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ADVOCATES AND SOLICITORS



Speaker
AARON LIEW
Senior Associate



Speaker
NATALINE ROSS
Associate



Moderator
THARANI KUNASEKARAN
Associate

Wed 12 August 2026
3:00pm (GMT +8)
mwka.com/talks

MWKA ONLINE TALKS

Navigating Business Acquisitions: Key Legal
Considerations from Negotiations to Completion



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MWKA Online Talks

- To share knowledge, raise awareness, encourage networking
- For clients, potential clients, in-house counsel
- Recent MWKA Online Talk:
 - 5.8.2026: Friendly Loans: Breaking a Deadlock Between Co-proprietors of Land In Malaysia
- Upcoming MWKA Online Talk:
 - 9.9.2026: Can JMB and MC Committee Members Be Sued Personally? Understanding Personal Liability in Strata Management



Aaron Liew

Senior Associate

- ❖ Senior Associate in our Dispute Resolution and Corporate & Commercial departments
- ❖ Bachelor of Laws (Honours) from University of Manchester, UK
- ❖ Called to the English Bar (Middle Temple) in 2020
- ❖ Admitted to the High Court of Malaya in 2021
- ❖ Areas of practice include contentious probate litigation, corporate advisory and corporate litigation

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Nataline Ross

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- ❖ Associate in our Corporate and Commercial Department
- ❖ Bachelor of Laws (Hons) University of Leeds, Leeds, UK
- ❖ Called to the English Bar in 2021
- ❖ Admitted to the High Court of Malaya in June 2023
- ❖ Areas of practice include corporate transactions and commercial matters, including mergers and acquisitions, joint ventures, shareholders' agreements and commercial contracts

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Talk Points

- Understanding the business acquisition process
- Preliminary negotiations and transaction structuring
- Legal due diligence and risk identification
- Negotiating the definitive agreements
- Conditions precedent and completion
- Post-completion obligations and integration
- Common pitfalls and practical considerations

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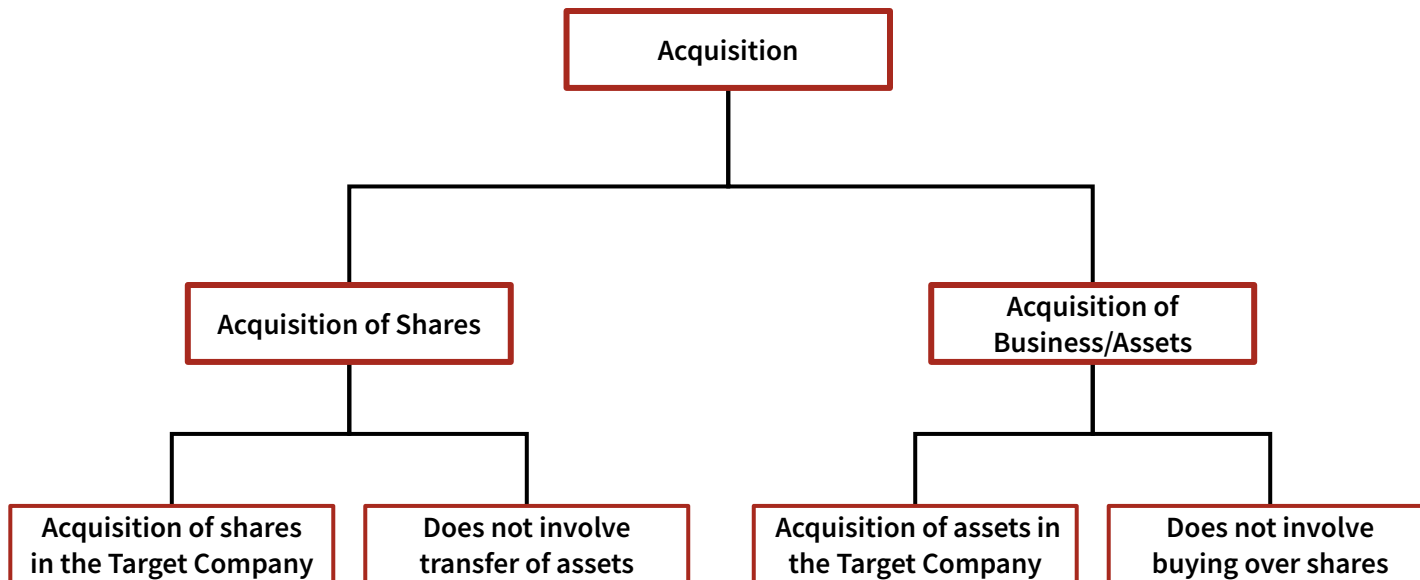
What is a Business Acquisition?

Acquisitions in Malaysia

- Merger vs Acquisition
 - Merger: Two businesses combine into one. Usually a combination of equals
 - Acquisition: One business acquires another, whether through acquisition of shares and/or business/asset
- What is a business acquisition?
 - Buy or control another business, or own the business
 - Undertaken to achieve strategic or commercial objectives

Acquisitions in Malaysia

- Acquisition of Shares / Acquisition of Business/Assets



Acquisitions in Malaysia

Why do businesses acquire other businesses?

Expand into new markets

Increase market share

Acquire technology & IP

Gain access to customers

Diversify products or services

Acquire talent and expertise

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Overview of Business Acquisition

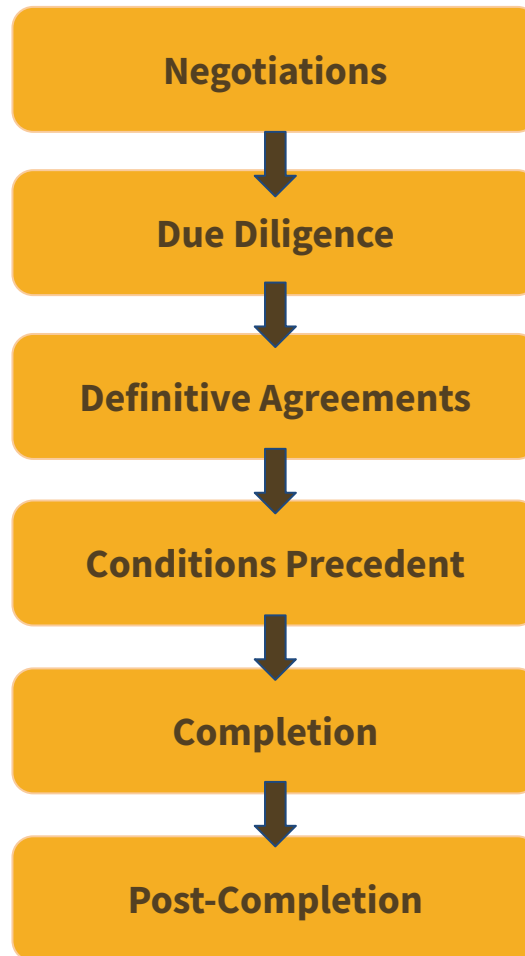
Acquisitions in Malaysia

- A Business Acquisition is **NOT** just buying a Company
 - Buyer thinks they are buying:
 - Customers
 - Revenue
 - Brand
 - Employee
 - Lawyer sees:
 - Liabilities
 - Tax exposure
 - Regulatory Risks

Acquisitions in Malaysia

- In reality, an Acquisition includes everything the Company owns, and everything the Company owes
- The actual question is, how do you decide whether an acquisition is a *value for money* deal?

What does acquisition actually involve?



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Stage 1: Preliminary Negotiations

How do you start?

- Before drafting documents, parties should consider:
 - Purpose of acquisition
 - Share sale or asset sale
 - Transaction structure
 - Purchase price
 - Payment mechanism
 - Confidentiality and exclusivity between parties

Preliminary Documents

- Once parties have agreed on the structure of acquisition, consider:
 - Letter of Intent;
 - Term Sheet; or
 - Memorandum of Understanding
- Purpose of these documents is to set out salient terms of acquisition

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Stage 2: Due Diligence

Why Due Diligence?



01. Whether there are any surprises/hidden risks
02. Identifies the legal, financial and operational risks
03. Confirms the value of the business before committing
04. Verifies the legitimacy of the business

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What are the types of Due Diligence

- Financial Due Diligence
 - Commonly undertaken by accountants, tax advisors and/or auditors. Typically appointed by potential buyer
 - Reviewing financial statements, tax records etc to ascertain target company's financial health
 - Does not constitute an audit
- Legal Due Diligence
 - Review of target company's corporate structure, contracts, litigation exposure etc

What are the types of Due Diligence

- Technical/Operational/Commercial Due Diligence considers:
 - Business workflow
 - Company's supply chain from vendors to customers
 - Market analysis
 - Management, human resources, IT

Legal Due Diligence

- Conducted by appointed lawyers
- Focuses on legal risk rather than operational capability
- Key areas in a legal due diligence included:
 - Corporate information
 - Material contracts
 - Litigation
 - Company personnel
 - Compliance
 - Intellectual property

Legal Due Diligence Red Flags

- Material contracts containing change-of-control provisions or requiring third-party consent prior to completion of the investment
- Failure to obtain or maintain necessary licenses, permits or regulatory approvals
- Incomplete or inaccurate corporate records or statutory filings
- Existing or threatened litigation, regulatory investigations or insolvency proceedings
- Adverse audit findings, governance deficiencies or regulatory non-compliance

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Stage 3: Definitive Agreements & Transaction Documents

Types of Agreements/Documents

- Letter of Intent/Offer Letter/Term Sheet
- Non-Disclosure Agreements
- Share Sale and Purchase Agreement (*Most Common*)
- Asset Sale and Purchase Agreement
- Shareholders' Agreement
- Company Resolutions
- Share Transfer Forms
- Letters of resignation from existing company directors, company secretary (if necessary)

Which documents are necessary?

- In order to determine the necessary agreements/documents:
 - Transaction structure
 - Nature and complexity of the business
 - Whether the acquisition is for 100% of shares or minority stake
 - Whether the transaction involves a share acquisition or business/asset acquisition
 - Regulatory or industry specific documents

Standard Terms in Agreements

- Purchase price and payment mechanism
- Conditions precedent
- Covenants
- Costs and expense
- Termination
- Confidentiality
- Limitation of liability
- Dispute resolution
- Stamp duty & tax



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Stage 4: Conditions Precedent

What are conditions precedent (CP)?

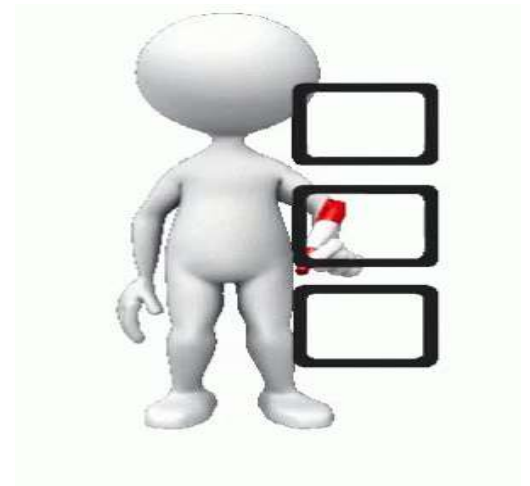
- Refers to all obligations that must be fulfilled prior to the effective completion of the transaction
- Common conditions precedent include:
 - Internal approvals eg. board and shareholders resolutions
 - Regulatory approvals
 - Third party approvals eg. business partners, financiers
 - No Material Adverse Change between signing and Completion

Why are CP's important?

- Completion occurs only after the agreed conditions are satisfied (or waived)
- Protects the parties from completing the transaction prematurely
- Ensures key legal, regulatory and commercial requirements are fulfilled

Why are CP's important?

- Addresses risks associated with the target company's existing business and liabilities
- Provides certainty before ownership is transferred
- Confirmation of fulfilment of CPs



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A photograph of a modern conference room with large windows overlooking a city. The room features a long wooden table, several leather chairs, and a laptop on the table. The floor is covered with a patterned carpet. A yellow semi-transparent box is overlaid on the bottom right of the image.

Stage 5: Completion

What happens at Completion?

- Typically takes place a few days after all CPs have been satisfied (or on the agreed Completion Date).
- **Payment** of the purchase price is **made**.
- **Shares or assets are transferred** to the buyer.
- Completion documents are executed and exchanged (e.g. share transfer forms, directors' resolutions, resignation and appointment letters).
- Ownership and control of the target company pass to the buyer.

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Stage 6: Post-Completion

What happens at post-completion?

- Acquisition does not complete on Completion Date.
- After the Completion Date, parties would still need to monitor post-completion obligations such as:
 - Fulfilment of ongoing contractual obligations
 - Updating regulatory filings with SSM
 - Monitoring compliance with warranties, indemnities and restrictive covenants
 - Transitional arrangements such as handover of systems, integration of employees, policies and operational processes

What happens at post-completion?

- The difficult part after Post-Completion
 - Employees leaving
 - Customers have no confidence
 - Internal control and lack of integration
 - Supply chain breakdown

“Buying a company is easy. Successfully taking over the business is the hard part.”

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A photograph of a modern conference room with large windows overlooking a city. The room features a long wooden table, several leather chairs, and a laptop on the table. The image is partially obscured by a yellow overlay at the bottom.

Common Pitfalls

Common Difficulties in Acquisition

- Inadequate due diligence
- Failure to satisfy conditions precedent
- Regulatory or third-party approval delays, rejections

Common Difficulties in Acquisition

- Misaligned commercial expectations
- Inadequate post-completion planning and integration
- Undisclosed liabilities
- Business disruption during integration process

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Key Takeaways

Practical Considerations

- Engage legal advisers early
- Conduct thorough due diligence
- Define transaction structure
- Manage expectations
- Identify regulatory approvals early
- Post-completion integration



Conclusion

- A business acquisition is a structured legal and commercial process.
- Early planning helps minimise legal and commercial risks.
- Legal due diligence enables informed decision making.
- Well-drafted transaction documents help allocate and manage risk.
- Understanding each stage of the acquisition process facilitates a smoother transaction for both buyers and sellers.

Upcoming Talks

Date	Topic	Speakers
9 September 2026 (Wednesday)	Can JMB and MC Committee Members Be Sued Personally? Understanding Personal Liability in Strata Management	Kirbasyini Chandran and Aqil Nasharuddin



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Complimentary Consultation

Schedule a complimentary video- consultation
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Thank you!

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