
CHAPTER 10 TRANSACTIONS**PART A - GENERAL****10.01 Introduction**

This Chapter sets out the requirements that must be complied with in respect of transactions entered into by a listed issuer or its subsidiaries.

PART B - DEFINITIONS**10.02 Definitions**

For the purpose of this Chapter, unless the context otherwise requires:-

- (a) **“acquisition or disposal of assets”** ~~shall include~~ an option to acquire or dispose of assets;
- (b) **“assets”** ~~shall include~~ means all types of assets including securities and businesses business undertakings;
- (c) **“director”** ~~shall have~~ has the meaning given in section 42(1) of the ~~Companies Act 1965~~ CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon;-
- (i) a director of the listed issuer, or any other company which is its subsidiary or holding company; or
- (ii) a chief executive officer of the listed issuer, its subsidiary or holding company; or
- (iii) in relation to a SPAC, a member of the SPAC’s management team;
- (d) **“financial assistance”** ~~shall include~~:-
- (i) lending or advancing of money;
- (ii) guaranteeing, indemnifying or providing collateral for a debt; or
- (iii) forgiving a debt, releasing or neglecting to enforce a financial obligation of another, or assuming the financial obligations of another;
- (e) **“joint venture”** means a contractual arrangement between 2 or more parties to undertake a specific business project subject to joint control in which the parties meet the costs of the project and receive a share of any resulting output;
- (f) **“major shareholder”** includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer as defined under paragraph 1.01 or any other company which is its subsidiary or holding company;
- ~~(g) (Deleted)~~
- ~~(h)~~(g) **“percentage ratios”** means the figures, expressed as a percentage, resulting from each of the following calculations:-

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- (i) the value of the assets which are the subject matter of the transaction, compared with the net assets of the listed issuer;
 - (ii) net profits (after deducting all charges and taxation and excluding extraordinary items) attributable to the assets which are the subject matter of the transaction, compared with the net profits of the listed issuer;
 - (iii) the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of the listed issuer;
 - (iv) the equity share capital issued by the listed issuer as consideration for an acquisition, compared with the equity share capital previously in issue (excluding treasury shares);
 - (v) the aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of the listed issuer (excluding treasury shares);
 - (vi) the total assets which are the subject matter of the transaction compared with the total assets of the listed issuer;
 - (vii) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the listed issuer compared with the total assets of the listed issuer or in the case where a joint venture company is incorporated as a result of the joint venture, the total equity participation of the listed issuer in the joint venture company (based on the eventual issued capital of the joint venture company) compared with the net assets of the listed issuer.—The value of the transaction should include shareholders' loans and guarantees to be given by the listed issuer; or
 - (viii) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the listed issuer, in the case of a disposal and where the acquisition of the subject matter took place within last 5 years;
- (h) **"Recurrent Related Party Transaction"** means a related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of a listed issuer or its subsidiaries;
- (i) **"related party transaction"** means a transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party;
- (j) **"transaction"**, in relation to :-
- (i) Part D of this Chapter, means the acquisition or disposal of assets by a listed issuer or its subsidiaries but excludes transactions of a revenue nature in the ordinary course of business;
 - (ii) Part E of this Chapter, includes :-
 - (aa) the acquisition, disposal or leasing of assets;
 - (bb) the establishment of joint ventures;
 - (cc) the provision of financial assistance;
 - (dd) the provision or receipt of services; or

- (ee) any business transaction or arrangement entered into,
by a listed issuer or its subsidiaries; and
- (iii) Parts D and E of this Chapter, excludes transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary;
- (k) **“value of the consideration”** ~~shall include~~ any liability to be assumed; and
- (l) **“very substantial transaction”** ~~means a disposal or acquisition of an asset where any of the percentage ratios is 100% or more, except an acquisition which will result in a significant change in the business direction or policy of a listed corporation.~~

PART C - VALUATION AND INFORMATION

10.03 Basis of valuation

- (1) For the purpose of determining the value of the assets referred to in paragraph ~~10.02(h)~~10.02(g)(i), the following ~~shall apply~~ applies:-
- (a) in an acquisition of equity interest in a ~~company corporation~~ which would not result in such equity interest being accounted for using the equity method, the value ~~thereof~~ is to be assessed by reference to the cost of investment;
- (b) in an acquisition of equity interest in a ~~company corporation~~ which would result in:-
- (i) such equity interest being accounted for using the equity method; or
- (ii) such ~~company corporation~~ being included in consolidation in the preparation of accounts consolidated into the group accounts (hereinafter referred to in this paragraph as **“consolidation”**);
- the value ~~thereof~~ is to be assessed by reference to the book value of the net assets represented by such equity interest;
- (c) in a disposal of equity interest in a ~~company corporation~~ where ~~prior to~~before the disposal such equity interest was not accounted for using the equity method, the value ~~thereof~~ is to be assessed by reference to the carrying amount of the investment;
- (d) in a disposal of equity interest in a ~~company corporation~~ where ~~prior to~~before the disposal :-
- (i) such equity interest was accounted for using the equity method; or
- (ii) such ~~company corporation~~ was included in consolidation;
- the value ~~thereof~~ is to be assessed by reference to the book value of the net assets represented by such equity interest; or
- (e) in any acquisition of assets other than equity interest, the value of such assets ~~shall~~ is to be assessed by reference to the consideration. In the case of any disposal of assets other than equity interest, the value of such assets ~~shall~~ must be assessed by the consideration or the net book value of those assets, whichever is the greater.
- ~~(1A)~~(2) For the purposes of determining the net profits attributable to the assets referred to in paragraph ~~10.02(h)~~10.02(g)(ii) in relation to :-

- (a) an acquisition of equity interest in a ~~company corporation~~ which would not result in such equity interest being accounted for using the equity method, the net profits ~~thereof is are~~ to be assessed by reference to the dividend income derived from such investment based on the last financial year end of such ~~company corporation~~; and
- (b) a disposal of equity interest of a ~~company corporation~~ where, ~~prior to before~~ the disposal such equity interest was not accounted for using the equity method, the net profits ~~thereof is are~~ to be assessed by reference to the dividend income derived from such investment based on the last financial year end of such ~~company corporation~~.
- ~~(2)(3)~~ The market value of the equity share capital of the ~~company corporation~~ ~~shall will~~ be determined as the weighted average market price for the equity share capital for the 5 market days ~~prior to before~~ the date on which the terms of the transaction were agreed upon.
- ~~(3)(4)~~ For the purpose of computation of indicators of materiality (including the percentage ratios) in this Chapter, the following ~~shall apply applies~~:-
- (a) the figures used must, in the case of total assets, net assets, net book value of assets and net profits, be figures shown in the latest published or announced audited ~~accounts financial statements~~ of the listed issuer or audited consolidated ~~accounts financial statements~~ of the listed issuer, if the listed issuer has subsidiaries;
- (b) the total assets, net assets and net book value of assets may be adjusted to take into account subsequent completed transactions in respect of which adequate information has already been issued to shareholders and where the adjustments have been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange;
- (c) the listed issuer may use the total assets, net assets, net book value of assets included in the balance sheet in its latest published or announced interim financial report provided that the report has been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange;
- (d) the listed issuer may use the net profits based on the unaudited 12 months results provided that the results have been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange; and
- (e) the figures used must, in the case of cost of investment or carrying amount of the investment referred to in subparagraph (1) above, be based on:-
- (i) the latest published or announced audited ~~accounts financial statements~~ of the listed issuer or audited consolidated ~~accounts financial statements~~ of the listed issuer, if the listed issuer has subsidiaries; or
- (ii) the latest published or announced interim financial report of the listed issuer provided that the report has been reviewed by the listed issuer's external auditors and a copy of the external auditors' review report is furnished to the Exchange.
- ~~(4)(5)~~ In the case of an acquisition or disposal by the grant or exercise of an option, the consideration for the acquisition or disposal is the total of the issue price of the option and its exercise price.
- ~~(4A)(6)~~ If deferred consideration is or may be payable or receivable by a listed issuer or its subsidiary in the future, the consideration to be taken into account is the maximum total consideration payable or receivable under the transaction.

- (5)(7) In circumstances where any one of the percentage ratios produces an anomalous result or where the percentage ratios are inappropriate to the sphere of the activity of the listed issuer, or for any other reason that the Exchange deems fit, the Exchange may :-
- (a) disregard the results or percentage ratio; and/or
 - (b) substitute or apply other relevant indicators of size.
- (6)(8) The calculation set out in subparagraph ~~40.02(h)~~10.02(g)(v) is only applicable in respect of :-
- (a) transactions involving consideration in the form of listed equity shares; or
 - (b) transactions where all the other percentage ratios produce anomalous results or are inapplicable.
- (7)(9) In relation to any acquisition or disposal of equity interest in a ~~company corporation~~, the calculation set out in subparagraph ~~40.02(h)~~10.02(g)(vi) is only applicable where :-
- (a) the acquisition would result in :-
 - (i) ~~such equity interest being accounted for using the equity method; or~~
 - (ii) ~~such company corporation~~ being included in consolidation; or
 - (b) ~~prior to~~before the disposal,
 - (i) ~~such equity interest was accounted for using the equity method; or~~
 - (ii) ~~such company corporation~~ was included in consolidation.
- (8)(10) For the purposes of this paragraph, unless the context otherwise requires, the following words or expressions ~~shall when used herein,~~ have the meanings given under the approved accounting standards of the Malaysian Accounting Standards Board:-
- (a) equity method;
 - (b) carrying amount; and
 - (c) consolidation.

10.04 Valuation

- (1) A listed issuer must ensure that a valuation is conducted where:
- (a) a transaction involves an acquisition or disposal of any real estate; and
 - (b) any one of the percentage ratios of the transaction is -
 - (i) 25% or more, for a transaction falling under Part D; or
 - (ii) 5% or more, for a related party transaction falling under Part E.
- (2) Where a valuation is required under subparagraph (1) above, the listed issuer must -
- (a) submit to the Exchange 2 copies of the valuation report on the real estate concerned and a copy of the valuers undertaking letter in the form of Appendix 6D immediately

after the listed issuer announces the transaction (if available) or as soon as the valuation report is ready. In any event, the listed issuer must submit the valuation report together with the valuers undertaking letter to the Exchange at least 1 month before it submits its draft circular in relation to the transaction to the Exchange; and

- (b) ensure that the date of valuation which forms the basis of the valuation certificate included in the circular is not more than 6 months before the date of the circular issued to shareholders.
- (3) A listed issuer and its valuer must ensure that the valuation report submitted pursuant to subparagraph (2) above complies with these Requirements and the SC's Asset Valuation Guidelines.
- (4) If the listed issuer or the valuer becomes aware of any circumstance or significant change which has or will have material effect on the content, validity or accuracy of its valuation report before the date of issuance of the circular, the valuer and the listed issuer must cause the valuation report to be updated. If the listed issuer fails to do so, the valuer must withdraw its consent to the inclusion of the valuation report in the circular.
- (5) Notwithstanding subparagraphs (1) and (2) above, the Exchange may at its discretion and whenever it deems appropriate, at the cost of the listed issuer -
- (a) obtain a second opinion on the valuation report submitted by the listed issuer from another valuer appointed by the Exchange; or
- (b) require a listed issuer to conduct a valuation on the asset proposed to be acquired or disposed in respect of any transaction other than the transaction referred to in subparagraph (1) above.
- (6) A listed issuer and its valuer must comply with the instruction, directive or condition imposed by the Exchange and within such timeframe as may be specified by the Exchange.
- (7) The Exchange may refer any valuation report received by the Exchange to the SC for review. The listed issuer and its valuer must provide the Exchange or the SC on a timely basis, any information or assistance required in relation to the valuation report.

PART D - ACQUISITIONS AND DISPOSALS

10.0710.05 Requirements in the case of transactions 5% and below for transactions with percentage ratio below 5%

- (1) In the case of a transaction wSubject to paragraph 10.08(1), where all the percentage ratios of a transaction isare less than 5%,-
- (a) and if the consideration is satisfied in cash or unquoted securities and if it is not a related party transaction, no announcement of the transaction to the Exchange is required.- If, however, the listed issuer wishes to make the information available, an announcement should also be given to the Exchange which shall include:-
- (i) the details of the consideration;
- (ii) the particulars of the transaction; and
- (iii) a statement that the directors, major shareholders and/or person connected with them have no interests, direct or indirect, in the transaction; or

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- (2) If the listed issuer wishes to voluntarily announce the transaction to the Exchange, the listed issuer must include –
- (a) the details of the consideration;
 - (b) the particulars of the transaction; and
 - (c) a statement that the directors, major shareholders or person connected with them have no interest, direct or indirect, in the transaction.
- (b)(3) if ~~Where the purchase consideration for the transaction~~ is satisfied wholly or partly in securities for which listing is being sought, the listed issuer must ~~furnish the Exchange with an immediately announce the transaction in accordance with announcement as required in~~ paragraph 10.0406.

10.0410.06 Requirements in the case of transactions exceeding 5% for transactions with percentage ratio of 5% or more

- (1) For a transaction where ~~Where~~ any one of the percentage ratios of a transaction is equal to or exceeds 5%, or more, the listed issuer must announce the transaction to the Exchange – as soon as possible after terms of the transaction have been agreed, ~~the listed issuer must make an immediate announcement to the Exchange of such transaction.~~ The listed issuer must ~~which announcement shall~~ include the information set out in Appendix 10A in the announcement.
- (2) The listed issuer must also furnish the Exchange, in a separate letter, the percentage ratios applicable to such transaction.
- (3) Subparagraphs (1) and (2) do not apply to a transaction where the value of the consideration ~~given or received in relation to~~ the transaction is less than RM250,000.

10.05 Transactions exceeding 15%

- (1) ~~For a transaction where any one of the percentage ratios is equal to or exceeds 15%, in addition to the requirements of paragraph 10.04, the listed issuer must send a copy of the announcement referred to in paragraph 10.04 to the shareholders of the listed issuer for information not later than 10 market days after the date of the announcement.~~
- (2) ~~Subparagraph (1) does not apply to a transaction where the value of the consideration given or received in relation to the transaction is less than RM 250,000.~~

10.0610.07 Transactions exceeding 25% Requirements for transactions with percentage ratio of 25% or more

- (1) For a transaction w~~h~~ere any one of the percentage ratios of a transaction is equal to or exceeds 25% or more, in addition to the requirements of paragraph 10.0406, the listed issuer must – obtain the approval of its shareholders in general meeting of the transaction and ensure that the circular to the shareholders includes the information set out in Appendix 10B.
- (a) issue a circular which includes the information set out in Appendix 10B to its shareholders; and
 - (b) seek shareholder approval of the transaction in a general meeting.
- (2) The listed issuer or its Principal Adviser must submit the draft circular ~~must be submitted to~~ the Exchange together with a checklist showing compliance with Appendix 10B.

- (3) ~~Subparagraphs (1) and (2) do not apply to a transaction where the value of the consideration given or received in relation to of the transaction is less than RM-250,000.~~

PART E - RELATED PARTY TRANSACTIONS

10.08 Related party transactions

- (1) ~~For a related party transaction, the Where any one of the percentage ratios of a related party transaction is 0.25% or more, a listed issuer must make an immediately announcement the related party transaction to the Exchange as soon as possible after terms of the transaction have been agreed, of such transaction which announcement shall include the information set out in Appendices 10A and 10C where any one of the percentage ratios is equal to or exceeds 0.25% except where unless :-~~
- (a) ~~the value of the consideration given or received in relation to of the transaction is less than RM-250,000; or~~
 - (b) ~~in relation to recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of a listed issuer or its subsidiaries as defined under paragraph 10.09 and Practice Note No. 12/2001 it is a Recurrent Related Party Transaction.~~

The listed issuer must include the information set out in Appendices 10A and 10C in the announcement.

- (2) ~~Subject to subparagraphs (8A)-(9) and (10) below, for a related party transaction where any one of the percentage ratios of a related party transaction is equal to or exceeds 5% or more, in addition to subparagraph (1), the following must be complied with by the a listed issuer must:-~~
- (a) ~~send a circular must be sent to the shareholders which shall includes the information set out in Appendix 10B and Part A of Appendix 10D to the shareholders. The draft circular must be submitted to the Exchange together with a checklist showing compliance with Appendix 10B and Part A of Appendix 10D;~~
 - (b) ~~obtain its the shareholders' approval of the transaction must be sought in general meeting; and~~
 - (c) ~~appoint an independent adviser, which shall be who is a corporate finance adviser within the meaning of the SC's Principal Adviser Guidelines, must be appointed, before the terms of the transaction are agreed upon.~~
- (3) ~~The independent adviser referred to in subparagraph (2)(c) above, must be appointed by the listed issuer before terms of the transaction are agreed upon, and it shall be it is the duty and responsibility of the The independent adviser to must, in relation to the transaction:-~~
- (a) ~~confirm to the Exchange of its eligibility to act as an independent adviser within a period of 2 weeks after the announcement of the transaction;~~
 - (b)(a) comment as to -
 - (i) ~~whether the transaction is fair and reasonable so far as the shareholders are concerned; and~~
 - (ii) ~~whether the transaction is to the detriment of minority shareholders,~~

-and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion; and

- ~~(e)(b)~~ advise minority shareholders on whether they should vote in favour of the transaction; and
- ~~(d)(c)~~ take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in subparagraphs (a) and (b) above.
- (4) Subject to subparagraph ~~(8A)~~(9) below, for a related party transaction where any one of the percentage ratios is ~~equal to or exceeds 25% or more~~, in addition to subparagraph (2) above, the following must be complied with by the listed issuer must, before the terms of the transaction are agreed upon, :
- ~~(a)~~ appoint a main adviser, which shall be who is a Principal Adviser corporate finance adviser that may act as a principal adviser under the Commission's Guidelines on Principal Advisers for Corporate Proposals, must be appointed by the listed issuer before terms of the transaction are agreed upon, and it shall be the duty and responsibility of the main adviser to:
The Principal Adviser must -
- ~~(i)(a)~~ ensure that such transaction:-
- ~~(aa)(i)~~ is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the listed issuer; and
- ~~(bb)(ii)~~ complies with the relevant laws, regulations /or/ guidelines, where applicable;
- ~~(ii)(b)~~ ensure full disclosure of all information required to be disclosed in the announcement and circular; and
- ~~(iii)(c)~~ confirm to the Exchange after the transaction has been completed and all the necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction; ~~and~~
- ~~(b)~~ an independent adviser, which shall be a corporate finance adviser, must be appointed by the listed issuer before terms of the transaction are agreed upon, and it shall be the duty and responsibility of the independent adviser to:-
- ~~(i)~~ confirm to the Exchange of its eligibility to act as an independent adviser within a period of 2 weeks after the announcement of the transaction;
- ~~(ii)~~ comment as to whether the transaction is fair and reasonable so far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion; and
- ~~(iii)~~ advise minority shareholders on whether they should vote in favour of the transaction.
- (5) The Exchange has the discretion not to allow an independent adviser to continue to act or be appointed as an independent adviser if, in its opinion, the adviser is deemed not to be independent.
- (6) A director with any interest, direct or indirect, (~~referred to as "the interested director" in this Part E~~) must abstain from board deliberation and voting on the relevant resolution in respect of the related party transaction.

- (7) In a meeting to obtain shareholders' approval :-
- (a) the interested director, major shareholder or person connected with a director or major shareholder with any interest, direct or indirect (~~referred to as "the interested major shareholder" or "the interested person connected with a director or major shareholder" in this Part E~~); and
 - (b) where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder,
- must not vote on the resolution approving the transaction. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transaction.
- (8) An interested director in a related party transaction, must inform the board of directors of the listed issuer or its subsidiary, as the case may be, of the details of the nature and extent of his interest, including all matters in relation to the proposed transaction that he is aware or should reasonably be aware of, which is not in the best interest of the listed issuer or its subsidiary, as the case may be.
- ~~(8A)(9)~~ (9) For a related party transaction entered into between a subsidiary of a listed issuer and another person ~~where any one of the percentage ratios of a related party transaction entered into between a subsidiary of a listed issuer and another person, is equal to or exceeds 5% or more and there are no other interested relationships except for a related party having an interest in the transaction who is :-~~
- (a) a director or major shareholder of such subsidiary or the holding company of such subsidiary (other than the listed issuer or a holding company of the listed issuer) (~~hereinafter referred to in this subparagraph as "the interested said director" or "the interested said major shareholder"~~); or
 - (b) a person connected with the ~~interested said~~ director or ~~interested said~~ major shareholder;
- the listed issuer is exempted from :-
- (i) issuing a circular to shareholders;
 - (ii) obtaining shareholders' approval of the transaction in general meeting; and
 - (iii) appointing a main adviser and independent adviser, as the case may be;
- provided that the board of directors of the listed issuer :-
- (aa) approves the transaction before the terms of transaction are agreed upon; and
 - (bb) ensures that the transaction is fair and reasonable to the listed issuer and is in the best interests of the listed issuer.
- ~~(8B)(10)~~ (10) Subparagraphs (1), (2), (3), (4) and ~~(8A)(9)~~ do not apply to a related party transaction where the value of the consideration ~~given or received in relation to~~ of the transaction is less than RM250,000.
- ~~(9)(11)~~ (11) The following transactions are not normally regarded as related party transactions:-

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- (a) the payment of dividend, issue of securities by the listed issuer by way of a bonus issue or for cash (~~but shall be subject to paragraph 6.4406~~), subdivision of shares, consolidation of shares or reduction in the par value of shares;
- (b) a transaction between a listed issuer or any of its subsidiaries and an investee company, where the related party has no interest in the investee company other than via the listed issuer;
- (c) a transaction between the listed issuer or any of its subsidiaries and another person, where there are no other interested relationships except for common directorships provided that the directors who have common directorships have ~~:-~~
- (i) shareholdings in the other person which is less than 1% other than via the listed issuer; and
 - (ii) no other interest such as commission or other kinds of benefit received from the listed issuer or any of its subsidiaries or the other person in relation to the said transaction;
- (d) an acquisition or disposal by the listed issuer or any of its subsidiaries from or to a third party of an interest in another company where the related party holds less than 5% in that other company other than via the listed issuer;
- (e) the provision or receipt of financial assistance or services, upon normal commercial terms and in the ordinary course of business, from a company whose activities are regulated by any written law relating to banking, finance companies or insurance and are subject to supervision by Bank Negara Malaysia;
- (f) directors fees and remuneration, and employment remuneration;:-
- (g) a transaction between a listed issuer or any of its subsidiaries and another person for the provision or receipt of goods or services which are Exempted Transactions where ~~:-~~
- (i) the goods or services are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted; and
 - (ii) all material terms including the prices or charges are applied consistently to all customers or classes of customers;

For the purposes of this subparagraph ~~:-~~

- (i) **"goods"** ~~shall exclude~~ securities;
- (ii) **"classes of customers"** ~~shall exclude~~ such class by reason solely or otherwise that the customers are related parties of the listed issuer or its subsidiaries;
- (iii) **"Exempted Transactions"** means the following:-
 - (aa) provision or usage of public utility services such as water, electricity, telecommunications, postal or courier services, insurance, unit trusts, stock-broking services, public transport, education, medical services, provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and

- (bb) such other types of transactions that may be prescribed by the Exchange from time to time;
- (h) the entry into or renewal of tenancy of properties of not more than 3 years, the terms of which are supported by an independent valuation;
- (i) a contract that is awarded by or on behalf of the Government of Malaysia or a State Government to the listed issuer or its subsidiary provided that ~~an immediate announcement is made by the listed issuer~~ immediately announces the contract to the Exchange and which announcement shall include the information set out in Appendices 10A and 10C in the announcement;
- (j) a contract that is awarded by way of a public tender ~~:-~~
- (i) in relation to the listed awardee or its subsidiaries provided that ~~an immediate announcement~~ the listed issuer immediately announces to the Exchange is made of the terms of the awarded contract and the value of at least the 3 closest bids or if not applicable, such lesser number of bids received; and
- (ii) in relation to the successful listed bidder or its subsidiaries provided that ~~:-~~
- (aa) the awardee is listed or is a subsidiary of a listed issuer;
- (bb) majority of the directors and members of the audit committees of the listed issuers (whether as the bidder or the awardee or the holding companies of the bidder or awardee subsidiaries) are different; and
- (cc) ~~an immediate announcement is made by the listed bidder~~ immediately announces the contract to the Exchange which announcement shall and includes the information set out in Appendices 10A and 10C in the announcement;
- (k) a transaction between a listed issuer or any of its subsidiaries and another person which involves the sharing of services or facilities provided by one or more of such parties or other similar arrangements whereby the consideration merely involves reimbursement or sharing of costs in proportion to the utilisation of the services or facilities;
- (l) a transaction between the listed issuer or any of its subsidiaries and another person where there are no other interested relationships except for the related party having shareholdings in the other person which is less than 5% other than via the listed issuer.
- (m) a transaction between the listed issuer or any of its subsidiaries and another person where there are no other interested relationships except for ~~:-~~
- (i) common major shareholders; or
- (ii) a person connected with a major shareholder being a major shareholder of the other person,
- provided that the following conditions are satisfied:-
- (aa) the major shareholder and/or the person connected with the major shareholder is/are not the largest shareholder of the listed issuer;

- (bb) the major shareholder and/or the person connected with the major shareholder is/are not a party to the said transaction, initiator, agent or involved in any other manner in the said transaction;
- (cc) the major shareholder does not have any representative in an executive capacity on the board of directors of the listed issuer or any of its subsidiaries; and
- (dd) the major shareholder is:-
- (A) a statutory institution who is managing funds belonging to ~~contributors or investors who are members of the~~ general public;
- (B) ~~as~~ closed end funds, unit trust or investment funds (but excluding an investment holding company); or
- (C) an insurance company whose activities are regulated by any written law relating to insurance and are subject to supervision by Bank Negara Malaysia and the said insurance company is managing its insurance funds (together with its own shareholders' funds or otherwise). For the purposes of this subparagraph, "**insurance funds**" ~~shall have~~ has the meaning given in section 2 of the Insurance Act, 1996;
- (n) a transaction between the listed issuer and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed issuer or person connected with such director or major shareholder having an interest in the transaction;
- (o) a transaction between a subsidiary of a listed issuer (~~hereinafter referred to as~~ "**the transacting subsidiary**") and another person where there are no other interested relationships except for a related party who is a director or major shareholder of a subsidiary of the listed issuer (other than the transacting subsidiary or holding companies of the transacting subsidiary) or a person connected with such director or major shareholder having an interest in the transaction; or
- (p) ~~S~~Subscription to or acquisition by a listed issuer or its unlisted subsidiaries of debt securities and/or redeemable preference shares issued by or on behalf of the Government of Malaysia, Bank Negara Malaysia and/or a State Government; or
- (q) a disposal by a listed issuer or any of its subsidiaries of an interest in an investee company where a related party is also a major shareholder or person connected with a major shareholder of the investee company (other than via the listed issuer), provided that -
- (i) the related party, person connected with the related party or both, are not a party, initiator or agent to the said disposal; and
- (ii) the disposal is effected on the Exchange where the counterparty's identity is unknown to the listed issuer or its subsidiaries (as the case may be) at the time of the disposal.

For the purpose of this subparagraph (q), a "disposal" includes a disposal by a listed issuer or any of its subsidiaries of an interest in an investee company on a pro-rata basis or arising from an acceptance of a take-over offer, except that subparagraph (q)(ii) above will not be applicable in such instances.

-10.09 Recurrent ~~r~~Related ~~p~~Party ~~t~~Transactions of a revenue nature

(1) Notwithstanding paragraph 10.08(1)(b) above, a listed issuer must immediately announce a Recurrent Related Party Transaction as follows:

(a) in relation to a listed issuer with an issued and paid-up capital of RM60 million and above -

(i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or

(ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more,

whichever is the higher; or

(b) in relation to a listed issuer with an issued and paid-up capital which is less than RM60 million -

(i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or

(ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more,

whichever is the lower.

(1)(2) With regard to recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations such as supplies of materials the listed issuer may seek a shareholders' mandate in respect of such transactions. A listed issuer may seek a mandate from its shareholders for Recurrent Related Party Transactions subject to the following:-

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;

(b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or exceeds more than the applicable prescribed threshold prescribed under subparagraph (1) above paragraph 2.1 of PN12/2001;

(c) the listed issuer's circular to shareholders for the shareholders' mandate shall includes the information set out in Part B of Appendix 10D and Appendix PN12/2001-A of Practice Note No. 12/2001 as may be prescribed by the Exchange. The draft circular must be submitted to the Exchange together with a checklist showing compliance with such information Part B of Appendix 10D and Appendix PN12/2001-A of Practice Note No. 12/2001; and

(d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and

- (e) the listed issuer immediately announces to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.

[Cross reference: Practice Note 12]

- ~~(2)~~(3) Where a listed issuer has procured a shareholders' mandate pursuant to subparagraph ~~(1)~~(2) above, the provisions of paragraph 10.08 ~~shall~~ will not apply.

PART F - REVERSE TAKE-OVERS/VERY SUBSTANTIAL TRANSACTION AND SIGNIFICANT CHANGE IN THE BUSINESS DIRECTION OR POLICY

10.10 Reverse take-overs/Very substantial transaction

~~(1)~~—Where a transaction is a very substantial transaction, a listed issuer and its Principal Adviser ~~must acquisition or a reverse take-over, include additional information set out in Part G of Appendices 10A and 10B, respectively, in the announcement of the transaction to the Exchange and the circular to be made or issued to the shareholders, as the case may be, by a listed issuer, shall include additional information set out in Part F of Appendices 10A and 10B, respectively.~~

~~(2)~~—(Deleted)

10.11 Significant change in the business direction or policy of a listed issuer

- (1) Where a transaction will result in a significant change in the business direction or policy of the listed corporation, the listed issuer must first procure the SC's approval for the transaction.
- (2) The listed issuer must include additional information set out in Part H of Appendices 10A and 10B respectively, in the announcement of the transaction to the Exchange and the circular issued to the shareholders, as the case may be.
- (3) The listed issuer must submit the circular referred to in subparagraph (2) above to the SC for comments and clearance before it issues the circular to its shareholders. For the avoidance of doubt, any application in relation to the waiver or modification of the contents required of such a circular must be submitted directly to the SC for approval.

PART G - OTHER REQUIREMENTS

10.112 Aggregation of transactions

- (1) The Exchange may aggregate separate transactions and treat such transactions as if they were one transaction if the terms of such transactions were agreed upon within a period of 12 months.
- (2) Without prejudice to the generality of subparagraph (1) above, transactions which may be aggregated in accordance with that subparagraph include the following:-
- (a) transactions entered into with the same party or with parties connected with one another;
 - (b) transactions involving the acquisition or disposal of securities or interests in one particular ~~company~~ corporation /asset; or

- (c) transactions involving the acquisition or disposal of various parcels of land contiguous to each other.

[Cross reference: Practice Note 14]

10.4213 Diversification in operations carried on by a listed issuer

- (1) A listed issuer must obtain its shareholders' approval in general meeting for any transaction or business arrangement which might reasonably be expected to result in either—
- (a) the diversion of 25% or more of the net assets of the listed issuer to an operation which differs widely from those operations previously carried on by the listed issuer; or
- (b) the contribution from such an operation of 25% or more of the net profits of the listed issuer.

In assessing the extent of diversification or the amount of contribution to the net profits, consideration should be taken of any associated transactions or loans effected or intended and of contingent liabilities or commitments.

- (2) For the purpose of subparagraph (1) above, the Exchange may aggregate separate transactions and treat such transactions as if they were one transaction if the terms of such transactions were agreed upon within a period of 12 months and the total percentage ratio of assets allocated for the diversification is equal to or exceeds 25% or more.

PART H – QUALIFYING ACQUISITION OF A SPECIAL PURPOSE ACQUISITION COMPANY

10.14 Approvals to complete a qualifying acquisition

- (1) A SPAC must not proceed to complete a qualifying acquisition unless –
- (a) the SPAC convenes a general meeting to obtain the approval of its holders of the voting securities;
- (b) where the qualifying acquisition comprises more than one acquisition, the sale and purchase agreements relating to each of the acquisitions are inter-conditional and shall complete simultaneously within 36 months from the date of listing of the SPAC on the Exchange;
- (c) the respective resolution on each qualifying acquisition is approved by a majority in number of the holders of voting securities representing at least 75% of the total value of securities held by all holders of voting securities present and voting either in person or by proxy at a general meeting duly convened for that purpose; and
- (d) the SPAC has obtained the SC's approval for the qualifying acquisition.
- (2) A member of the management team and persons connected with them must not vote on a resolution approving a qualifying acquisition.
- (3) The listed issuer must include additional information set out in –
- (a) Part H of Appendix 10A, in the announcement of the transaction to the Exchange; and
- (b) Parts H and I of Appendix 10B, in the circular issued to the shareholders.

- (4) The listed issuer must submit the circular referred to in subparagraph (3) above to the SC for comments and clearance before it issues the circular to its shareholders. For the avoidance of doubt, any application in relation to the waiver or modification of the contents required of such a circular must be submitted directly to the SC for approval.

[End of Chapter]

APPENDIX 10A**Contents of announcement in relation to transactions**
(paragraphs ~~10.0406(1), and~~ 10.08(1), 10.08(11)(i) and (j))**Part A****General information to be included, where applicable, in announcement of transactions**

- (1) The details of the transaction including particulars of the assets being acquired or disposed of;
- (2) A description of the business carried on;
- (3) ~~The aggregate value of the consideration, explaining how this was arrived at and will be satisfied, including the terms of any arrangement for payment on a deferred basis. If it was based on net assets, the year the net assets was taken into consideration, quantifying the net assets and stating whether it was based on audited accounts~~The total consideration, together with –
 - (a) the basis of arriving at the consideration. 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;
 - (b) the justification for the consideration; and
 - (c) the manner in which the consideration will be satisfied including the terms of any arrangement for payment on a deferred basis;
- (4) The financial information on the assets which are the subject matter of the transaction, including but not limited to, net profits attributable to assets and net assets or net book value of the assets;
- (5) The effect of the transaction on the listed issuer, 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 issuer;
- (6) In the case of a disposal:-
 - (a) ~~the expected gains or losses arising from the transaction~~to the group;
 - (b) where the sale consideration is to be satisfied in cash the intended application of the sale proceeds and the breakdown ~~thereof~~, including the timeframe for full utilisation of proceeds, and details of the purchaser;
 - (c) where shares or other securities are intended to form part of the consideration:-
 - (i) the number, type and par value of securities to be issued;
 - (ii) the ranking of the securities;
 - (iii) ~~the issue price, and the~~ basis of determining the issue price and the justification for the pricing of the securities;
 - (iv) a statement as to whether such securities are to be sold or retained;

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- (v) the principal activities and issued and paid-up capital of the company in which the securities are or will be held; and
 - (vi) the names of the directors and substantial shareholders of the company in which the securities are or will be held;
 - (d) particulars of all liabilities to be assumed by the purchaser arising from the transaction; ~~and~~
 - (e) the original cost of investment and the date of such investment; and
 - (f) ~~If~~ if the disposal is expected to result in the listed issuer becoming a Cash Company or a PN17 Company falling within the ambit of PN16 and/or 17, a statement to that effect;
- (7) 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 issuer ~~:-~~
 - (i) the number, type and par value of securities to be issued;
 - (ii) the ranking of the securities;
 - (iii) whether listing will be sought for the securities;
 - (iv) ~~the issue price and the basis of determining the issue price~~ the issue price, basis of determining the issue price and justification for the pricing of the securities;
 - (v) if the vendor is a company, the name and principal activity of the vendor and names of its directors and substantial shareholders together with their respective shareholdings; and
 - (vi) if the vendor is an individual, the name of the vendor;
 - (b) where the purchase consideration is to be satisfied by cash, the source of funding, its ~~the~~ ~~breakdown thereof~~ and details of the vendor; and
 - (c) particulars of all liabilities, including contingent liabilities and guarantees to be assumed by the listed issuer, arising from the transaction; ~~and~~
 - ~~(d) the original cost of investment to the vendor and the date of such investment;~~
- (8) Where the consideration is in the form of equity share capital, the weighted average market price for the equity share capital for the 5 market days ~~prior to~~ before the date on which the terms of the transaction were agreed upon;
- (9) Whether the transaction is subject to the shareholder approval ~~of shareholders~~ and the relevant government authorities and the estimated time frame for submission of the application to the relevant authorities;
- (10) 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;

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-
- (11) The rationale for the transaction including any benefit which is expected to accrue to the listed issuer as a result of the transaction;
- (12) The salient features of the agreement and valuation report, if any, and the time and place where such documents may be inspected;
- (13) The date on which the terms of the transaction were agreed upon;
- (14) A statement by the board of directors, excluding interested directors stating whether the transaction is in the best interests of the listed issuer, and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion;
- (15) The prospects of the assets, ~~businesses~~ or interests to be acquired;
- ~~(15A)~~(16) The risks in relation to the transaction including risk factors of the assets, ~~businesses~~ or interests to be acquired;
- ~~(15B)~~ If the transaction results in a change in the controlling shareholder of the listed issuer, a statement to that effect and the following information in respect of the new shareholder:
- ~~(a)~~ the name;
 - ~~(b)~~ the date and place of incorporation;
 - ~~(c)~~ the names of directors and substantial shareholders and their respective shareholdings; and
 - ~~(d)~~ the principal business;
- ~~(16)~~(17) The estimated time frame for the completion of the transaction;
- (18) The highest percentage ratio applicable to the transaction pursuant to paragraph 10.02(g) of these Requirements;
- ~~(17)~~ A statement whether the intended transaction has departed from the Commission's Guidelines on the Offering of Equity and Equity-Linked Securities;
- ~~(17A)~~(19) Where any one of the percentage ratios is ~~equal to~~ exceeds 1525% or more, the following information must be included:-
- (a) ~~W~~where 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 the time and place where such report may be inspected;
 - (b) ~~T~~the estimated additional financial commitment required of the ~~company~~ corporation in putting the assets/~~businesses~~ acquired on-stream;
 - (c) ~~F~~for depleting or specialised businesses, such as timber concessions and oil and gas businesses, information on the reserves, extraction rates and returns;
 - (d) ~~W~~where another ~~company~~ corporation is acquired or disposed of, or where shares or other securities in another ~~company~~ corporation are to be received as consideration for a disposal, the following information in respect of the other ~~company~~ corporation in an appendix:-

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- (i) the general nature of business conducted by the ~~company~~ corporation and its subsidiaries including principal products manufactured or services rendered and principal markets for the products or services;
- (ii) the audited financial information (past ~~5~~ 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 interest; and
- (iii) where there is any material fluctuation in turnover or profits in any of the years, the explanation ~~thereof~~ for the fluctuation; and

~~(18)~~ (20) Any other information which is necessary to enable an investor to make an informed investment decision.

Part B

Additional specific information to be included in relation to joint-ventures

- (1) The details of the joint-venture partners;
- (2) The breakdown of the total capital and investment outlay in the joint-venture;
- (3) The eventual issued and paid-up capital of the joint-venture company;
- (4) The number, type and par value of the shares. Where there is more than one type of shares or securities issued, the following:-
 - (a) the differences between the different types of shares or securities;
 - (b) whether convertible; if so, the rate and period ~~thereof~~;
 - (c) whether redeemable; if so, the rate and period ~~thereof~~; and
 - (d) the tenure;
- (5) The equity interest held and to be held by the respective parties;
- (6) The name of the joint-venture company;
- (7) The source(s) of funds for financing the investment in the joint-venture company, and the breakdown ~~thereof~~; and
- (8) If no joint-venture company will be set up, the terms of cost and profit sharing and the estimated total cost of project.

Part C

Additional specific information to be included in relation to a transaction which involves an acquisitions or disposals of real estate ~~property or land or companies whose main investments or interests are in properties or land~~

- (1) A description of each ~~property~~ real estate including :-

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- (a) the postal address or identification (lot, title number, relevant mukim, district and state) of the ~~property~~real estate;
- (b) a brief description (e.g. whether land or building, approximate area, etc);
- (c) the existing and proposed use (e.g. shops, offices, factories, residential, etc.). If currently let out or is proposed to be let out, the details of the rentals and the rental income or expected rental income per month or per annum. If the ~~property~~real estate to be disposed is currently used as a factory, the effect of a disposal on the operations;
- (d) the approximate age of the buildings;
- (e) the terms of the tenure; if leasehold, the expiry date of the lease;
- (f) whether any valuation was carried out on the ~~property or land~~ real estate; if so, the name of the independent registered valuer, date and method of valuation and quantification of the market value;
- (g) the net book value based on latest audited ~~accounts~~financial statements; and
- (h) the encumbrances, if any;
- (2) If the ~~land~~ real estate acquired or disposed of is an estate or plantation, the following additional information:-
- (a) ~~the size~~;
- (b) ~~the location~~;
- (c) ~~the tenure; if leasehold, the date of expiry of the lease~~;
- ~~(d)~~(a) the present and future usage;
- ~~(e)~~(b) the type of estate or plantation;
- ~~(f)~~(c) the maturity of the trees; and
- ~~(g)~~(d) the production for the past 35 years; and
- (h) ~~a quantification of the market value of the plantation as appraised by the independent registered valuer, if applicable~~;
- (3) Where the ~~properties~~real estate consist of buildings, the following:-
- (a) ~~(Deleted)~~
- (b) ~~(Deleted)~~
- ~~(e)~~(a) the amount of lettable space;
- ~~(d)~~(b) the amount of lettable space available for letting and the occupancy; and
- ~~(e)~~(c) the percentage of occupancy; and
- (4) Where the ~~property or land~~ real estate is in the process of being developed or is intended to be developed, the following additional details:-

- (a) the details of development potential, i.e name of the project, type of development - residential, industrial or commercial, number of units in respect of each type of development;
- (b) the total development cost;
- (c) the expected commencement and completion date(s) of development;
- (d) the expected profits to be derived;
- (e) the stage or percentage of completion;
- (f) the sources of funds to finance the development cost; and
- (g) whether relevant approvals for the development have been obtained and date(s) obtained.

Part D

Additional specific information to be included in relation to acquisitions or disposals of construction companies

- (1) A description of the current projects undertaken by the company – type of construction, name of the project, owner of the project, and value;
- (2) The expected commencement and completion date(s) of construction; and
- (3) The contract value of the recent major projects completed and current projects on hand.

Part E

Additional specific information to be included in relation to acquisitions or disposals of infrastructure project asset/ business or corporations involved in infrastructure projects

- (1) The pertinent details of the concession/license, including but not limited to -
 - (a) nature of the concession/license (e.g. Build-Operate-Transfer, Build-Transfer-Operate, Build-Own-Operate, etc.);
 - (b) life/duration and exclusivity/non-exclusivity of the concession/license;
 - (c) salient terms and conditions of the concession/license;
 - (d) infrastructure project company's rights, interest and major obligations under the concession/license; and
 - (e) Acts/regulations under which the concession/license is granted;
- (2) The nature of relationship with the concession giver/licensor; and
- (3) The details of financing requirements and sources of funding.

Part EF**Additional specific information to be included in relation to foreign acquisitions where any one of the percentage ratios is equal to or exceeds 25% or more**

- (1) The financial and other relevant information pertaining to the companies and/or assets to be acquired including a summary of the key audited financial data of the assets, ~~businesses~~ or interests to be acquired for the past ~~35~~ financial years or since the date of incorporation or commencement of operations, whichever is the later. The financial data ~~shall~~must include, but not be limited to, turnover, pre-tax profit, after-tax profit, shareholders' funds and total borrowings. ~~For depleting or specialised assets or businesses such as timber concessions and oil and gas businesses, information on the breakdown of assets or inventories, reserves, extraction rates and returns; and~~
- ~~(1A) Where the acquisition is that of the securities of a foreign company, the dividend policy of the company;~~
- ~~(2) The effects on resultant foreign equity ownership of the listed issuer on completion of the proposed acquisition;~~
- ~~(3) (Deleted)~~
- ~~(4) The specific investment risks involved in the proposed acquisitions and the appropriate course of action that will be developed to reduce or manage the risks; and~~
- ~~(5)~~(2) The policies on the foreign investments and repatriation of profits of the host country.

Part FG**Additional specific information to be included in relation to very substantial transactions~~acquisitions and reverse take-overs~~**
(paragraph 10.10(4))

- (1) A summary of the key audited financial data of the assets of business or interests to be acquired for the past ~~53~~ financial years or since the date of incorporation or commencement of operations, whichever is the later. The financial data ~~shall~~must include, but not be limited to, shareholders' funds and total borrowings;
- (2) An accountant's report on the unlisted company to be acquired;
- (3) For assets, ~~businesses~~ or interests to be acquired which do not have any profitability track record (as in certain privatisation cases), the information ~~shall~~must include, but not be limited to, the total cost needed to put on-stream the operation of the assets, ~~businesses~~ or interests and the proportion to be assumed or guaranteed by the listed issuer, the expected date on which the profit contribution will accrue to the listed issuer and the expected returns to be derived, together with the appropriate assumptions used. Information provided should be verified and confirmed by independent experts.

Part H**Additional specific information to be included in relation to significant change in business direction or policy of a listed corporation**

(paragraphs 10.11 & 10.14)

- (1) A summary of the key audited financial data of the assets or interests to be acquired for the past 3 to 5 financial years (depending on the profit track record used for compliance with the SC's Equity Guidelines) or since the date of incorporation or commencement of operations, whichever is the later. The financial data must include, but not be limited to, shareholders' funds and total borrowings;
- (2) The financial effects on proforma net assets (based on the latest audited financial statements) of the listed issuer -on completion of the acquisition or restructuring exercise;
- (3) For assets or interests which do not have any profitability track record (as in certain privatisation cases), the information must include, but not be limited to, 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 issuer, the expected date on which profit contribution will accrue to the listed issuer and the expected returns to be derived;
- (4) If the transaction results in a change in the controlling shareholder of the listed issuer, a statement to that effect and the following information in respect of the new shareholder:
 - (a) the name;
 - (b) the date and place of incorporation;
 - (c) the names of directors and substantial shareholders and their respective shareholdings; and
 - (d) the principal business;
- (5) If the transaction results in a change in the board of directors of the listed corporation, the following information in respect of the new board of directors:
 - (a) name and nationality;
 - (b) occupation and qualification;
- (6) Background of the vendors, who are substantial shareholders of the assets or interests to be acquired:
 - (a) name;
 - (b) date and place of incorporation;
 - (c) principal activities;
 - (d) substantial shareholders and directors and their respective shareholdings.

[End of Appendix]

APPENDIX 10B**Contents of circular to shareholders in relation to transactions**(paragraphs 10.067(1) and 10.08(2)(a))**Part A****General information to be included, where applicable, in the circular to shareholders in relation to transactions**

- (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 professional advisers;
- ~~(2)~~ ~~(Deleted)~~
- ~~(3)~~(2) A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, 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 an Exempt Circular, a statement that Bursa Malaysia Securities Berhad has not perused the circular ~~prior to~~before its issuance;
- ~~(4)~~(3) The purpose of the circular;
- ~~(5)~~(4) The date on which terms of the transaction were agreed upon and the date on which the transaction and any revision ~~thereto~~to it was announced;
- ~~(6)~~(5) The particulars of the transaction, including a description of the company or assets to be acquired or disposed of, as the case may be;
- ~~(7)~~(6) The salient features of the agreement relating to the transaction;
- ~~(7A)~~(7) The details of any other intended corporate exercise/scheme which have been announced but not yet completed ~~prior to~~before the printing of the circular and whether the transaction is conditional or inter-conditional upon such and/or any other corporate exercise/scheme;
- (8) The audited financial and other relevant information pertaining to the ~~transaction assets~~, including but not limited to, ~~net profits attributable to the assets and net assets of~~ the net book value of the assets;
- (9) The total consideration, together with -
 - (a) the basis of arriving at the consideration. 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~~accounts~~; and
 - (b) the justification for the consideration;
- (10) How the consideration will be satisfied including the terms of any arrangement for payment on a deferred basis;
- (11) In the event the consideration is based on or involves a profit guarantee, details of the listed issuer's right of recourse in the event the profit guarantee is not met;

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- ~~(11)~~(12) The effects of ~~the~~each transaction on ~~the share capital, earnings per share, net assets per share, gearing, substantial shareholders and their respective shareholdings (on a group basis, where applicable)-~~
- ~~(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.
- ~~(12)~~ If the transaction results in a change in the controlling shareholder of the listed issuer, the following information in respect of the new shareholder:-
- ~~(a)~~ the name;
 - ~~(b)~~ the date and place of incorporation;
 - ~~(c)~~ the names of directors and substantial shareholders and their respective shareholdings;
 - ~~(d)~~ the common directorships and controlling shareholdings in other listed issuers; and
 - ~~(e)~~ the principal business;
- (13) 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 issuer :-
 - (i) the number, type and par value of securities to be issued;
 - (ii) the ranking of the securities;
 - (iii) the issue price, and the basis of determining the issue price and the justification for the pricing of the securities;
 - (iv) if the vendor is a company, the name and principal activity of the vendor and names of its directors and substantial shareholders together with their respective shareholdings;
 - (v) if the vendor is an individual, the name of the vendor; and
 - (vi) the highest and lowest prices of such securities as transacted on the Exchange for the preceding 12 months including the last transacted price ~~prior to before~~ the announcement on the transaction and on the latest practicable date ~~prior to before~~ the printing of the circular;
 - (b) where the purchase consideration is to be satisfied wholly or partly by cash, the source(s) of funding, the breakdown ~~thereof~~ and details of the vendor;

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-
- (c) a statement as to whether the company and/or assets will be acquired free from encumbrances; and
- (d) the particulars of all liabilities, including contingent liabilities and guarantees to be assumed by the listed issuer arising from the acquisition; and
- ~~(e) the original cost of investment to the vendor and the date of such investment;~~
- (14) In the case of a disposal:-
- (a) the expected gains or losses ~~from the disposal~~ to the group;
- ~~(b) the subject matter's contribution to the group's net profit based on the latest audited financial statements;~~
- ~~(b)(c)~~ (c) where the sale consideration is to be satisfied in cash, the intended application of the sale proceeds and the breakdown thereof, ~~and details of the purchaser including the timeframe for the full utilisation of proceeds, and if the proceeds are to be used for -~~
- ~~(i) If sale proceeds are to be used for reducing bank borrowings, the quantification of the total bank borrowings of the group as at the latest practicable date prior to before printing of the circular and the savings in interest payment or expense per annum arising from the repayment; and~~
- ~~(ii) If the proceeds are to be used for reinvestment, 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;~~
- ~~(e)(d)~~ (d) where shares or other securities are intended to form part of the consideration:-
- (i) the number, type and par value of securities to be issued;
- (ii) the ranking of the securities;
- (iii) whether listing will be sought for the securities;
- (iv) the issue price, and 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; ;
- ~~(vi) the principal activities and issued and paid-up capital of the company in which the securities are or will be held; and~~
- ~~(vii) the names of the directors and substantial shareholders of the company in which the securities are or will be held;~~
- ~~(d) the original cost of investment and the date of such investment;~~
- (e) the original cost of investment and the date of such investment;
- (f) details of the purchaser;
- (g) particulars of all liabilities to be assumed by the purchaser arising from the transaction; and

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- ~~(f)~~(h) if the disposal is expected to result in the listed issuer falling within the ambit of PN16 and/or PN17 becoming a Cash Company or a PN17 Company, a statement to that effect;
- (15) The rationale for the transaction including any benefit which is expected to accrue to the listed issuer as a result of the transaction;
- (16) Where a feasibility report in relation to the transaction/acquiree company 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;
- ~~(17)~~ In relation to the assets or interests to be acquired -
- ~~(a)~~ (a) a description of the assets or interest to be acquired and outlook of the industry where it operates;
- ~~(b)~~ (b) the prospects of the assets or interests in light of its industry's outlook and competition; and
- ~~(c)~~ (c) a description of the future plans of the assets or interests and steps to be taken (including time frame and financial resources required to be committed) to realise such plans;
- ~~(17)~~(18) The risks in relation to -:
- ~~(i)~~(a) the transaction;
- ~~(ii)~~(b) the assets or interests to be acquired (as well as the company whose securities are to be received as consideration for the disposal); and
- ~~(iii)~~(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 issuer and the mitigating factors;
- ~~(18)~~(19) The estimated additional financial commitment required of the company in putting the assets/businesses acquired on-stream;
- ~~(19)~~(20) The estimated time frame for completion of the transaction tentative timetable for the implementation of the proposal;
- ~~(20)~~(21) The valuation of the assets as at the latest practicable date, if applicable, and the name of the independent registered valuers;
- ~~(21)~~(22) For depleting or specialised businesses, such as timber concessions and oil and gas businesses, information on the breakdown of assets/inventories, reserves, extraction rates and returns;
- ~~(22)~~(23) Whether the transaction is subject to the approval of shareholders and the relevant government authorities, and the conditions imposed and the status of compliance;
- ~~(23)~~(24) 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;

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- ~~(24)~~(25) A statement by the board of directors, excluding interested directors, stating whether the transaction is in the best interests of the listed issuer, and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion;
- ~~(26)~~ In the case of an acquisition, where the purchase consideration is based on or involves a profit guarantee, a statement as to whether the profit guarantee provided is realistic, taking into consideration the historical performance and future prospects of the company and/or asset to be acquired;
- ~~(25)~~(27) Where voting is required, a recommendation for the directors and the basis of such recommendation from the directors, excluding interested directors, as to the voting action shareholders should take;
- ~~(26)~~(28) Where another company is acquired or disposed of, or where shares or other securities in another company are to be received as consideration for a disposal, the following information in respect of the other company in an appendix:-
- (a) the date and place of incorporation;
 - (b) the authorised and issued and paid-up capital;
 - (c) the number, type and par value 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 thereof;
 - (iii) whether redeemable; if so, the rate and period thereof; and
 - (iv) the tenure;
 - ~~(d)~~ ~~the changes in the share capital since incorporation;~~
 - ~~(e)~~(d) the following details of its subsidiaries and associated companies:-
 - (i) the name;
 - (ii) the date and place of incorporation;
 - (iii) the issued and paid-up capital;
 - (iv) the percentage of effective interest of the company; and
 - (v) the principal activities;
 - ~~(f)~~(e) a brief history of the company or business a brief history of the company or business for the past 3 year or since inception, whichever is the later, and if reorganised as a result of merger, consolidation or reorganisation, similarly the history of the predecessor companies;
 - ~~(g)~~(f) the general nature of business conducted by the company and its subsidiaries including principal products manufactured or services performed; size and location of the factories; principal markets for the products and raw materials; percentage of sales broken down between domestic and foreign; annual production capacity and output for the past ~~5~~3 years and if significant,

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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 company and impact on profits or net assets upon becoming enforceable;
- (h) the type of businesses or assets owned;
- (i) ~~the directors' and substantial shareholders' shareholdings~~ 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 profit and dividend record~~ financial statements (past 53 years or since incorporation, whichever is the later) and the latest interim results, if available, stating:-
- ~~(i) the turnover;~~
 - ~~(ii) the profit before tax and exceptional items;~~
 - ~~(iii) the exceptional items;~~
 - ~~(iv) the profit before tax;~~
 - ~~(v) the taxation;~~
 - ~~(vi) the profit after tax before extraordinary items;~~
 - ~~(vii) the extraordinary items;~~
 - ~~(viii) the profit after tax and extraordinary items;~~
 - ~~(ix) the earnings per share; and~~
 - ~~(x) the dividend rate;~~
- (i) the turnover;
 - (ii) the profit before tax but after minority interest;
 - (iii) the profit after tax and minority interest;
 - (vi) the gross earnings per share (EPS);
 - (v) the net EPS;
 - (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 (all interest-bearing debts); and
 - (xii) the gearing ratio.

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~~(k)(l)~~ where there is any material fluctuation in turnover or profits in any of the years, the explanation therefor; 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;

(ii) accounting policies adopted which are peculiar to the company/business because of the nature of the business or the industry it involves in, as well as the effects of such policies on the determination of income or financial position; and

(iii) any audit qualification for the financial statements in any of the financial years under review; and

~~(l)(m)~~ the latest audited financial statements ~~accounts~~ together with the notes and the auditors' report (not required if accountant's report is provided);

~~(27)(29)~~ Where the percentage ratio is equal to or exceeds 50% or more, a directors' report on the unlisted company to be acquired;

~~(28)~~ Where the percentage ratio is equal to or exceeds 100%, proforma consolidated balance sheets together with the notes and the auditors' letter showing effects before and after the transaction based on the listed issuer's:-

~~(a)~~ published or announced audited accounts for the latest financial year ended; or

~~(b)~~ latest published or announced interim financial report which must be reviewed by external auditors.

~~Where an interim report referred to in subparagraph (b) above is used, a statement that the interim report has been reviewed by external auditors;~~

~~(29)(30)~~ An appendix containing the following information:-

~~(a)~~ a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed issuer 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 issuer;

~~(b)(c)~~ where a person is named in the circular as having advised the listed issuer or its directors, a statement:-

~~(i)~~ that such adviser or expert has given and has not withdrawn its written consent to the inclusion of the adviser's or expert's name and/or letter (if applicable) in the form and context in which it is included; and

~~(ii)~~ by the adviser or expert as to whether conflict of interests exists or is likely to exist in relation to its role as an adviser or expert. If a conflict

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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 conflict of interests or potential conflict of interests, the parties to the conflict, and measures taken for resolving, eliminating, or mitigating the situations of conflict of interests.

For this purposes, “**conflict of interests**” means circumstances or relationships which affect or may affect the ability of the adviser ~~or expert~~ to act independently and objectively or where the adviser ~~or expert~~ has an interest in the outcome of the proposal which interferes or is likely to interfere with its independence and objectivity;

~~(e)~~(d) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by ~~a listed issuer, any of its subsidiaries,~~ the company to be acquired or disposed of and the company whose shares or convertible securities are to be issued as consideration for the disposal by the listed issuer within 2 years immediately preceding the date of the circular. The following particulars ~~shall~~must be disclosed in respect of each such contract:—

- (i) the date of the contract;
- (ii) the parties of the contract;
- (iii) the general nature; and
- (iv) the consideration and mode of satisfaction ~~thereof~~;

~~(d)~~(e) a statement of all material litigation, claims or arbitration involving ~~the listed issuer, any of its subsidiaries,~~ the company/assets to be acquired or disposed of and the company whose shares or convertible securities are to be issued as consideration for the disposal by the listed issuer including those pending or threatened against such companies. The following information ~~shall~~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;

~~(e)~~(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 issuer, or in the case of an information circular, for a period of 2 weeks following the publication of the information circular the following documents (or copies thereof) in respect of the listed issuer, the company which is the subject of the transaction, and the company whose shares or convertible securities are to be issued as consideration for the disposal by the listed issuer, where applicable, may be inspected at the registered office of the listed issuer:—

- (i) the memorandum and articles of association;

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- (ii) the audited financial statements ~~accounts~~ for each of the 2 financial years preceding the publication of the circular and the latest unaudited results since the last audited financial statements ~~accounts~~;
- (iii) all reports, letters or other documents, balance sheets, valuations and statements by any ~~expert~~ adviser, any part of which is extracted or referred to in the circular;
- (iv) the letters of consent referred to in subparagraph ~~29(bc)~~ above;
- (v) the material contracts referred to in subparagraph ~~29(ed)~~ above; and
- (vi) the relevant cause papers in respect of material litigation referred to in subparagraph ~~29(ee)~~ above; and

~~(30)~~(31) Any other information which the security holders and their ~~professional~~ advisers would reasonably expect to find in a circular of that nature for the purpose of making an informed decision.

Part B

Additional specific information to be included in circular to shareholders in relation to joint-ventures

- (1) The details of the joint-venture partners;
- (2) The authorised and current issued and paid-up capital;
- (3) The terms of the joint-venture agreement;
- (4) The breakdown of the total capital and investment outlay in the joint-venture;
- (5) The eventual issued and paid-up capital of the joint-venture company;
- (6) The number, type, par value of the shares making up the share capital. Where there is more than one type of shares or securities issued, the following:-
 - (a) the differences between the different types of shares or securities;
 - (b) whether convertible; if so, the rate and period ~~thereof~~;
 - (c) whether redeemable; if so, the rate and period ~~thereof~~; and
 - (d) the tenure;
- (7) The equity interest held by the respective parties;
- (8) The name of the joint-venture company;
- (9) The source(s) of funds for financing the investment in the joint-venture company, and the breakdown ~~thereof~~; and
- (10) If no joint-venture company will be set up, the terms of cost and profit sharing and the estimated total cost of project.

Part C

Additional specific information to be included in relation to a transaction which involves an acquisitions or disposals of real estate properties or land or companies with interest in properties or land

- (1) A description of each ~~landed property~~ real estate including :-
- (a) the postal address or identification (lot, title number, relevant mukim, district and state) of the ~~property~~ real estate;
 - (b) a brief description (e.g. whether land or building, approximate area, etc);
 - (c) the existing and proposed use (e.g. shops, offices, factories, residential, or vacant etc.); if currently let out or is proposed to be let out, the details of the rentals and the rental income or expected rental income per month or per annum. If the ~~property~~ real estate to be disposed is currently used as a factory, the effect of a disposal on the operations;
 - (d) the approximate age of the buildings;
 - (e) the terms of the tenure; if leasehold, the expiry date of the lease;
 - (f) ~~whether any valuation was carried out on the properties or land. If so, the name of the independent registered valuer, and the date and method of valuation. Incorporate the a valuation certificate which shall contain all particulars of and information on the property being valued and regard shall be had to must comply with the Commission's Guidelines on Asset Valuation SC's Asset Valuation Guidelines as to the contents of the valuation certificate. Make available for inspection the~~ The valuation report and valuation certificate must be made available for inspection;
 - (g) a quantification of the market value of the ~~properties or land~~ real estate as appraised by the independent registered valuer;
 - (h) the net book value based on the latest audited ~~financial statements~~ accounts; and
 - (i) the encumbrances, if any;
- (2) If the ~~real estate~~ land acquired or disposed of is an estate or plantation, the following additional information:-
- ~~(a)~~ (a) the size;
 - ~~(b)~~ (b) the location;
 - ~~(c)~~ (c) the tenure; if leasehold, the date of expiry of the lease;
 - ~~(d)~~ (a) the present and future usage;
 - ~~(e)~~ (b) the type of estate or plantation;
 - ~~(f)~~ (c) the maturity of the trees;
 - ~~(g)~~ (d) the production for the past ~~53~~ years; and

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- (h)(e) the profit contribution or revenue and expense account of the estate for the past 35 years;
- ~~(i) whether any valuation was carried out on the estate or plantation. If so, 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 Commission's Guidelines on Asset Valuations as to the contents of the valuation certificate. Make available for inspection the valuation report and valuation certificate; and~~
- ~~(j) a quantification of the market value of the plantation as appraised by the independent registered valuer;~~
- (3) Where the assets to be acquired or disposed of consist of buildings the following additional information:-
- ~~(a) (Deleted)~~
- ~~(b) (Deleted)~~
- ~~(c)(a) the number of storeys, gross built-up and net lettable or useable areas;~~
- ~~(d)(b) the area to be self-occupied and let out respectively; and~~
- ~~(e)(c) the percentage of occupancy; and~~
- ~~(f) where the existing rent renewal clauses provide for renewal of the rates on terms other than market rates, the details of such terms of renewal, terms of tenancies and any other matter which materially affect the value of the properties;~~
- (4) Where the ~~properties or land~~ real estate is in the process of being or is intended to be developed, the following additional details:-
- (a) the details of development potential, i.e. name of the project, type of development - residential, industrial or commercial, number of units in respect of each type of development;
- (b) the total development cost;
- (c) the expected commencement and completion date(s) of development;
- (d) the expected profits to be derived;
- (e) the stage or percentage of completion;
- (f) the sources of funds to finance the development cost;
- (g) whether relevant approvals for the development have been obtained and date(s) obtained;
- (h) whether for sale or rental. If for sale, the percentage of sales or number of units sold to-date. If for rental, the expected rental income per annum; and
- (i) whether planning consent has been obtained and if so, whether there are any conditions attached to such consent.

Part D**Additional specific information to be included in relation to acquisitions or disposals of construction companies**

- (1) A description of current projects undertaken by the company - date of award, type of construction, name of the project, owner of the project, location of the project and value;
- (2) The expected commencement and completion date(s) of construction of projects on hand or in progress; ~~and~~
- (3) A description of recent major projects completed - date of commencement and completion of construction, type of construction, contract value and project owner; ~~and~~
- (4) A confirmation on whether the project owner is a director, substantial shareholder of the acquiree company or persons connected with them in respect of current and past projects undertaken/ completed.

Part E**Additional specific information to be included in relation to acquisitions or disposals of infrastructure project asset/business or corporations involved in infrastructure projects**

- (1) The pertinent details of the concession/license, including but not limited to -
 - (a) nature of the concession/license (e.g. Build-Operate-Transfer, Build-Transfer-Operate, Build-Own-Operate, etc.);
 - (b) life/duration and exclusivity/non-exclusivity of the concession/license;
 - (c) salient terms and conditions of the concession/license;
 - (d) infrastructure project company's rights, interest and major obligations under the concession/license; and
 - (e) acts/regulations under which the concession/license is granted;
- (2) The nature of relationship with concession giver/licensor;
- (3) The details of any construction risk;
- (4) The dependence on concession giver/ licensor; and
- (5) The details of financing requirements and sources of funding.

Part ~~E~~F**Additional specific information to be included in relation to foreign acquisitions where any one of the percentage ratios is equal to or exceeds 25% or more**

- (1) ~~Where the acquisition is that of the securities of a foreign company, the dividend policy of the company;~~

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- (2) ~~The effects on resultant foreign equity ownership of the listed issuer on completion of the proposed acquisition;~~
- (3) ~~The specific investment risks involved in the proposed acquisitions and the appropriate course of action that will be developed to reduce or manage the risks;~~
- (4)(1) The expert's report on policies on the foreign investments, taxation and repatriation of profits of the host country;
- (5)(2) Where an accountant's report is required pursuant to Part ~~FG~~ of this Appendix, the report, must be prepared by a firm of public accountants registered in Malaysia, in accordance with the approved accounting standards of the Malaysian Accounting Standards Board;
- (6)(3) A valuation report on the foreign assets proposed to be acquired prepared by a qualified valuer, the appointment of which complies with the ~~Commission~~SC's Guidelines on Asset ValuationAsset Valuation Guidelines in relation to the appointment of valuer for valuation of foreign property assets;
- (7)(4) The expert's report, prepared by industry experts, on the fairness of the total purchase consideration for the foreign securities or assets proposed to be acquired; and
- (8)(5) A legal opinion from a reputable law firm on:-
- (a) the ownership of title to the securities or assets in the foreign jurisdiction;
 - (b) the enforceability of agreements, representations and undertakings given by foreign counter-parties under relevant laws of domicile; and
 - (c) other relevant legal matters.

Part FG

Additional specific information to be included in relation to very substantial acquisitions and reverse take-over transactions

(paragraph 10.10(4))

- (1) The proforma consolidated balance sheets together with the notes and the auditors' letter showing effects before and after the transaction based on the listed issuer's -
- (a) published or announced audited financial statements for the latest financial period ended; or
 - (b) latest published or announced interim financial report which must be reviewed by external auditors.

Where an interim report referred to in subparagraph 1(b) above is used, a statement that the interim report has been reviewed by external auditors;

- (4)(2) A summary of the key audited financial data of the assets of business or interests to be acquired for the past ~~53~~ financial years or since the date of incorporation or commencement of operations, whichever is the later. The financial data ~~shall~~must include, but not be limited to, shareholders' funds and total borrowings;

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- ~~(2)~~(3) An accountant's report on the unlisted company to be acquired which must include the following:
- (a) the income statement in respect of each of the 3 financial years immediately preceding the last date to which the financial statements were made up; and
 - (b) the balance sheet for each of the past 3 financial years immediately preceding the last date to which the financial statements were made up;
- ~~(3)~~(4) For assets, ~~businesses~~ or interests to be acquired which do not have any profitability track record (as in certain privatisation cases), the information ~~shall~~ must include, but not be limited to, the total cost needed to put on-stream the operation of the assets, ~~businesses~~ or interests and the proportion to be assumed or guaranteed by the listed issuer, the expected date on which the profit contribution will accrue to the listed issuer and the expected returns to be derived, together with the appropriate assumptions used. The listed issuer must ensure that the ~~information~~ provided ~~should be~~ is verified and confirmed by independent experts; and
- (5) In the case of a disposal, a statement on the listed issuer's future activities and direction after the disposal of the asset.

Part H

Additional specific information to be included in relation to significant change in business direction or policy of a listed corporation

(paragraph 10.11 and 10.14)

- (1) The following statements to be stated on the cover page of the circular:
- "The Securities Commission has approved the proposal contained in this circular. The approval should not be taken to indicate that the Securities Commission recommends the proposal or assumes responsibility for the correctness of any statement made or opinion or report expressed in this circular. The Securities Commission has not, in any way, considered the merits of the proposal being tabled for shareholders' approval."*
- "The Securities Commission is not liable for any non-disclosure on the part of the corporation and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this circular."*
- (2) If the transaction results in a change in the controlling shareholder(s) of the listed issuer, the following information in respect of the new controlling shareholder(s), where applicable:
- (a) the name;
 - (b) the date and place of incorporation;
 - (c) the names of directors and substantial shareholders and their respective shareholdings;
 - (d) the common directorships and controlling shareholdings in other listed issuers;
 - (e) the principal business;

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- (f) qualification and experience of the new controlling shareholder, if the new controlling shareholder is an individual; and
- (g) the new controlling shareholder(s)' interest in all other companies or businesses, principal activities of such companies or nature of such businesses. If a conflict of interests exists or likely to exist, 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.
- (3) If the transaction results in a change in the board of directors of the listed corporation, the following information in respect of the new board of directors:

 - (a) name and nationality;
 - (b) occupation and qualification;
 - (c) profile, including designation, function and business and management expertise; and
 - (d) the new director's interest in all other companies or businesses, principal activities of such companies or nature of such businesses. If a conflict of interests exists or likely to exist, 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.
- (4) Changes in the substantial shareholders in the assets or interests to be acquired over the past 3 years
- (5) Background of the vendors whom are substantial shareholders ("Vendor") of the assets or interests to be acquired, where applicable:

 - (i) name;
 - (ii) date and place of incorporation;
 - (iii) principal activities;
 - (iv) substantial shareholders and directors of the Vendors and their respective shareholdings;
 - (v) occupation, qualification and experience of the Vendors; and
- (6) A summary of the key audited financial data of the assets or interests to be acquired for the past 3 to 5 financial years based on audited financial statements (depending on the profit track record used for compliance with the SC's Equity Guidelines) or since the date of incorporation or commencement of operations, whichever is the later. The financial data must include, but not be limited to, the items mentioned in paragraph 28(k) of Part A above;
- (7) An accountant's report on the unlisted company to be acquired which must include the following:

 - (a) the income statement in respect of each of the 3 to 5 financial years (depending on the profit track record used for compliance with the SC's

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Equity Guidelines) immediately preceding the last date to which the financial statements were made up; and

(b) the balance sheet for each of the past 3 to 5 financial years (depending on the profit track record used for compliance with the SC's Equity Guidelines) immediately preceding the last date to which the financial statements were made up.

(8) The proforma consolidated balance sheets together with the notes and the auditors' letter showing effects before and after the transaction based on the listed issuer's -

(a) published or announced audited accounts for the latest financial period ended; or

(b) latest published or announced interim financial report which must be reviewed by external auditors.

Where an interim report referred to in subparagraph (b) above is used, a statement that the interim report has been reviewed by external auditors;

(9) For assets or interests which do not have any profitability track record (as in certain privatisation cases), the information must include, but not be limited to, 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 issuer, the expected date on which the profit contribution will accrue to the listed issuer and the expected returns to be derived, together with the appropriate assumptions used. Information provided should be verified and confirmed by independent experts.

(10) Qualitative assessment of each asset/ interest to be acquired as follows:

(a) analysis of the quality of the products, services, applications, significant recent trends in demand and production, sales and inventory and state of the current order book.

(b) product/services diversity, quality and whether deemed a necessity or luxury. Level of gearing, liquidity and working capital requirements. Market access, market share/ ranking/ reputation. Competitive advantage in terms of operations, technology, pricing, financing etc. Details of long term contracts, availability of resources, capability to diversify, sensitivity to economic downturn, business, operational, financial, and investment risks.

(c) information of customer and supplier base including number of customers/ suppliers, length of relationship and dependency on major customers/ suppliers and mitigating factors.

(d) description of industry/ sector (including size), past and present performance, growth prospects, industry players and competition, demand/ supply conditions, level of market saturation in terms of players and/ or products, relevant laws and regulation governing the industry/ sector.

(11) A thorough discussion and analysis of the business, financial conditions and prospects of the assets or interests to be acquired or where applicable, those of its group. Such discussion and analysis must contain, at the minimum, the information required under the section on Management's Discussion and Analysis of Financial Condition, Results of Operations and Prospects of Chapter 12 of the SC's Prospectus Guidelines.

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- (12) If the asset is infrastructure project asset/business or corporations involved in infrastructure projects, to provide information as required under Chapter 19 of the SC's Prospectus Guidelines.

Part I

Additional specific information to be included in relation to qualifying acquisition of a Special Purpose Acquisition Company

(paragraph 10.14)

- (1) Details of all credit facilities entered into by the SPAC, and the proposed utilisation of funds. Details of the credit facility must include, amongst others, the salient terms of the facility and details of any security provided.
- (2) Aggregate fair market value of the qualifying acquisition(s) in monetary terms and as a percentage of the aggregate amount then on deposit in the trust account (net of any taxes payable).
- (3) Terms and procedures of the liquidation distribution upon failure to meet the timeframe for the qualifying acquisition. This should also include the situation where the qualifying acquisition has been approved by shareholders but fails to be completed on time.
- (4) Voting and conversion options available to the shareholder in relation to the qualifying acquisition should be clearly disclosed.

[End of Appendix]

Appendix 10C
Additional contents of announcement
for related party transactions

APPENDIX 10C**Additional contents of announcement in relation to related party transactions**
(paragraphs 10.08(1) and 10.08(11)(i) and (j))

- (1) If the transaction requires the prior ~~shareholder approval of shareholders~~, a statement that the director, major shareholder and/or person connected with a director or major shareholder, which have any interest, direct or indirect, in the transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where the person connected with a director or major shareholder has interest, direct or indirect, in the transaction, a statement that the director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Further, a statement that such interested director and/or major shareholder has/have undertaken that he/they ~~shall~~ will ensure that the persons connected with him/them will abstain from voting on the resolution approving the issue at the general meeting. In the case of an interested director, a statement that the interested director has abstained and/or ~~will~~ abstain from deliberating and voting on the relevant resolution at the board meeting; ~~and~~
- (2) If the listed issuer is required to appoint an independent adviser, a statement explaining the role of the independent adviser.
- ~~(3) In relation to a transaction which falls within paragraph 10.08(8A), a statement by the board of directors that the transaction is fair and reasonable to the listed issuer and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.~~
- (3) A statement setting out the following:
- (a) whether the audit committee of the listed issuer is of the view that the transaction is -
- (i) in the best interest of the listed issuer;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the minority shareholders,
- together with the basis for its views;
- (b) where the audit committee has sought an independent advice in forming its views, a statement to that effect; and
- (c) where the views of the audit committee are different from the opinion of the independent adviser, if any, the reasons for the difference; and
- (4) In relation to a transaction which falls within paragraph 10.08(9), a statement by the board of directors of the listed issuer setting out the following:
- (a) whether the board or directors is of the view that the transaction is -
- (i) in the best interest of the listed issuer;
- (ii) fair, reasonable and on normal commercial terms; and

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- (iii) not detrimental to the interest of the minority shareholders,
together with the basis for its views (collectively referred to as “Statement”),
- (b) where the board of directors has sought an independent advice in forming its views, a statement to that effect;
- (c) where the views of the board of directors are different from the opinion of the audit committee or independent adviser (if any) the reasons for the difference; and
- (d) where a director disagrees with the Statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.
- (5) In the case of an acquisition, the original cost of investment to the vendor and the date of such investment.
- (6) The total amount transacted with the same related party for the preceding 12 months.

[End of Appendix]

APPENDIX 10D**Part A****Additional contents of circular to shareholders in relation to related party transactions**
(paragraph 10.08(2)(a))

- (1) The interested parties' direct and indirect shareholdings in the listed issuer;
- (2) A statement that the interested directors have abstained and/or will abstain from board deliberation and voting on the relevant resolution;
- (3) A statement that the director, major shareholder and/or person connected with a director or major shareholder, which have any interest, direct or indirect, in the transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where the person connected with a director or major shareholder has interest, direct or indirect, in the transaction, a statement that the director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Further, a statement that such interested director and/or major shareholder has/have undertaken that he/they ~~shall~~ will ensure that the persons connected with him/them will abstain from voting on the resolution approving the issue at the general meeting; ~~and~~
- ~~(4)~~ The total amount transacted with the same related party for the preceding 12 months.
- ~~(4)~~(5) A separate letter by an independent adviser incorporating:
 - (a) an opinion as to whether the transaction is fair and reasonable so far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders and, such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration, in forming that opinion; and
 - (b) advice to minority shareholders on whether they should vote in favour of the transaction.
- ~~(6)~~ A statement setting out whether the audit committee of the listed issuer is of the view that the transaction is -
 - (a) in the best interest of the listed issuer;
 - (b) fair, reasonable and on normal commercial terms; and
 - (c) not detrimental to the interest of the minority shareholders,
together with the basis for its views.

Part B**~~Contents of circular to shareholders for shareholders' mandate~~**
(~~paragraph 10.09(1)(c)~~)

- ~~(1) The class of related party with whom the transaction will be carried out;~~
- ~~(2) The nature of the transaction contemplated under the mandate;~~

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- (3) ~~The rationale for, and the benefit to, the listed issuer or its subsidiary transacting with the related party; and~~
- (4) ~~The methods or procedures on which transaction prices will be determined.~~

[End of Appendix]