****Contents of announcement in relation to transactions**

(Rules 10.06(1), 10.08(1) and 10.08(11)(i) and (j), and 10.11A(1)(c))

Part A**General information to be included, where applicable, in announcement of transactions****DETAILS OF THE TRANSACTION**

- (1) The details of the transaction, including the following:
- (~~13a~~) ~~The~~ the date on which the terms of the transaction were agreed upon;
 - (~~3e~~b) the manner in which the consideration will be satisfied including the terms of any arrangement for payment on a deferred basis;
 - (~~8c~~) ~~W~~where the consideration is in the form of shares, the weighted average market price for the shares for the 5 market days before the date on which the terms of the transaction were agreed upon;
 - (~~d~~) particulars of the assets being acquired or disposed of; and
 - (~~2e~~) Aa description of the business carried on.
- (~~42~~) The financial information on the assets which are the subject matter of the transaction, including but not limited to, the net profits attributable to the assets and net assets or net book value of the assets.
- (~~73~~) In the case of an acquisition -
- (a) where the consideration is to be satisfied in whole or in part by an issue of securities of the listed corporation -
 - (i) the number and type of securities to be issued;
 - (ii) the ranking of the securities;
 - (iii) whether listing will be sought for the securities; and
 - (iv) the issue price, basis of determining the issue price and justification for the pricing of the securities;
 - (v) [deleted]
 - (vi) [deleted]
 - (~~aAb~~) where the consideration is to be satisfied in whole or in part by way of transfer of treasury shares, the information as set out in Part B of Appendix 12C (if applicable);

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- (bc) where the purchase consideration is to be satisfied by cash, the source of funding and its breakdown;
- (ed) particulars of all liabilities, including contingent liabilities and guarantees to be assumed by the listed corporation, arising from the transaction; and
- (de) the following details of the vendor:
- (i) if the vendor is a corporation, the name and principal activity of the vendor and the names of its directors and substantial shareholders together with their respective direct and/or indirect shareholdings; and
 - (ii) if the vendor is an individual, the name of the vendor.
- (64) In the case of a disposal -
- (ea) where shares or other securities are intended to form part of the consideration -
- (i) the number and type of securities to be issued;
 - (ii) the ranking of the securities;
 - (iii) the issue price, basis of determining the issue price and justification for the pricing of the securities;
 - (iv) a statement as to whether such securities are to be sold or retained;
 - (v) the principal activities, share capital and number of issued shares of the corporation in which the securities are or will be held; and
 - (vi) the names of the directors and substantial shareholders of the corporation in which the securities are or will be held;
- (eb) the original cost of investment and the date of such investment; ~~and~~
- (c) the following details of the purchaser:
- (i) if the purchaser is a corporation, the name and principal activity of the purchaser and names of its directors and substantial shareholders together with their respective direct and/or indirect shareholdings; or
 - (ii) if the purchaser is an individual, the name of the purchaser;
- (d) particulars of -
- (i) all any liabilities, to be assumed by the purchaser arising from the transaction including contingent liabilities, in relation to the disposal which are not assumed by the purchaser, together with the details and justification for such arrangements; and
 - (ii) any guarantees given by the listed corporation to the purchaser or target company; and
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- (~~f~~e) if the disposal is expected to result in the listed corporation becoming a Cash Company or a GN3 Company, a statement to that effect.

BASIS OF AND JUSTIFICATION FOR THE CONSIDERATION

- (~~3~~5) The total consideration, together with –
- (a) the basis of arriving at the consideration, other than on a “willing buyer willing seller” basis. If it was based on net assets, the year the net assets were taken into consideration, quantifying the net assets and stating whether it was based on audited financial statements; and
 - (b) the justification for the consideration; ~~and~~.
- (~~6~~) If the consideration is based on or involves a profit guarantee –
- (a) a statement as to whether the profit guarantee provided is realistic, taking into consideration the historical performance and future prospects of the corporation or asset to be acquired; and
 - (b) details of the listed corporation’s right of recourse in the event the profit guarantee is not met.

RATIONALE AND BENEFITS OF THE TRANSACTION

- (~~14~~7) The rationale for the transaction including any benefit which is expected to accrue to the listed corporation ~~as a result of the transaction~~ from the business, financial and operational perspective.

UTILISATION OF PROCEEDS

- (~~6b~~8) ~~Where the sale consideration is to be satisfied in cash the intended application of the sale proceeds and the breakdown, including the timeframe for full utilisation of proceeds, and details of the purchaser;~~

PROSPECTS

- (~~15~~9) The prospects of the assets or interests to be acquired.

RISKS OF THE TRANSACTION

- (~~16~~10) The risks in relation to the transaction including risk factors of the assets or interests to be acquired.

EFFECTS OF THE TRANSACTION

- (~~5~~11) The effect of the transaction on the listed corporation, which includes the effect of the transaction on the earnings per share, net assets per share, gearing, share capital and substantial shareholders’ shareholding of the listed corporation, in tabular form.

(612) In the case of a disposal -

- (a) the expected gains or losses to the group; and
- (b) the subject matter's contribution to the group's net profit based on the latest audited financial statements.

APPROVAL/ CONSENT REQUIRED

(913) A statement on whether the transaction is subject to approval of the shareholders approval and the relevant government authorities together with the following information:

- (48a) in the case of shareholder approval, the highest percentage ratio applicable to the transaction pursuant to Rule 10.02(g) of these Requirements; and
- (b) in the case of approval from the relevant government authorities, and the estimated time frame for submission of the application to the relevant such authorities.

INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

(104) A statement on whether the directors, and/or major shareholders and/or persons connected with a director or major shareholder, have any interest, direct or indirect, in the transaction, and the nature and extent of their interests.

DIRECTORS STATEMENT/ RECOMMENDATION

(145) A statement by the board of directors, excluding interested directors, stating whether the transaction is in the best interests of the listed corporation, and where a director disagrees with such statement, a statement by the said director setting out the reasons and the factors taken into consideration in forming that opinion.

ESTIMATED TIME FRAME FOR COMPLETION

(176) The estimated time frame to complete the transaction.

ADDITIONAL INFORMATION IF PERCENTAGE RATIO IS 25% OR MORE

(4917) Where any one of the percentage ratios is 25% or more, the following information must be included:

- (a) whereif a feasibility report in relation to the transaction has been prepared, the name of the expert who prepared the report, and a brief conclusion of the report, To state and a statement on the time and place where such report may be inspected;
- (b) the estimated additional financial commitment required of the corporation listed issuer in putting the assets acquired on-stream;
- (c) for depleting or specialised businesses, such as timber concessions and oil and gas businesses, information on the reserves, extraction rates and returns; and

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- (d) where another corporation is acquired or disposed of, or where shares or other securities in another corporation are to be received as consideration for a disposal, the following information in respect of the other corporation ~~in an appendix~~:
- (i) the general nature of business conducted by the corporation and its subsidiaries including ~~_~~:
- (aa) ~~commencement date of business operation~~;
- (bb) ~~principal products manufactured or services rendered~~; and
- (cc) ~~principal markets for the products or services~~;
- (ii) the audited financial information (past 3 years or since incorporation, whichever is the later) and the latest interim results, if available, stating turnover, profit before tax and profit after tax and ~~minority non-controlling~~ interest; and
- (iii) where there is any material fluctuation in turnover or profits in any of the years, ~~the an~~ explanation for the fluctuation.

FURTHER / ADDITIONAL INFORMATION

- (~~2018~~) Any other information which is necessary to enable an investor to make an informed investment decision.

APPENDICES

- (~~192~~) The salient features of the agreement, including the termination and default clauses, and valuation report, if any, and the time and place where such documents may be inspected.

Part C

Additional specific information to be included in relation to a transaction which involves an acquisition or disposal of real estate

- (1) – (3) [No change].
- (4) Where the real estate is in the process of being developed or is intended to be developed, the following additional details:
- (a) – (c) [no change];
- (d) the ~~expected profits to be derived~~ gross development value;
- (e) – (g) [no change].

Part G**Additional specific information to be included in relation to very substantial transactions**
(Rule 10.10)

- (1) – (2) [No change].
- (3) For assets or interests to be acquired which do not have any profitability track record (as in certain privatisation cases), the information must include, ~~but not be limited to, -~~
- (a) the total cost needed to put on-stream the operation of the assets or interests and the proportion to be assumed or guaranteed by the listed corporation; ~~;~~
 - (b) the expected date on which the profit contribution will accrue to the listed corporation; ~~;~~ and
 - (c) the expected returns to be derived,
- together with the appropriate assumptions used. Information provided should be verified and confirmed by independent experts.

APPENDIX 10B**Contents of circular to shareholders in relation to transactions**
(Rules 10.07(1), 10.08(2)(b) and 10.11A(1)(c))**Part A****General information to be included, where applicable, in the circular to shareholders in relation to transactions****COVER PAGE**

- (1) If voting or other action is required, a heading drawing attention to the importance of the document and advising holders of securities who are in any doubt as to what action to take to consult appropriate independent advisers.
- (2) A statement that the circular has been reviewed by the listed corporation's Sponsor or Adviser, as the case may be.
- (3) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, valuation certificate and report, if any, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the circular. In relation to a circular which has not been perused by Bursa Malaysia Securities Berhad before its issuance, a statement to that effect.

INTRODUCTION

- (4) The purpose of the circular.

DETAILS OF THE TRANSACTION

- (5) The details of the transaction, including the following:
- (a) ~~The~~ the date on which terms of the transaction were agreed upon and the date on which the transaction and any revision to it was announced;
 - (14b) ~~How~~ the consideration will be satisfied including the terms of any arrangement for payment on a deferred basis;
 - (c) where the consideration is in the form of shares, the weighted average market price for the shares for the 5 market days before the date on which the terms of the transaction were agreed upon; and
 - (6d) ~~The particulars of the transaction, including a~~ description of the corporation or assets to be acquired or disposed of, as the case may be.
- (96) The audited financial and other relevant information pertaining to the assets, including ~~but not limited to~~ the net profits attributable to the assets and net assets or the net book value of the assets.
- (147) In the case of an acquisition -
- (a) where the consideration is to be satisfied in whole or in part by an issue of securities of the listed corporation -
 - (i) the number and type of securities to be issued;
 - (ii) the ranking of the securities;
 - (iii) the issue price, basis of determining the issue price and the justification for the pricing of the securities; and
 - (iv) [deleted]
 - (v) [deleted]
 - (vi) the highest and lowest prices of such securities as transacted on the Exchange for the preceding 12 months including the last transacted price before the announcement on the transaction and on the latest practicable date before the printing of the circular;
 - (aAb) where the consideration is to be satisfied in whole or in part by way of transfer of treasury shares, the information as set out in Part B of Appendix 12C (if applicable);
 - (bc) where the purchase consideration is to be satisfied wholly or partly by cash, the source(s) of funding and the breakdown;
 - (ed) a statement as to whether the corporation ~~and~~ or assets will be acquired free from encumbrances;
 - (de) the particulars of all liabilities, including contingent liabilities, and guarantees to be assumed by the listed corporation arising from the acquisition;

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-
- (20f) the estimated additional financial commitment required ~~of the corporation~~ in putting the assets acquired on-stream; and
- (eg) the following details of the vendor:
- (i) if the vendor is a corporation, the name and principal activity of the vendor and the names of its directors and substantial shareholders together with their respective direct and/or indirect shareholdings; and
 - (ii) if the vendor is an individual, the name of the vendor.
- (158) In the case of a disposal -
- (da) where shares or other securities are intended to form part of the consideration -
- (i) the number and type of securities to be issued;
 - (ii) the ranking of the securities;
 - (iii) whether listing will be sought for the securities;
 - (iv) the issue price, the basis of determining the issue price and the justification for the pricing of the securities; and
 - (v) a statement as to whether such securities are to be sold or retained;
- (eb) the original cost of investment and the date of such investment;
- (fc) the following details of the purchaser:
- (i) if the purchaser is a corporation, the name and principal activity of the purchaser and names of its directors and substantial shareholders together with their respective direct and/or indirect shareholdings; or
 - (ii) if the purchaser is an individual, the name of the purchaser.
- (gd) particulars of -
- (i) all any liabilities to be assumed by the purchaser arising from the transaction including contingent liabilities, in relation to the disposal which are not assumed by the purchaser, together with the details and justification of such arrangements; and
 - (ii) any guarantees given by the listed corporation to the purchaser or target company; and
- (he) if the disposal is expected to result in the listed corporation becoming a Cash Company or GN3 Company, a statement to that effect.
- (229) The valuation of the assets as at the latest practicable date, if applicable, and the name of the independent registered valuers.
-

BASIS OF AND JUSTIFICATION FOR THE CONSIDERATION

- (10) The total consideration, together with -
- (a) the basis of arriving at the consideration, other than on a “willing buyer willing seller” basis. If it was based on net assets, the year the net asset was taken into consideration, quantifying the net assets and stating whether it was based on audited financial statements; and
 - (b) the justification for the consideration.
- ~~(2711) In the case of an acquisition, where~~ if the ~~purchase~~ consideration is based on or involves a profit guarantee, -
- (a) a statement as to whether the profit guarantee provided is realistic, taking into consideration the historical performance and future prospects of the corporation ~~and/or asset to be acquired;~~
 - (12b) ~~In the event the consideration is based on or involves a profit guarantee,~~ details of the listed corporation’s right of recourse in the event the profit guarantee is not met.

RATIONALE AND BENEFITS OF THE TRANSACTION

- ~~(4612)~~ The rationale for the transaction including any benefit which is expected to accrue to the listed corporation ~~as a result of the transaction~~ from the business, financial and operational perspective.

UTILISATION OF PROCEEDS

- ~~(15e13) where~~ The following information if the sale consideration is to be satisfied in cash, -
- (a) the intended application of the sale proceeds and the breakdown; ~~and~~
 - (b) ~~including~~ the timeframe for the full utilisation of proceeds; ~~and~~
 - (c) if the proceeds are to be used for -
 - (i) reducing borrowings, the quantification of the total borrowings of the group as at the latest practicable date before printing of the circular and the savings in interest payment or expense per annum arising from the repayment; ~~and~~
 - (ii) ~~details of the investments,~~ details of the investments. If these have not yet been identified, a statement of how the proceeds will be utilised in the meantime, pending identification of the investments; ~~and~~
 - (iii) working capital, the details and breakdown.

PROSPECTS, OUTLOOK AND FUTURE PLAN

- (184) In relation to the assets or interests to be acquired -
- (a) ~~a description of the assets or interest to be acquired and the~~ outlook of the industry where ~~the assets or interests to be acquired~~ operates together with the prospects in light of the outlook and competition; and
 - (b) ~~the prospects of the assets or interests in light of its industry's outlook and competition; and~~~~[deleted]~~
 - (c) a description of the listed corporation's future plans ~~offer~~ for the assets or interests and steps to be taken (including time frame and financial resources required to be committed) to realise such plans.

RISKS OF THE TRANSACTION

- (195) The risks in relation to -
- (a) the transaction;
 - (b) the assets or interests to be acquired (as well as the corporation whose securities are to be received as consideration for the disposal); and
 - (c) the overall industry where the assets or interests to be acquired operates,
- which had or could materially affect, directly or indirectly, the business, operating results and financial condition of the listed corporation ~~and the mitigating factors.~~

EFFECTS OF THE TRANSACTION

- (136) The effects of each transaction on the following, in tabular form:-
- (a) the share capital, and substantial shareholders' shareholdings based on the latest practicable date;
 - (b) the net assets per share and gearing based on the latest audited consolidated financial statements for the most recently completed financial period, assuming that the transaction had been effected at the end of that financial period; and
 - (c) the earning per share based on the latest audited consolidated financial statements for the most recently completed financial period, assuming that the transaction had been effected at the beginning of that financial period.
- (157) In the case of a disposal -
- (a) the expected gains or losses to the group; and
 - (b) the subject matter's contribution to the group's net profit based on the latest audited financial statements; ;

APPROVAL/ CONSENT REQUIRED

(2418) ~~A statement on W~~whether the transaction is subject to the approval of shareholders and the relevant government authorities; together with the following information:

(a) in the case of shareholder approval, the highest percentage ratio applicable to the transaction pursuant to Rule 10.02(g) of these Requirements; and

(b) in the case of approval from the relevant government authorities, the conditions imposed and status of compliance.

CONDITIONALITY OF TRANSACTION

(819) The details of any other intended corporate exercise/scheme which have been announced but not yet completed before the printing of the circular and whether the transaction is conditional or inter-conditional upon such and/or any other corporate exercise/scheme.

INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

(2520) ~~A statement on W~~whether the directors, ~~and/or~~ major shareholders ~~and/or~~ persons connected with a director or major shareholder, have any interest, direct or indirect, in the transaction, and the nature and extent of their interests.

DIRECTORS STATEMENT / RECOMMENDATION

(261) A statement by the board of directors, excluding interested directors, stating whether the transaction is in the best interests of the listed corporation, ~~and w~~where a director disagrees with such statement, a statement by the said director setting out the reasons and the factors taken into consideration in forming that opinion.

(282) A recommendation from the directors, excluding interested directors, and the basis of such recommendation, ~~excluding interested directors,~~ as to the voting action shareholders should take, and the basis of such recommendation.

TENTATIVE TIMETABLE FOR IMPLEMENTATION

(243) The tentative timetable for the implementation of the ~~proposal~~transaction.

FURTHER / ADDITIONAL INFORMATION

(4724) Where a feasibility report in relation to the acquiree corporation and assets has been prepared, the name of the expert who prepared the report and a brief conclusion of the report. Incorporate the letter from the expert, and make available for inspection the report and letter.

(3225) Any other information which the security holders and their advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

~~(23) For depleting or specialised businesses such as timber concessions, information on the breakdown of assets/inventories, reserves, extraction rates and returns. [Deleted]~~

APPENDICES

- (726) The salient features of the agreement relating to the transaction, including the termination and default clauses.
- (297) Where another corporation is acquired or disposed of, or where shares or other securities in another corporation are to be received as consideration for a disposal, the following information in respect of the other corporation ~~in an appendix:~~
- (a) the date and place of incorporation;
 - (b) the share capital and number of issued shares;
 - (c) the number and type of the shares making up the share capital. Where there is more than one type of shares or securities in issue, the following:
 - (i) the differences between the different types of securities;
 - (ii) whether convertible; if so, the rate and period;
 - (iii) whether redeemable; if so, the rate and period; and
 - (iv) the tenure;
 - (d) the following details of its subsidiaries and associated companies:
 - (i) the name,
 - (ii) the date and place of incorporation;
 - (iii) the share capital;
 - (iv) the percentage of effective interest of the corporation; and
 - (v) the principal activities;
 - (e) a brief history of the corporation or business for the past 3 years or since inception, where applicable, and if reorganised as a result of merger, consolidation or reorganisation, similarly the history of the predecessor corporations;
 - (f) the general nature of business conducted by the corporation and its subsidiaries including -
 - (i) commencement date of business operation;
 - (ii) principal products manufactured or services performed;
 - (iii) size and location of the factories;
 - (iv) principal markets for the products and raw materials;
 - (v) percentage of sales broken down between domestic and foreign;

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- (vi) _____ annual production capacity and output for the past 3 years; and
- (vii) _____ if significant, the amount spent on and number of persons employed in research and development;
- (g) the details of material commitments and contingent liabilities incurred or known to be incurred by the acquiree corporation and impact on profits or net assets upon becoming enforceable;
- (h) the type of ~~businesses or~~ assets owned;
- (i) the particulars of directors including name, nationality, designation and their direct and indirect shareholdings;
- (j) the particulars of substantial shareholders including name, nationality, country of incorporation and their direct and indirect shareholdings;
- (k) the financial information based on the audited financial statements (past 3 years or since incorporation, whichever is the later) and the latest interim results, if available, stating -
- (i) the turnover;
 - (ii) the profit before tax but after ~~minority non-controlling~~ interest;
 - (iii) the profit after tax and ~~minority non-controlling~~ interest;
 - (iv) ~~the gross earnings per share (EPS); [deleted]~~
 - (v) the net ~~EPS~~ earnings per share;
 - (vi) the paid-up capital;
 - (vii) the shareholders' funds;
 - (viii) the net assets;
 - (ix) the net assets per share;
 - (x) the current ratio;
 - (xi) total borrowings ~~including~~ {all interest-bearing debts}; and
 - (xii) the gearing ratio.
- (l) the commentary on past performance, which should include analysis and/or discussion of -
- (i) significant and specific factors contributing to exceptional performance in any of the financial years under review and significant changes in the financial performance on a year-to-year basis, whether favourable or adverse;

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- (ii) accounting policies adopted which are peculiar to the corporation / business because of the nature of the business or the industry it is involved in, as well as the effects of such policies on the determination of income or financial position; and
 - (iii) any audit qualification of the financial statements in any of the financial years under review; and
 - (m) the latest audited financial statements together with the notes and the auditors' report (not required if accountant's report is provided).
- (3028) Where the percentage ratio is 50% or more, a directors' report on the unlisted corporation to be acquired.
- (3429) ~~An appendix containing the following~~ Other information as follows:
- (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the circular misleading;
 - (b) details of material commitments and contingent liabilities incurred or known to be incurred by the listed corporation;
 - (c) where a person is named in the circular as having advised the listed corporation or its directors, a statement -
 - (i) that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name and/or letter (if applicable) in the form and context in which it is included; and
 - (iii) by the adviser as to whether conflict of interests exists or is likely to exist in relation to its role as an adviser. If a conflict of interests exists or likely to exist in relation to its role as an adviser, to provide full disclosure of the nature and extent of the conflicts of interests or potential conflicts of interests, the parties to the conflicts, and measures taken for resolving, eliminating, or mitigating the situations of conflict of interests.
- For this purpose, "**conflict of interests**" means circumstances or relationships which affect or may affect the ability of the adviser to act independently and objectively or where the adviser has an interest in the outcome of the proposal which interferes or is likely to interfere with its independence and objectivity;
- (d) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the corporation to be acquired or disposed of and the corporation whose shares or convertible securities are to be issued as consideration for the disposal by the listed corporation within 2 years immediately preceding the date of the circular. The following particulars must be disclosed in respect of each such contract:
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- (i) the date of the contract;
 - (ii) the parties of the contract;
 - (iii) the general nature; and
 - (iv) the consideration and mode of satisfaction;
- (e) a statement of all material litigation, claims or arbitration involving the corporation / asset to be acquired or disposed of and the corporation whose shares or convertible securities are to be issued as consideration for the disposal by the listed corporation including those pending or threatened against such corporations. The following information must be disclosed:
- (i) the background;
 - (ii) the date of the suit,
 - (iii) the names of the plaintiff(s) and defendant(s),
 - (iv) the estimate, of the maximum exposure to liabilities;
 - (v) the directors/solicitors' opinion of the outcome; and
 - (vi) the status;
- (f) a statement that for a period from the date of the circular to the date of the extraordinary general meeting, the following documents (or copies of the documents) in respect of the listed corporation, the corporation which is the subject of the transaction, and the corporation whose shares or convertible securities are to be issued as consideration for the disposal by the listed corporation, where applicable, may be inspected at the registered office of the listed corporation:
- (i) the constitution;
 - (ii) the audited financial statements for each of the 2 financial years preceding the publication of the circular and the latest unaudited results since the last audited financial statements;
 - (iii) all reports, letters or other documents, statement of financial position, valuations and statements by any adviser, any part of which is extracted or referred to in the circular;
 - (iv) the letters of consent referred to in subparagraph (c) above;
 - (v) the material contracts referred to in subparagraph (d) above; and
 - (vi) the relevant cause papers in respect of material litigation referred to in subparagraph (e) above.

Part C**Additional specific information to be included in relation to a transaction which involves an acquisition or disposal of real estate**

- (1) – (3) [No change].
- (4) Where the real estate is in the process of being or is intended to be developed, the following additional details:
- (a) – (c) [no change];
 - (d) the ~~expected profits to be derived~~gross development value;
 - (e) – (i) [no change].

Part G**Additional specific information to be included in relation to very substantial transactions**
(Rule 10.10)

- (1) – (3) [No change].
- (4) For assets or interests to be acquired which do not have any profitability track record (as in certain privatisation cases), the information must include, but not be limited to: ~~7. 2~~
- (a) ~~the total cost needed to put on-stream the operation of the assets or interests and the proportion to be assumed or guaranteed by the listed corporation; 7. 3~~
 - (b) ~~the expected date on which the profit contribution will accrue to the listed corporation; and~~
 - (c) ~~the expected returns to be derived,~~
- together with the appropriate assumptions used. The listed corporation must ensure that information provided is verified and confirmed by independent experts.
- (5) [No change].

[End of Proposed Amendments to Chapter 10]

BURSA MALAYSIA SECURITIES BERHAD**GUIDANCE NOTE 1****CLASSIFICATION OF APPLICANTS OR LISTED CORPORATIONS**

Details		Cross References
Effective date:	8 May 2006	Rule 8.13
Revision date:	3 August 2009, [1]	

3.0 Classification of listed corporations

3.1 – 3.2 [No change].

3.3 Segmental reporting normally discloses revenue before tax, ~~minority~~non-controlling interests, extraordinary items and interest earned or incurred. Unless there is audited evidence that any of these items is specifically attributable to a class of business for which the revenue is disclosed, it will be disregarded in assessing the sources of revenue. Where any part of the listed corporation's business is to earn interest or incur interest, or interest expenses are central to its business, then such interest shall be taken into account in determining the listed corporation's business.

3.4 [No change].

[End of Proposed Amendments to Guidance Note 1]

[End of Annexure B]