

Summary of Amendments made to the Rules on Take-overs, Mergers and Compulsory Acquisitions (Issued: 5 December 2017)

The following tables provide summary of key amendments made to the revised Rules on Take-overs, Mergers and Compulsory Acquisitions ("Rules") issued on 5 December 2017:

A. General amendments	
1.	Consequential amendments to the Rules following the coming into effect of the Companies Act 2016 and to ensure consistency with terms used in the Malaysian Financial Reporting Standards ("MFRS") and certain other referencing changes.
2.	Insertion of notes to clarify that requirements relating to a written notice of take-over offer, duration of take-over offer and closing of take-over offer are disapplied in the case of a scheme.
3.	The current definition of "disqualifying transaction", currently provided as notes is now incorporated as a pre-condition to an exemption under Paragraphs 4.08 and 4.15 of the Rules for better clarity.
4.	Editorial amendments including rephrasing and renumbering of certain requirements, providing guidance and clarifications to the requirements without any change in policy.

B. Specific amendments		
No.	Chapter	Amendments
1.	Rule 2 – Interpretation	<ul style="list-style-type: none"> • To provide clarification that announcement in respect of unlisted public companies required under the Rules may be delivered to the SC electronically to a specified email address. <p style="margin-left: 40px;">2.03 All announcements in respect of listed companies required under these Rules must be made in accordance with the requirements of the relevant listing rules. All announcements in respect of unlisted companies must be made by way of a press notice and delivered to the SC in electronic form.</p> <p style="margin-left: 40px;"><i>(see note below)</i></p>

		<p><i>NOTE TO PARAGRAPH 2.03</i> <i>"The announcements in respect of unlisted companies under paragraph 2.03 may be delivered to the SC by sending an email to tomannouncement@seccom.com.my"</i></p>
2.	Rule 4 – Mandatory Offer	<p>For "Notes to Paragraph 4.01", in relation to securities borrowing and lending under Note 12, to reflect the automatic exemption for Islamic Securities Selling and Buying-Negotiated Transactions ("ISSB-NT") to facilitate the implementation of the ISSB-NT framework proposed by Bursa Malaysia Securities Bhd. Please find below the amendments made under Note 12:</p> <p><i>12. Securities borrowing and lending/<u>Islamic securities selling and buying-negotiated transactions</u></i></p> <p><i><u>Islamic securities selling and buying-negotiated transactions</u></i></p> <p><i>In an Islamic securities selling and buying-negotiated transaction, if the buyer sells back similar or equivalent voting shares or voting rights to the seller who sold him the securities earlier, the seller would be exempted from a mandatory offer obligation in the following circumstances:</i></p> <p><i>a) If the seller holds more than 33 per cent but not more than 50 per cent of the voting shares or voting rights of a company at the point of selling the securities to the buyer, and the seller's holding drops to 33 per cent or less or reduces by more than two per cent of the voting shares or the voting rights of the company in any six month period as a result of selling of the securities, –</i></p> <p><i>(i) the purchase of the securities (without the seller initiating the transaction) would, but for the exemption referred to above, trigger a mandatory offer obligation; and</i></p> <p><i>(ii) the purchase of the securities (without seller initiating the transaction) will not increase the seller's holding (including subsequent acquisition, if any) to more than 50 per cent of the voting shares or voting rights of the company; or</i></p>

		<p><i>(b) If the seller holds more than 50 per cent of the voting shares or voting rights of a company at the point of selling the securities to the buyer, and the seller's holding drops to 50 per cent or less as a result of selling of the securities, his holding (including subsequent acquisitions which does not trigger a mandatory offer obligation) together with the purchase of the securities from the buyer would, but for the exemption referred to above cause the seller to trigger a mandatory offer obligation.</i></p> <p><i>The seller to which the exemption applies under this paragraph is required to–</i></p> <p><i>(a) inform the SC of the likelihood of him being subjected to a mandatory offer obligation when the seller purchase the securities from the buyer; and</i></p> <p><i>(b) provide a declaration, within three days upon the purchase of the voting shares or voting rights, that the seller has complied with either subparagraph (a) or (b) above.</i></p>
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