

SCHEDULE 3

SCHEME OF ARRANGEMENT

1. Interpretation

court sanction hearing	The hearing of the court to sanction a scheme.
effective date	The lodgement date with the Companies Commission of Malaysia of an office copy of the court order sanctioning the scheme or such earlier date as the court may determine and specify in the order. The scheme will normally be considered to be unconditional in all respects on this date.
scheme documents	In the case of a scheme, references in the Code and Rules to an offer document and offeree board circular shall be construed as references to the scheme documents.

2. The SC may issue a ruling to allow for a take-over offer to be effected by way of a scheme, subject to terms and conditions as may be imposed by the SC which may include the following:

- (a) The scheme documents and the independent advice letter must be submitted to the SC and must not be dispatched until the SC has notified that it has no further comments thereon. Where the SC has notified that it has no further comments to the scheme documents and the independent advice letter, a statement shall be included in the scheme documents and the independent advice letter that such notification shall not be taken to suggest that the SC recommends the scheme or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the scheme documents and the independent advice letter (*see note below*);
- (b) All interested parties must abstain from voting on the scheme;
- (c) Any person and his concert parties who, as a result of the scheme would acquire more than 33 per cent of the voting shares or voting rights in a merging company or a new entity that holds one or both of the merging companies, or, if they together already hold between more than 33 per cent and 50 per cent of the merging company's voting shares or voting rights before the scheme would increase their voting rights in such merging company by more than two per cent in any period of six months, abstain from voting at the meeting of that

merging company to approve the scheme. The independent advice letter for that merging company must contain advice to the effect that by voting for the scheme, shareholders are agreeing to such person and his concert parties acquiring or consolidating control in the merging company without having to make a general offer for the company. In addition, the scheme document and the independent advice letter must disclose the names of such persons, their current voting shares or voting rights in the merging company and their voting shares and voting rights in the merging company and/or new entity after the scheme;

- (d) The directors of a merging company who are also directors of the other merging company or who are acting in concert with those persons in (b) or (c) above abstain from making a recommendation on the scheme of the merging companies;
- (e) The merging company, which is in effect the offeree company, appoints an independent adviser to advise its shareholders on the scheme. Where the scheme involves a reverse take-over or a “merger of equals”, each of the merging companies must appoint an independent adviser to advise their respective shareholders;
- (f) The scheme is approved by at least–
 - (i) a majority in number of shareholders and 75 per cent in value to the votes attached to the disinterested shares that are cast either in person or by proxy at a duly convened shareholders’ meeting; and
 - (ii) the value of votes cast against the resolution for the scheme at such duly convened shareholders’ meeting is not more than 10 per cent of the votes attaching to all disinterested shares of the total voting shares of the offeree;
- (g) The scheme documents and the independent advice letter shall be dispatched to offeree shareholders within 35 days from the date of the announcement by the board of the offeree to table the resolution for the scheme to shareholders for approval; and
- (h) The company convening shareholders’ meeting must appoint–
 - (i) its auditors;
 - (ii) any share registrar; or
 - (iii) external accountants who are qualified to serve as auditors for such company (*see note below*),

as scrutineer for the vote-taking. The identity of the scrutineer and the results of the poll (including the number of shares voted for and against the resolution) must be announced.

NOTE TO PARAGRAPH 2(a)

The scheme documents must be submitted to the SC for its comments within four days, and the independent advice letter within 20 days, from the date of the announcement by the board of the offeree to table the resolution for the scheme to shareholders for approval.

NOTE TO PARAGRAPH 2(h)

For the purpose of paragraph 2(h), external accountants mean a firm of public accountants that is registered with the Audit Oversight Board (established under section 31C of the Securities Commission Malaysia Act 1993) as an auditor of public interest entities, and whose registration has not been suspended.

Mandatory offers

3. An obligation to make a mandatory offer under paragraph 4.01 may not be satisfied by way of a scheme.
4. Where during the implementing of an offer by way of a scheme, the offeror and persons acting in concert with it acquires an interest in voting shares or voting rights which causes the offeror to have to extend a mandatory offer, the offeror must immediately make an announcement under paragraph 9.10 and extend the mandatory offer by way of a contractual take-over offer.

Consultation required

5. The SC should be consulted if an offeror is considering announcing an offer or possible offer which it is proposed will be implemented by means of a scheme without, prior to such announcement, obtaining the support of the offeree board.

Expected scheme timetable

6. The scheme documents must set out the expected timetable for the scheme, including the following:
 - (i) The date and time of any shareholder meeting;
 - (ii) The date of application to the court for the scheme;
 - (iii) The date of the court sanction hearing;

- (iv) Entitlement date of which the names of the entitled shareholders who must be registered in the company's record of depositors to be entitled for the scheme;
- (v) The date of which settlement is to be made to the entitled shareholders; and
- (vi) The date and time of any proposed suspension in trading or delisting of the shares or other securities of the offeree from the official list of the relevant stock exchange.

Any change to the expected timetable of events set out in the scheme documents must be announced accordingly.

Announcement of key events

7. The offeree shall immediately announce each of the following events, where applicable:
- (a) Whether or not the resolutions were passed, with details of the voting results in accordance with the requirement under paragraph 2(f) of this Schedule;
 - (b) The decision of the court, including details of whether the scheme will proceed or has lapsed; and
 - (c) The effective date of the scheme.

Provisions disapplied in schemes of arrangement

8. The following provisions of the Rules are disapplied for a take-over offer effected through a scheme:
- (a) Paragraph 6.01 on acceptance condition;
 - (b) Subparagraph 6.02(3) on timing for fulfilment of conditions, other than acceptance condition;
 - (c) Paragraph 6.05 on right of withdrawal;
 - (d) Subparagraphs 9.10(1)(b) and 9.10(5) on dispatching a copy of the notice and on making an immediate announcement of the receipt of the written notice;
 - (e) Paragraphs 12.01, 12.02 and 12.05 on duration of take-over offer, offeree company announcement and closing of take-over offer; and
 - (f) Rule 13 on announcement of results of offer.

Revision

9. Any revision to a scheme of arrangement should normally be made by no later than the date which is 14 days prior to the date of the shareholders' meetings (or any later date to which such meetings are adjourned). The SC's consent is required if it is proposed to make any revision to a scheme either–
- (a) less than 14 days prior to the date of the shareholders' meetings (or any later date to which such meetings are adjourned); or
 - (b) following the shareholders' meetings.