

DIVISION 5

**ABRIDGED
PROSPECTUS**

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Chapter 1

GENERAL

- 1.01 This division shall apply to an abridged prospectus.
- 1.02 In determining the information to be disclosed in the abridged prospectus, the following should be considered:
- (a) The nature of the securities and business of the corporation;
 - (b) The persons likely to consider acquiring such securities;
 - (c) The fact that certain matters may be expected to be within the knowledge of professional advisers whom potential investors may consult; and
 - (d) Whether the persons to whom an issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase, securities is to be made, are the holders of securities in the issuer. If they are, to what extent (if any) relevant information has previously been given to them by the issuer under any law, any requirement of the rules or listing requirements of the stock exchange.
- 1.03 The cut-off date for information to be disclosed in the abridged prospectus should be the latest practicable date prior to the issue of the abridged prospectus, save for the requirements as set out in Appendix 5 and Appendix 6.
- 1.04 A listed company undertaking a rights issue must publish a summary advertisement of the abridged prospectus in at least one widely-circulated newspaper. The summary advertisement should state, among others, the following:
- (a) That the abridged prospectus of the rights issue has been registered;
 - (b) The date of the abridged prospectus;
 - (c) Where a copy of the abridged prospectus can be obtained, including the availability of a downloadable copy at Bursa Securities' website;
 - (d) That any issue of securities will only be made on receipt of an application form accompanying a copy of the abridged prospectus;
 - (e) Brief details of the rights issue;
 - (f) Brief details of the corporation's incorporation and share capital;
 - (g) Brief details of the principal activity(ies) of the corporation;
 - (h) Details of the board of directors;

- (i) Name of the principal adviser, managing underwriter, and underwriters;
- (j) Important and relevant dates/times for sale and transfer, acceptance and payment, and excess application and payment;
- (k) To whom should the payment for the rights issue be made;
- (l) The dates when the abridged prospectus and the Rights Subscription Form would be dispatched; and
- (m) That the abridged prospectus has been registered by the SC and a copy of the abridged prospectus, together with the Rights Subscription Form, has also been lodged with the Registrar of Companies, who takes no responsibility for the contents.

Chapter 2

COVER PAGE

The front cover should contain the following information and statements.

2.01 Particulars about the corporation, including:

- (a) Full name;
- (b) Place of incorporation;
- (c) Statute under which it was incorporated; and
- (d) Registration number of the corporation.

For a foreign-incorporated issuer, to state, where applicable, that the issuer had been registered as a foreign company in Malaysia under the *Companies Act 1965* together with its registration number.

2.02 The date of the abridged prospectus.

2.03 Details of the issue/offer, including the following:

- (a) Number, type and par/nominal value of securities being issued/ offered, and the basis of allotment; and
- (b) Price of the securities.

2.04 Name of principal adviser/lead arranger and managing underwriter/underwriter.

2.05 Names of trustee, guarantors (if any) and rating(s) for the debentures (and Islamic securities) to be issued, where applicable.

2.06 The abridged prospectus should contain the following statements, to be in a different colour from the rest of the abridged prospectus:

- (a) **“THIS DOCUMENT IS IMPORTANT”** (to appear in bold)

“If you are in any doubt as to the action you should take, consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.” (to appear in bold);

- (b) “A copy of this abridged prospectus has been registered with the Securities Commission Malaysia. The registration of this abridged prospectus should not be taken to indicate that the Securities Commission Malaysia recommends the rights issue or assumes responsibility for the correctness of any statement made

or opinion or report expressed in the abridged prospectus. The Securities Commission Malaysia has not, in any way, considered the merits of the securities being offered for investment. A copy of this abridged prospectus, together with the Rights Subscription Form, has also been lodged with the Registrar of Companies who takes no responsibility for the contents.”;

- (c) “Approval has been or will be obtained from Bursa Malaysia Securities Berhad for the listing of and quotation for all the new securities arising from this rights issue. Admission to the Official List of Bursa Malaysia Securities Berhad and quotation of the new securities are in no way reflective of the merits of the rights issue.”;
- (d) “The directors of the company have seen and approved all the documentation relating to this rights issue. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.”;
- (e) “[Name of principal adviser/lead arranger], being the Principal Adviser, acknowledges that, based on all available information, and to the best of its knowledge and belief, this abridged prospectus constitutes a full and true disclosure of all material facts concerning this rights issue. It is satisfied that any profit and/or cash flow estimate/forecast and/or projections prepared for inclusion in the abridged prospectus have been stated by the directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.”; and
- (f) Where a forecast is provided:

“The directors accept full responsibility for the profit and/or cash flow estimate/forecast and/or projection(s) included in this abridged prospectus and confirm that the profit and/or cash flow estimate/forecast and/or projection(s) have been prepared based on assumptions made.”

2.07 Important relevant dates, being the last date and time for–

- (a) sale;
- (b) transfer;
- (c) acceptance and payment; and
- (d) excess application and payment, to be in a different colour from the rest of the abridged prospectus.

Chapter 3

INSIDE COVER/FIRST PAGE

- 3.01 If not already disclosed on the front cover, the abridged prospectus should contain the following statements on the inside cover or at the very least, on page 1:
- (a) “The Securities Commission Malaysia is not liable for any non-disclosure on the part of the corporation and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this abridged prospectus. SHAREHOLDERS/ INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, SHAREHOLDERS/ INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.”;
 - (b) (Where applicable)

“The valuation utilised for the purpose of the corporate exercise should not be construed as an endorsement by the Securities Commission Malaysia on the value of the subject assets.”;
 - (c) “Investors are advised to note that recourse for false and misleading statements or acts made in connection with the abridged prospectus are directly available through sections 248, 249 and 357 of the *Capital Markets & Services Act 2007*.”; and
 - (d) “Securities listed on Bursa Malaysia Securities Berhad are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any of the persons set out in section 236 of the *Capital Markets & Services Act 2007*, e.g. directors and advisers, are responsible.”.

Chapter 4

DEFINITIONS/TABLE OF CONTENTS/CORPORATE DIRECTORY

4.01 An abridged prospectus should be properly structured, with relevant sections and headings, for ease of reference and cross reference.

Definitions

4.02 A glossary of abbreviations and technical terms should be provided.

Table of contents

4.03 There should be a table of contents, listing all sections and subsections of an abridged prospectus.

Corporate directory

4.04 The directory should contain details of the following persons:

- (a) Names, nationalities, addresses and professions of all directors (to specify the independent directors);
- (b) Names of the audit committee members;
- (c) Name, address and membership number of the company secretary;
- (d) Addresses and telephone numbers of the corporation's registered office, head/management office as well as the e-mail and website address (if any); and
- (e) Names and addresses of the following parties (where applicable):
 - (i) Auditors;
 - (ii) Reporting accountants;
 - (iii) Solicitors;
 - (iv) Principal bankers;
 - (v) Issuing house;
 - (vi) Registrar;

- (vii) Principal adviser and managing underwriter;
- (viii) Underwriters;
- (ix) Placement agents;
- (x) Valuers;
- (xi) Rating agency;
- (xii) Trustee;
- (xiii) Custodian;
- (xiv) Guarantor(s);
- (xv) Shariah adviser;
- (xvi) Paying agent;
- (xvii) Facility agent; and
- (xviii) Authorised depository institutions.

4.05 Names and addresses of expert(s) whose prepared reports or excerpts or summaries are included or referred to in the abridged prospectus; and

4.06 Name(s) of stock exchange(s) where securities are already listed and/or the listing is sought for the abridged prospectus.

Chapter 5

DETAILS OF RIGHTS ISSUE

5.01 An abridged prospectus should contain the following information:

- (a) The particulars, terms and conditions of the rights issue as approved by the relevant authorities together with the dates of approvals and its compliance, if any.

For any specific relief obtained from compliance with this division, to state the specific paragraph of the division for which relief was sought and details of the approval;

- (b) The price of the rights issue and the basis for determining the price;
- (c) Where listing is sought for securities which will not be identical with securities already listed:
 - (i) A statement of the rights as regards dividends, interests, capital, redemption and voting attached to such securities. State also the rights of the corporation to create or issue further securities to rank in priority or *pari passu* therewith; and
 - (ii) A summary of the consents necessary for the creation of such rights;
- (d) If the share capital of the corporation is divided into different classes of securities, the abridged prospectus should disclose the right of voting at meetings of the corporation conferred by, and the rights in respect of capital and dividends attached to, the several classes of securities respectively; and
- (e) Details of any other intended corporate exercise/scheme which has been approved.

5.02 The following terms and conditions should be disclosed for any offering of debentures (and Islamic securities), where applicable:

- (a) Type and nominal amount of debenture;¹
- (b) Ranking of debentures;
- (c) Issue price;
- (d) Interest/coupon/profit rate;

¹ For a shelf prospectus issued under a shelf registration scheme, this information should be in relation to the maximum amount of debentures proposed to be issued.

- (e) Minimum subscription required of the debentures in order to satisfy the objectives of the issue, offer or invitation (to include procedures for refund if this requirement is not met);
- (f) Tenor of the debentures;
- (g) Form and denomination of debentures on issuance;
- (h) Underwriting arrangements;
- (i) Events of default;
- (j) Details of any security for the debentures;
- (k) Rating assigned to debentures (together with a description of the rating);
- (l) Summary of rights conferred upon the holders of debentures;
- (m) Governing law – any special legislation under which the debentures have been created and the choice of jurisdiction in the event of litigation;
- (n) Repayment terms and frequency of interest/profit payments;
- (o) Shariah principles and concepts adopted (for Islamic securities);
- (p) Types of underlying assets of the transaction (for Islamic securities); and
- (q) Details of any sinking fund requirement.

5.03 If the debentures are convertible into equity or are issued with warrants, whether or not detachable, the following detailed information should be made available:

- (a) Mode of conversion;
- (b) Conversion period;
- (c) Conversion ratio;
- (d) Conversion price;
- (e) Number of warrants;
- (f) Price of warrants;
- (g) Rights attached to warrants;
- (h) Warrant exercise period;

- (i) Warrant exercise price;
- (j) The effects of the issuance and the conversion on, *inter alia*, the earnings per share and net tangible assets per share/net assets per share of the company;
- (k) Details of the proposed utilisation of proceeds from the issuance and conversion; and
- (l) Any other relevant information which a potential investor will require on the issuance of the convertible debentures.

Chapter 6

EXCESS APPLICATIONS

- 6.01 The corporation should allocate all excess rights shares on a fair and equitable basis. An abridged prospectus should contain a statement that the allocation of the excess shares will be made on a fair and equitable manner.
- 6.02 An abridged prospectus should set out an indicative basis for the allotment of the excess shares. Such a basis of allotment must be fair and reasonable.

Chapter 7

PURPOSE OF RIGHTS ISSUE AND UTILISATION OF PROCEEDS

7.01 An abridged prospectus should provide details on the purpose of the rights issue.

7.02 An abridged prospectus should contain the following information:

- (a) The minimum level of subscription to be raised in order to satisfy the objectives of the rights issue, including the basis for determining the minimum level (where applicable);
- (b) The estimated gross proceeds of the rights issue;
- (c) How the said proceeds will be utilised;
- (d) The time frame for full utilisation; and
- (e) Estimated total expenses of the rights issue.

7.03 For the acquisition or proposed acquisition of any—

- property asset; and/or
- a corporation whose principal assets comprise property assets;

by the corporation or any of its subsidiaries, which is to be paid for wholly or partly out of the proceeds of the rights issue, there should be disclosed—

- (a) purpose of the acquisition;
- (b) particulars of the assets;
- (c) market value/valuation date;
- (d) a valuation certificate that complies with the *Asset Valuation Guidelines*, where applicable;
- (e) amount payable in cash or securities to the vendor and, where there is more than one vendor, to specify separately the amount payable to each vendor and the premium paid/payable; and
- (f) the stage of the proposed acquisition.

7.04 An accountant's report should be prepared for any corporation/business acquired or proposed to be acquired by the corporation/group, which is to be paid for wholly or partly out of the proceeds of the rights issue. The report should deal with—

- (a) the income statement for each of the three financial years immediately preceding the last date of the financial statements; and
- (b) the balance sheet for each of the past three financial years immediately preceding the last date of the financial statements.

If the acquisition or proposed acquisition resulted or will result in a significant change in business direction of the acquiring corporation, the date to which the financial statements were made up (of the subject corporation/business acquired or to be acquired) should not, in any case, be more than six months prior to the issue of the abridged prospectus. In addition, the abridged prospectus should comply with Chapter 8 to Chapter 13 of the *Prospectus Guidelines – Equity and Debt*.

Chapter 8

RISK FACTORS

- 8.01 An abridged prospectus should contain information regarding risk factors which are specific to the corporation/group and its industry, and to the securities being offered. These are risk factors which had or could materially affect, directly or indirectly, the business, operating results, and financial condition of the corporation/group.
- 8.02 For debentures (and Islamic securities), the extent of credit risks should be disclosed.
- 8.03 The listing of risk factors in order of priority to the corporation/group is encouraged.
- 8.04 Disclaimers on the risk factors should not be so wide that the risk disclosures are of little or no beneficial use to investors.

Chapter 9

FINANCIAL EFFECTS OF RIGHTS ISSUE

- 9.01 An abridged prospectus should provide details of the financial effects arising from the rights issue. The information should include, but is not limited to, the following:
- (a) Changes in share capital upon completion of the rights issue and any other intended corporate exercise/scheme;
 - (b) The net tangible assets per share and/or net assets per share (or liabilities, as the case may be) of the corporation/group as at the date of the last audited financial statements and after the rights issue and other intended corporate exercise/scheme;
 - (c) The basic and diluted earnings or loss per share (to be computed based on approved accounting standards) of the corporation/ group before and after the rights issue and any other intended corporate exercise/scheme (if profit estimate/ forecast is provided); and
 - (d) Gearing ratios before and after the rights issue.

Chapter 10

FUTURE PROSPECTS

- 10.01 An abridged prospectus should contain a statement of the financial and trading prospects of the corporation/group. It should also give any relevant information including all special trade factors or risks (if any) not mentioned elsewhere in the abridged prospectus and which are unlikely to be known or anticipated by the general public and which could materially affect profits.
- 10.02 There must also be a statement giving an analysis of the financial condition and operations of the corporation/group, in particular, on the following:
- (a) Known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of the corporation/group;
 - (b) Material commitments for capital expenditure, the purpose of such commitments and the source of fundings;
 - (c) Unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from operations and the extent to which income was so affected;
 - (d) Known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on revenues or operating income; and
 - (e) Where there has been a substantial increase in revenues, state if the increase is due to an increase in prices or an increase in the volume or amount of goods or services being sold or to the introduction of new products or services.
- 10.03 The abridged prospectus must also contain a description of the industries in which the corporation and its subsidiaries are involved, and the future outlook of such industries, along with an overview of the prospects of the corporation and its subsidiaries.

Chapter 11

WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

11.01 Disclose in the abridged prospectus:

- (a) A statement by the directors as to whether, in their opinion, the working capital available to the corporation/group will be sufficient for a period of 12 months from the date of issue of the abridged prospectus. If not, how the additional working capital considered by the directors to be necessary is proposed to be provided;
- (b) A statement of total outstanding borrowings, classified into long term and short term, interest-bearing and non-interest-bearing. For all foreign borrowings, separately identify with the corresponding foreign currencies amount. State whether there has been any default on payments of either interest and/ or principal sums for any borrowing throughout the past one financial year, and the subsequent financial period as at the latest practicable date;
- (c) A statement of all contingent liabilities as at the latest practicable date; and
- (d) Any material commitment for capital expenditure as at the latest practicable date. Indicate the general purpose of such commitments and the anticipated source of funds needed to fulfil such commitments.

Chapter 12

SHAREHOLDERS' UNDERTAKINGS AND UNDERWRITING ARRANGEMENTS

- 12.01 If there are irrevocable written undertakings to subscribe in full or in part of the respective entitlement for the rights issue, the following should be disclosed:
- (a) Name of the party providing the undertaking;
 - (b) Number of securities and percentage of existing issued and paid-up capital held in the corporation; and
 - (c) Number and percentage of securities entitled under the rights issue.
- 12.02 For the open portion of the rights-issue securities, the abridged prospectus must contain the following information:
- (a) Number and percentage of rights-issue securities;
 - (b) Underwriting arrangements including the amount of securities underwritten by each underwriter; and
 - (c) Underwriting commission and by whom the expenses are payable.

Chapter 13

SPECIFIC CLASSES OF SECURITIES (IF APPLICABLE)

13.01 For a corporation that offers shares to be allotted as partly paid, the abridged prospectus must disclose the following:

- (a) The provisions in the corporation's constituent documents dealing with liability for calls and forfeiture for those shares; and
- (b) A prominent statement to the effect that—

“If the corporation is wound up, members who hold shares which are not fully paid may be liable to contribute an amount up to the amount unpaid on the shares in order to pay the corporation's debts and expenses of the winding up. This may also apply to members who have ceased to be holders of partly-paid shares within one year of commencement of the winding up.”

Chapter 14

APPLICATION FOR SECURITIES

- 14.01 An abridged prospectus should contain instructions on how to apply for the securities and how to complete the rights subscription and excess application forms.
- 14.02 Provide the addresses where completed rights subscription and excess application forms should be sent and to whom payments should be made.
- 14.03 The rights subscription and excess application forms should be identifiable with the abridged prospectus and warn investors against signing the forms without having read and understood the abridged prospectus.
- 14.04 Accordingly, the rights subscription and excess application forms should contain the following:
- (a) The name of the corporation and registration number;
 - (b) The date of the abridged prospectus;
 - (c) A statement that, in accordance with the requirements of the CMSA, the application form should not be circulated unless accompanied by the abridged prospectus; and
 - (d) A statement that investors should read and understand the abridged prospectus before completing the application form.
- 14.05 The rights subscription and excess application forms should not contain any investment information that is not in the abridged prospectus.

APPENDIX 1

EXTRACT OF ORDINARY RESOLUTION(S) PASSED

- (1) An abridged prospectus should contain a certified true extract of the ordinary resolution(s) passed on the rights issue at the extraordinary general meeting of the corporation.

APPENDIX 2

INFORMATION ON THE CORPORATION/GROUP

The abridged prospectus should contain at least the following information about the corporation and group.

- (1) History of the business.
- (2) Principal activities.
- (3) Authorised, issued and paid-up capital and changes for the last three years, including the date of allotment, number of shares allotted, consideration given and cumulative issued and paid-up capital and nominal value.
- (4) Substantial shareholders and their direct and indirect interests in the corporation/group before and after the rights issue.
- (5) Names, age, professions, designation, nationalities, addresses of directors and their direct and indirect interests in the corporation before and after the rights issue.
- (6) Subsidiary and associated corporations – names, dates and places of incorporation, issued and paid-up capital, percentage effective interest of the corporation in the subsidiary/associated corporation and principal activities.
- (7) Profit and dividend record of the corporation/group based on the audited financial statements for the past three financial years (if applicable) and the latest unaudited financial statements.

There should be a tabulation showing the following:

- (a) Revenue;
- (b) Gross profit and profit margin;
- (c) EBITDA – earnings before interest, taxation, depreciation and amortisation;
- (d) Other income;
- (e) Finance costs;
- (f) Share of profits and losses of associates and joint ventures;
- (g) Profit/loss before tax;
- (h) Tax expense;

- (i) Profit/loss for the year;
- (j) Profit/loss attributable to minority interests and equity holders of parent; and
- (k) Basic and diluted earnings or loss per share.

All financial statements prepared in a currency other than RM must be translated into RM.

(8) Share prices

- (a) The monthly highest and lowest share prices of the corporation as transacted on the relevant stock exchange for the 12 months preceding the date of the abridged prospectus; and
- (b) The market price of the last deal transacted–
 - (i) On the date immediately before the date of announcement of the rights issue;
 - (ii) On the day prior to the ex-date; and
 - (iii) On the latest practicable date before the issuance of the abridged prospectus.

The source of the share prices should also be disclosed.

APPENDIX 3

PROFIT ESTIMATE AND FORECAST

- (1) Where profit estimates and forecasts are provided in the abridged prospectus, appropriate disclosures must be set out together with the principal bases and assumptions and the reporting accountants'/auditors' report. The report should comply with the requirements under paragraph 12.25 of the *Prospectus Guidelines – Equity and Debt*.
- (2) Where the estimates and forecasts are subject to a high probability of variation, a sensitivity analysis should be provided based on key variables, such as selling prices, volume of sales, production costs, production capacity, operating expenses and financing costs.

APPENDIX 4

PRO FORMA BALANCE SHEET

- (1) An abridged prospectus should provide a pro forma consolidated balance sheet as at the last date to which the financial statements are made up, adjusted for the following:
 - (a) Any restructuring or acquisition connected with the proposed rights issue exercise; and
 - (b) Proceeds of the proposed rights issue exercise and proposed utilisation of funds.

Details of such adjustments should be set out in the abridged prospectus. Such a pro forma will assist investors or analysts in determining the financial effects of the proposal and the notional financial position of the corporation they are being invited to invest in.

- (2) The pro forma should also include information on the following:
 - (a) Net tangible asset per share and/or net assets per share (or liabilities as the case may be); and
 - (b) Pro forma net tangible asset per share and/or net assets per share (or liabilities as the case may be).
- (3) The pro forma consolidated balance sheet should state—
 - (a) the basis upon which the pro forma is prepared;
 - (b) that the financial statements used in preparing the pro forma were in accordance with the approved accounting standards as defined in the *Financial Reporting Act 1997*, which include International Accounting Standards. Disclose details of any auditor's qualification to these underlying financial statements;
 - (c) whether the pro forma has been prepared in a manner consistent with both the format of the financial statements and the accounting policies of the corporation; and
 - (d) prominently, any adjustment dealt with when preparing the pro forma.
- (4) The pro forma consolidated balance sheet should be accompanied by a reporting accountants'/auditors' letter. The letter should state their opinion of the following:
 - (a) That the pro forma consolidated balance sheet has been properly compiled on the basis stated in item 3(a) above using financial statements prepared

in accordance with the approved accounting standards as defined in the *Financial Reporting Act 1997*, which include International Accounting Standards, and in a manner consistent with both the format of the financial statements and the accounting policies of the corporation; and;

- (b) That the adjustments made to the information used in the preparation of the pro forma consolidated balance sheet is appropriate for the purposes of preparing the pro forma balance sheet.

FINANCIAL STATEMENTS

Audited financial statements

- (1) An abridged prospectus should provide the latest audited financial statements of the corporation and the group. It should include comparative figures for the previous financial year, and the notes to the financial statements, and the auditors' report, which should not be more than 15 months from the date of issue of the abridged prospectus.

Unaudited financial statements

- (2) An abridged prospectus should also disclose the latest quarterly and cumulative quarterly financial statements available, including the explanatory notes.

APPENDIX 6

DIRECTORS' REPORT

- (1) An abridged prospectus should contain a report by the directors of the corporation, for the period between the date to which the last audited financial statements of the corporation have been made up and a date not earlier than 14 days before the date of issue of the abridged prospectus, stating whether, after due enquiry by them—
- (a) the business of the corporation and its subsidiaries has, in their opinion, been satisfactorily maintained;
 - (b) there have, in their opinion, arisen, since the last audited financial statements of the corporation, any circumstance which has adversely affected the trading or the value of the assets of the corporation or any of its subsidiaries;
 - (c) the current assets of the corporation and its subsidiaries appear in the books at values which are believed to be realisable in the ordinary course of business;
 - (d) there are any contingent liabilities by reason of any guarantee or indemnity given by the corporation or any of its subsidiaries;
 - (e) there have been, since the last audited financial statements of the corporation, any default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums for any borrowing. This applies for all corporations under the group;
 - (f) there have been, since the last audited financial statements of the corporation, no material change in the published reserves or any unusual factor affecting the profits of the corporation and its subsidiaries,

and, where any report is required, the report should contain full details of all matters required to be dealt with.

APPENDIX 7

EXPERTS' REPORTS

- (1) An abridged prospectus should contain excerpts or summaries of, opinion expressed and conclusions recorded in any expert's reports included in the abridged prospectus. The expert should state whether or not the report was prepared for inclusion in the abridged prospectus. The expert's report should be signed and dated within a reasonable time of the issue of the abridged prospectus to ensure that the contents are substantially relevant.
- (2) Where valuations of property assets have been carried out for inclusion in an abridged prospectus, a summary of the valuation in the form of a valuation certificate that complies with the *Asset Valuation Guidelines* must be included in the abridged prospectus.
- (3) Where the rights issue involves offering of Islamic securities, excerpts from the Shariah adviser's report should be disclosed in the abridged prospectus. Also, disclose the qualification and experience of the Shariah adviser.
- (4) If the expert becomes aware of significant changes affecting the content of his report, either—
 - (a) between the date of the report and the issue of the abridged prospectus; or
 - (b) after the issue of the abridged prospectus and before the issue of the securities,then he has an ongoing obligation to either update his report or where applicable, cause the corporation to issue a supplementary prospectus, or withdraw his consent to the inclusion of the report in the abridged prospectus. Failure to do so will result in the corporation, promoters, and the expert being liable for any misleading statement or material omission in the outdated report.
- (5) Experts should take care in making disclaimers of responsibility in their reports. If the disclaimers are so wide that the report is of little or no beneficial use to investors, then inclusion of the report in the abridged prospectus itself may be misleading.

APPENDIX 8

ADDITIONAL INFORMATION

An abridged prospectus should contain the following additional information.

- (1) A statement that no securities will be allotted or issued on the basis of the abridged prospectus later than 12 months after the date of issue of the abridged prospectus.
- (2) Extracts of the provisions of the corporation's constituent documents on the remuneration of directors.
- (3) The number, description and amount of any securities of the corporation which any person has, or is entitled to be granted, an option to subscribe for, together with the following particulars about the option:
 - (a) The period during which it is exercisable;
 - (b) The price to be paid for securities subscribed for under it;
 - (c) The consideration, if any, given or to be given for it or for the right to it; and
 - (d) The names of the persons to whom it or the right to it was granted, provided that, where options have been granted or agreed to be granted to all existing shareholders or holders of debt securities or to any class thereof or to directors and employees under a share option scheme, it should be sufficient, so far as the names are concerned, to record that fact without giving the names of the grantees.
- (4) Full disclosure of all material contracts (including contracts not reduced into writing), not being contracts in the ordinary course of business, entered into within two years preceding the date of the abridged prospectus. The following particulars should be disclosed for each contract:
 - (a) Date;
 - (b) Parties;
 - (c) Subject matter;
 - (d) Consideration passing to or from the corporation or any other corporation in the group; and
 - (e) The mode of satisfaction of the consideration.
- (5) Full disclosure of all current material litigation and arbitration, including those pending or threatened, and of any fact likely to give rise to any proceeding which might materially affect the business/financial position of the corporation or any of its subsidiaries.

- (6) Statement of consent of the relevant parties, such as advisers, reporting accountants, issuing houses, registrars, solicitors, external company secretaries, bankers, valuers, underwriters and experts for inclusion in the abridged prospectus of their names and (where relevant) statements and reports in the form and context in which such statements and reports appear, together with a statement that they have not subsequently withdrawn their consent.
- (7) If the abridged prospectus or cover contains photographs or illustrations of properties or assets which do not belong to the corporation, the photographs or illustrations should be accompanied by a statement to the effect that the properties or assets depicted do not belong to the corporation.
- (8) An abridged prospectus should contain a statement that for a period of at least 12 months from the date of issue of the abridged prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Malaysia:
 - (a) The constituent documents of the corporation;
 - (b) Any trust deed/deed poll;
 - (c) Each material contract disclosed or document referred to in the abridged prospectus and, in the case of contracts not in writing, a memorandum which gives full particulars of the contracts;
 - (d) Directors' existing or proposed service contracts with the corporation or any of the corporation's subsidiaries, excluding contracts expiring or determinable by the employing corporation without payments or compensation (other than statutory compensation) within one year, or an appropriate negative statement;
 - (e) All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the abridged prospectus. Where a summary expert's report is included in the abridged prospectus, the corresponding full expert's report should be available for inspection;
 - (f) Each consent given by experts disclosed in the abridged prospectus;
 - (g) Writ and relevant cause papers for all current material litigation and arbitration disclosed in the abridged prospectus.
 - (h) The audited financial statements of the corporation and its subsidiaries for each of the two financial years preceding the date of the abridged prospectus;
 - (i) Latest audited financial statements of the corporation and its subsidiaries for the current financial year (where applicable);
 - (j) Irrevocable undertaking letter in respect of subscription of the rights issue; and
 - (k) Such information and documents as are specified in Division 4 of Part VI of the CMSA may be inspected by relevant persons specified therein.