

**FREQUENTLY-ASKED QUESTIONS
RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS
(Issued: 28 December 2021)**

The following table of frequently-asked questions (FAQs) aims to provide clarification in relation to certain amendments made to the revised *Rules on Take-overs, Mergers and Compulsory Acquisitions* (Rules) issued on 28 December 2021:

No.	Amendments	FAQs
1.	Restriction against favourable deals in whitewash procedures under paragraphs 4.08 and 4.15 of the Rules	<p>1. If a director resigns after shareholders have voted on a proposed exemption from a mandatory offer obligation under paragraphs 4.08 (Proposed Exemption) but prior to the Securities Commission Malaysia (SC) granting the exemption, would the restriction against favourable deals be applicable to such director?</p> <ul style="list-style-type: none"> • Yes, the restriction would be applicable to the director given that he / she was a director at the proposal stage of the Proposed Exemption i.e. at the time of deliberation of the Proposed Exemption by the shareholders. Such restriction will continue to apply to the said director for a period of 6 months after the shareholders' meeting. <p>2. Would the same restriction be applicable to a director who is appointed after the shareholders have voted on the Proposed Exemption but prior to SC granting the exemption?</p> <ul style="list-style-type: none"> • No, the restriction would not be applicable to the said director given that he / she was not a director at the proposal stage of the Proposed Exemption, being at the point of deliberations of the Proposed Exemption.
2.	Pre-conditional possible offer announcement and pre-conditional firm offer announcement	<p>1. What is pre-conditional possible offer announcement and pre-conditional firm offer announcement?</p> <ul style="list-style-type: none"> • Pre-conditional offer announcement may arise in two situations:

		<p><u>In a possible offer announcement</u> If a person wishes to include pre-conditions in a possible offer announcement under paragraph 9.07 of the Rules.</p> <p><u>In a firm offer announcement</u> If an offeror wishes to include pre-conditions which must be satisfied prior to the service of the written notice of an offer under paragraph 9.10 of the Rules.</p> <p>2. Is SC's consent required for the inclusion of pre-conditions in such announcements?</p> <ul style="list-style-type: none"> The SC must be consulted in advance if a person proposes to include pre-conditions in either such announcement. In addition, the SC's consent must be obtained for the inclusion of pre-conditions in a firm offer announcement. <p>3. Is the potential offeror/offeree allowed not to proceed with a take-over offer after announcing a pre-conditional possible/firm offer announcement?</p> <p>Pre-conditional possible offer announcement</p> <ul style="list-style-type: none"> In a pre-conditional possible offer announcement, the potential offeror is allowed not to proceed with a take-over offer provided that such announcement is made in accordance with subparagraph 9.07(2) of the Rules. In such situation, the potential offeror will be bound by the restrictions under subparagraphs 21.01(2) and (3) of the Rules. <p>Pre-conditional firm offer announcement</p> <ul style="list-style-type: none"> Where an offeror has made a pre-conditional firm offer announcement and the offeror has failed to meet such pre-conditions, causing the offer to lapse, an offeror will not be permitted to not proceed with the offer unless it has consulted the SC and the SC is satisfied that the offeror has taken reasonable efforts to fulfil the condition within the time period specified, and the
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