
**QUESTIONS AND ANSWERS IN RELATION TO
AMENDMENTS ON PRIVATISATION OF LISTED CORPORATION VIA MAJOR DISPOSAL
(As at 28 January 2011)**

Definition of “Major Disposal”

1. **What is meant by “substantially all of a listed corporation’s assets” under the definition of “Major Disposal” in Rule 10.02(eA) of the ACE LR?**

Disposal of “substantially all of the listed corporation’s assets” refers to a disposal by a listed corporation of almost all of its assets, which is so material that upon the completion of the transaction, it will result in the listed corporation triggering the criteria for a cash company under Rule 8.03 and Guidance Note 2 or any of the criteria prescribed under Rule 8.04 and Guidance Note 3 of the ACE LR.

Appointment of independent adviser

2. **If a Major Disposal also involves a take-over offer pursuant to the Take-Overs and Mergers Code, can the independent adviser required to be appointed under the Take-Overs and Mergers Code and under the ACE LR for the Major Disposal be the same party?**

Yes, the independent adviser appointed can be the same party. The said independent adviser must comply with the relevant requirements under both the Take-Overs and Mergers Code as well as the ACE LR.

3. **Where the Major Disposal involves a related party, can the independent adviser required to be appointed for the related party transaction and the Major Disposal be the same party?**

Yes, the independent adviser appointed can be the same party. The said independent adviser must comply with the relevant requirements under Rules 10.08 (Related Party Transaction) and 10.11A (Major Disposal) of the ACE LR.

Contents of announcements and circulars in relation to a Major Disposal

4. **Where the consideration for the Major Disposal is by way of cash or partly in cash, who should make the statement whether the acquirer has sufficient financial resources to undertake the acquisition, as required under paragraph 4 in Part I of Appendix 10A of the ACE LR?**

The announcement in relation to the Major Disposal as required under paragraph 4 in Part I of Appendix 10A of the ACE LR is to be made by the listed corporation that is disposing its assets. In making the statement, the board of directors of the listed corporation must take all reasonable steps to satisfy itself that the acquirer has sufficient financial resources to undertake the acquisition.