

**Guidance Note 3**

**VALUATION REPORTS FOR PURPOSES  
OF BONUS ISSUES**

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## **Guidance Note 3**

**Date issued: 9 February 2004**

### **Issued Pursuant to the Guidelines on Asset Valuation**

#### **1.0 CONTEXT**

- 1.1 This guidance note is to provide clarification on valuation reports prepared in conjunction with bonus issues.
- 1.2 The Listing Requirements of Malaysia Securities Exchange Bhd and the Listing Requirements of Malaysia Securities Exchange Bhd for the MESDAQ Market state that where the bonus issue is to be made by way of the capitalization of reserves arising from revaluation of land and buildings, the revaluation of land and buildings and the valuation reports in respect of the revaluation must comply with the Guidelines on Asset Valuation issued by the Securities Commission.
- 1.3 In this regard, valuation reports prepared for purposes of bonus issues are to be submitted to the SC for compliance review.

#### **2.0 SUBMISSION OF VALUATION REPORTS BY ADVISERS**

- 2.1 Submission of valuation reports and valuation certificates by advisers are to be made to the SC and the MSEB concurrently and prior to making a listing application for a bonus issue to the MSEB.
- 2.2 The submission to the SC should contain the following:
  - (i) the cover letter, signed by two authorized signatories of the principal adviser, containing–
    - (a) brief particulars of the bonus issue;

- (b) list/summary of the property assets involved in the bonus issue exercise, including identification, net book values and market values assessed by the valuer;
  - (c) disclosure of any breaches of building by-laws or approved land use and remedial action that has been or will be undertaken; and
  - (d) details of waivers sought and obtained from the SC, if any.
- (ii) two copies of the original valuation reports together with the valuation report checklist; and
  - (iii) two copies of the valuation certificates.

### **3.0 WAIVERS**

3.1 Waivers from any provisions of the guidelines shall be sought and obtained from the SC prior to the submission of the valuation reports to the SC.

### **4.0 MATERIAL DATE OF VALUATION**

4.1 The material date of valuation should not be more than six months from the date of receipt of the valuation reports by the SC.

### **5.0 SECOND OPINION**

5.1 The SC reserves the right to seek a second opinion on the valuation of the properties. The second-opinion valuer shall be appointed by the SC. Any fees and costs incurred shall be borne by the company.

5.2 The submission of the second-opinion valuation report shall be made by the second-opinion valuer to the SC and MSEB concurrently.