

Chapter 5

FINANCIAL INFORMATION

General

- 5.01 This chapter sets out the minimum financial information that a management company must disclose in an abridged prospectus.
- 5.02 The management company must ensure that the audited financial statements provided in the abridged prospectus are prepared in accordance with the approved accounting standards.
- 5.03 Unless specified otherwise, all information under this chapter must be as at the latest practicable date available prior to the issue of the abridged prospectus.

Historical financial information

- 5.04 A management company must disclose key financial information of the fund that may be relevant for the understanding of its operations as a whole.
- 5.05 The key financial information under paragraph 5.04 must be extracted from–

- (a) the audited statement of profit or loss and other comprehensive income, the audited statement of financial position and the audited statement of cash flows, for the three most recent financial years or such shorter period that the fund has been in existence; and
- (b) the interim statement of profit or loss and other comprehensive income, the interim statement of financial position and the interim statement of cash flows, for the most recent published or announced financial report, where applicable.

5.06 A management company may disclose the key financial information as set out in paragraph 5.05 by way of reference to each annual report and where applicable, the most recent published or announced interim financial report of the fund on Bursa Securities' website.

5.07 Where the key financial information is incorporated by way of reference, a cross reference list must be provided specifying the page of the respective annual report or most recent published or announced interim financial report where the financial information is set out.

Financial performance and industry outlook

- 5.08 An abridged prospectus must provide an overview of:
- (a) the financial performance of the fund including significant factors which contributed to exceptional performance during the period; and
 - (b) the market in which the fund operates and the outlook for the types of assets that have been or to be acquired by the fund, if applicable.
- 5.09 The period covered under paragraph 5.08(a) must be for the most recent financial year and where applicable, the most recent published or announced interim financial period.

Accountants' Report

- 5.10 Where the fund has undertaken a very substantial transaction and an Accountants' Report is required to be prepared, the Accountants' Report must be included in the abridged prospectus.

5.11 The Accountants' Report must include–

- (a) the audited financial statements in respect of the three most recent financial years or such shorter period that the corporation has been in existence;
- (b) an audit opinion expressed by the reporting accountant on the financial statements;
- (c) a statement that it was prepared in accordance with the relevant standards on auditing approved for application in Malaysia; and
- (d) a statement that it was prepared for inclusion in the abridged prospectus.

Pro forma financial information

5.12 An abridged prospectus must disclose pro forma financial information based on the most recent audited financial statements or most recent published or announced interim financial report, whichever is later.

5.13 The pro forma financial information must include the following:

- (a) Each line item of the unit holders' fund;
- (b) Net asset value;
- (c) Net asset value per unit;
- (d) Number of units in circulation; and
- (e) Gearing ratio.

5.14 In connection with paragraph 5.13, where applicable, the pro forma financial information must be adjusted for:

- (a) the effects arising from–
 - (i) the minimum and maximum number of units to be issued in connection with the rights issue;
 - (ii) future exercise of any convertible securities;
- (b) any acquisition relating to the rights issue exercise; and
- (c) proposed utilisation of the funds.

- 5.15 Where the fund has undertaken a very substantial transaction, the pro forma consolidated statement of financial position must be accompanied by the reporting accountants' letter.

Material transaction

- 5.16 An abridged prospectus must provide a brief description of any transaction which may have a material effect on the operations, financial position and results of the fund since the date of the most recent annual financial statements and where applicable, since the date of the most recent published or announced interim financial report. Where there was no material transaction, to provide an appropriate statement to that effect.

Borrowing

- 5.17 An abridged prospectus must disclose the fund's level of gearing as at latest practicable date, including source, type, nature of borrowings or financing and the interest or profit rate payable.

Future financial information

- 5.18 Where future financial information is included in an abridged prospectus, the abridged prospectus should comply with the requirements under paragraphs 12.34 to 12.43, Part III of these Guidelines.