

**SCHEDULE 2: PART II
PARAGRAPHS 4.08 AND 4.15
MINIMUM CONTENT OF INDEPENDENT ADVICE CIRCULAR
FOR EXEMPTION FROM MANDATORY OFFER OBLIGATION**

Except with the consent of the SC, the independent advice circular must include the following information:

Views of the independent adviser

1. Whether the independent adviser recommends to shareholders the approval or rejection of the exemption sought based on the fairness and reasonableness of the exemption taking into consideration the proposals leading to the mandatory offer obligation. The recommendation must be made based on the parameters provided under Part III of this Schedule.

Details of the proposals

2. Full details of the proposal, the controlling position which it will create and the effect which this will have on shareholders generally.
3. Full details of the maximum potential holding of the offeror arising from the proposal, including–
 - (a) the identity of the potential controlling holders and their respective potential holding of voting shares or voting rights, in cases where the potential controlling holding of voting shares or voting rights will be held by more than one person;
 - (b) the maximum potential holding of the offeror under the assumption that the offeror will, in addition to his entitlement, take up his full underwriting participation, in the case where the maximum potential holding is dependent upon the outcome of underwriting arrangements; and
 - (c) where convertible securities are to be issued, the maximum potential holding of the offeror based on the assumption that only the offeror will convert or exercise the subscription rights, and will do so in full and at the earliest opportunity, the date of which shall also be given.

Required statements

4. Where the maximum potential holding of the offeror resulting from the proposed transaction will exceed 50 per cent of the voting shares or voting rights of the offeree, specific and prominent reference to this possibility and to the fact that, subject to the exemption being granted, the offeror may increase his voting shares or voting rights without incurring any further obligation to make a mandatory offer.
5. A statement that shareholders, by voting for the whitewash resolution, are waiving their rights to a general offer from the offeror at the highest price paid by the offeror and parties acting in concert with it for the offeree shares in the past six months preceding the commencement of the offer.
6. For a whitewash resolution involving convertibles, a statement that shareholders by voting for the whitewash resolution, could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the convertibles.
7. A statement that the SC may consider an application for an exemption subject to approval by independent shareholders to waive any obligations to make a mandatory offer which might result from the transaction.

Other information

8. Paragraphs 1, 2, 3, 5, 6, 11 and 13 of Schedule 1 and paragraphs 7, 8 and 9 of Schedule 2, Part I (including full details of the assets, if any, being injected).
9. Paragraph 17 of Schedule 1 and paragraph 11 of Schedule 2, Part I (arrangements in connection with the proposal).
10. Paragraph 20 of Schedule 1 and paragraph 3 of Schedule 2, Part 1. Dealings should be covered for the six months prior to the announcement of the proposals until the latest practicable date prior to the posting of the circular but dealings by persons in categories under paragraph 20(e) of Schedule 1 and paragraphs 3(c) and (d) of Schedule 2, Part I need not be disclosed. Paragraph 3(g) of Schedule 2, Part I is applicable and directors' voting intention must be disclosed.
11. Paragraph 10 of Schedule 2, Part I (material contracts).
12. Paragraph 12 of Schedule 2, Part I (service contracts of directors and proposed directors).
13. Paragraphs 4 to 6 of Schedule 2, Part I (share capital of the offeree).