

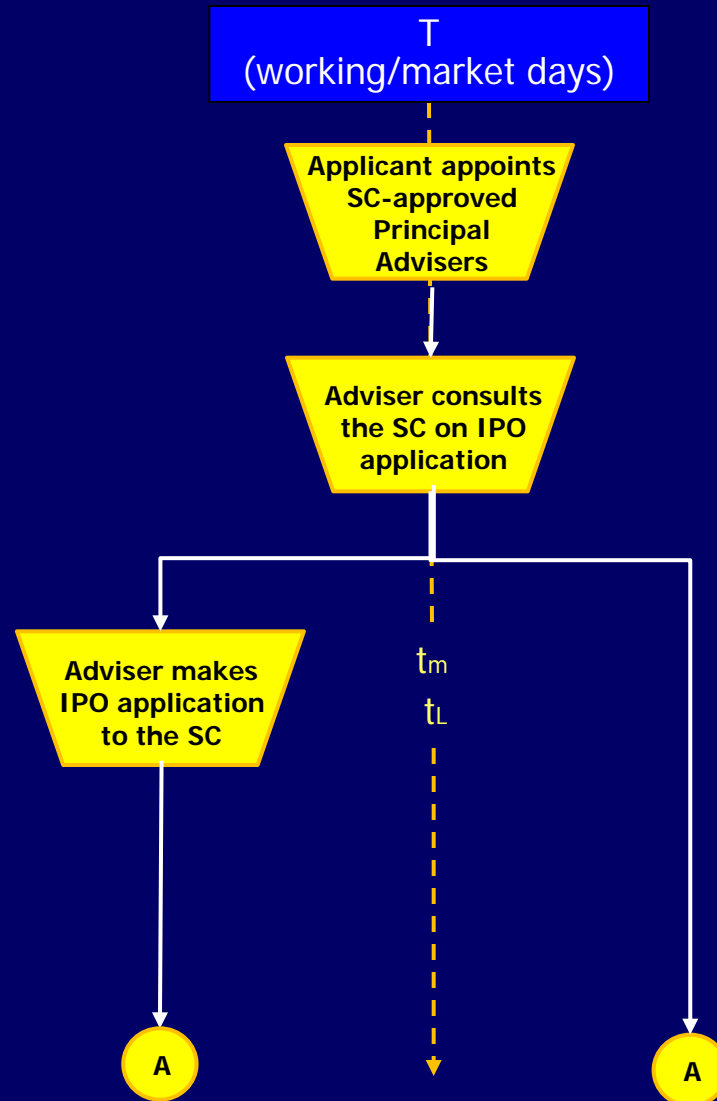


The Approval Process of Main Market IPOs in Malaysia

Acronyms and Abbreviations

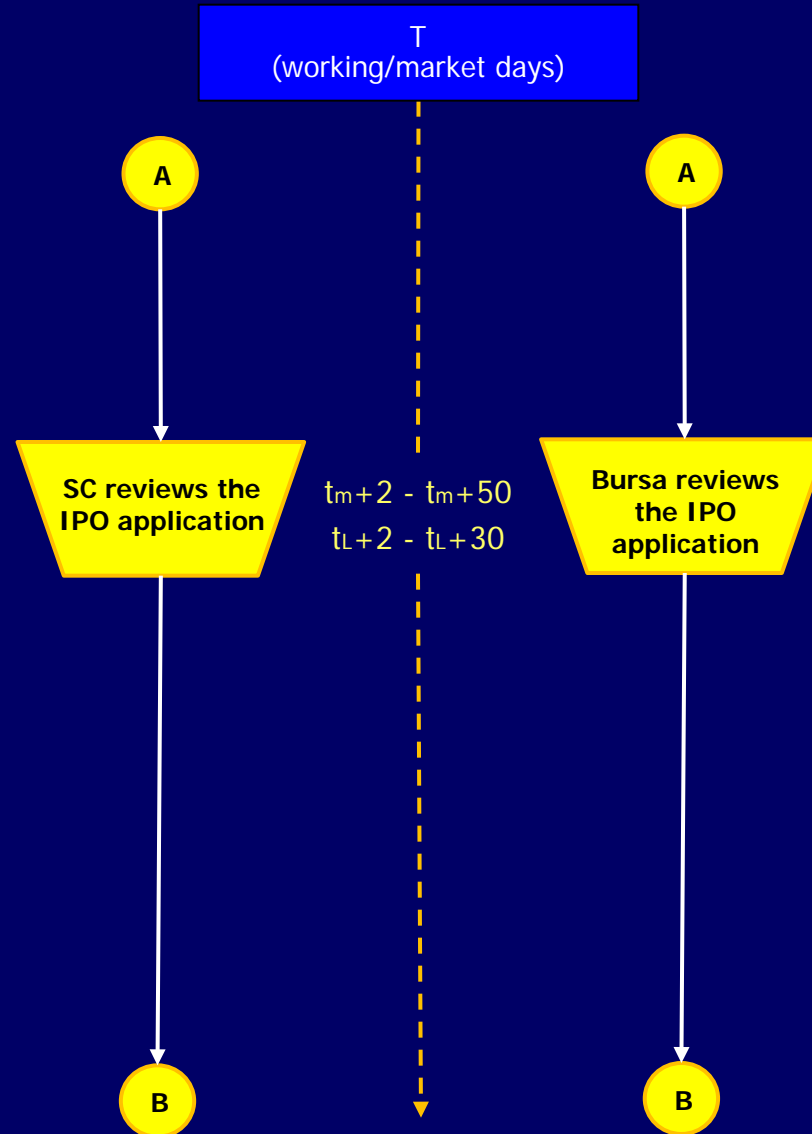
Bursa	<i>Bursa Malaysia Securities Berhad</i>
CCM	<i>Companies Commission of Malaysia</i>
IPO	<i>Initial Public Offering</i>
MITI	<i>Ministry of International Trade and Industry</i>
SC	<i>Securities Commission Malaysia</i>
t_m	<i>Day of submission of Main Market application</i>
t_L	<i>Day of submission of Large Capitalisation Companies application</i>
t_{m+21}	<i>Twenty first day of Main Market application</i>
$t_{m+2} - t_{m+50}$	<i>Between second day of Main Market application to fiftieth day of Main Market application</i>

The Approval Process of Main Market IPOs in Malaysia



- Advisers are encouraged to have pre-submission consultations with the SC to discuss potential issues pertaining to the IPO application such as novel proposals, practical / implementation issues and regulatory issues.
- The SC expects a full and complete submission complete with registrable prospectus from the Advisers in order for SC to meet its timeline charter of 40 working days (for companies with large market capitalisation) and 60 working days (for main market applicants) for consideration of the IPO application.
- Incomplete submissions may cause delays in consideration of the application or can even cause the submissions to be returned.
- Advisers also make concurrent submissions to the relevant authorities (e.g. MITI).

The Approval Process of Main Market IPOs in Malaysia



The SC reviews the IPO application based on the following broad areas. As part of the review, the SC may expose the prospectus for a period of 15 working days with a view to obtaining feedback from the public:

- Review the proposal and disclosures in prospectus
 - Assessment is made on the applicant's compliance with the quantitative and qualitative requirements of the Equity Guidelines.
 - Corporate governance/adverse records checks are made on the Applicant and its subsidiaries, promoters, directors and substantial shareholders of the Applicant.
 - A review is undertaken on the adequacy of disclosures in the prospectus
 - Queries are sent to the Adviser to seek further clarification on issues identified or to elicit further information. (Any delays in response may affect overall timelines)
 - The SC may conduct site visits to better understand the business of the Applicant.
 - Clarification meetings with the Adviser/Applicant may be held to discuss major issues.

- Application can be made to Bursa for Initial Listing (no more separate application for listing and quotation) at any time.
Documents required:
 - Application form and supporting documents
 - Copy of the registrable/ final prospectus
 - Declarations / undertaken by applicant & adviser
- Processing timeframe : 6 market days (from the date complete submission/ documentation received)
- Incomplete submissions may cause delays in consideration of the application

The Approval Process of Main Market IPOs in Malaysia



T
(working/market days)

B

B

SC makes decision on IPO application

$t_m + 51$
 $t_L + 31$

C

C

SC reviews the IPO application notation
(Continued)

- Property asset valuation
 - A review is undertaken on the adequacy of disclosures in the valuation certificate and the compliance of the valuation report with the Asset Valuation Guidelines issued by the SC.
- Compliance with the Bumiputera Equity Requirements
 - Review is undertaken to assess compliance with the Bumiputera Equity Requirement for listed companies.

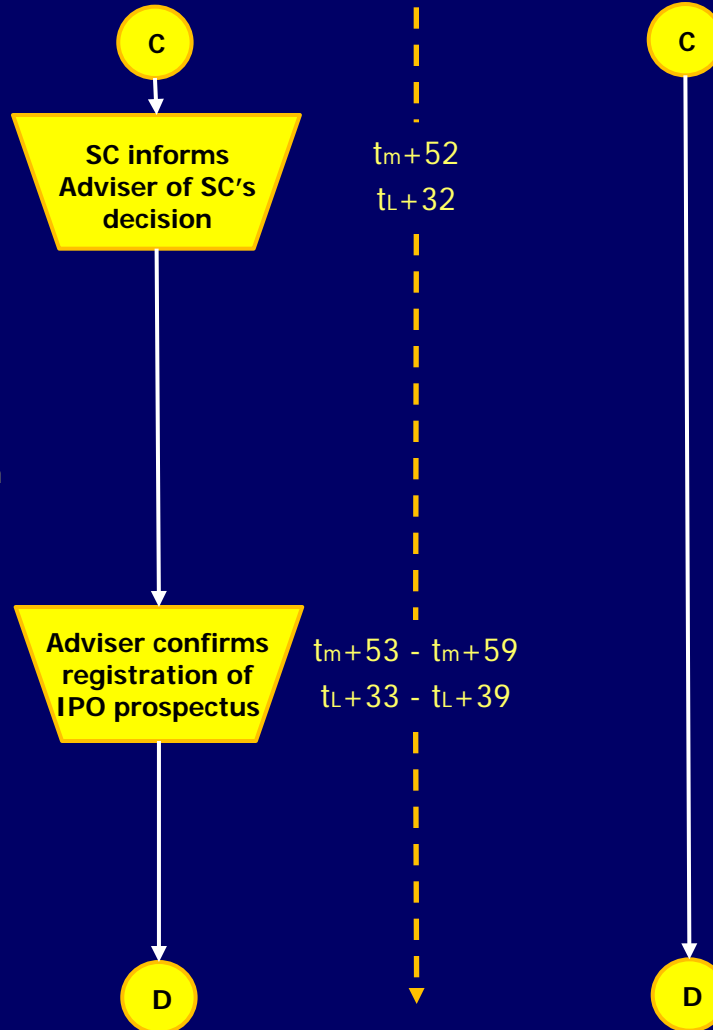
In arriving at a decision:

- Relevant departments within the SC provide inputs in relation to compliance with the relevant regulations and guidelines.
- The Recommendations Committee, comprising senior management staff from different departments within the SC, convenes for a challenge process to ensure thoroughness and consistency in the recommendation of the application to be tabled to the Issues Committee.
- The Issues Committee, comprising different members of the Commission, convenes to deliberate and decide on the IPO application.

The Approval Process of Main Market IPOs in Malaysia

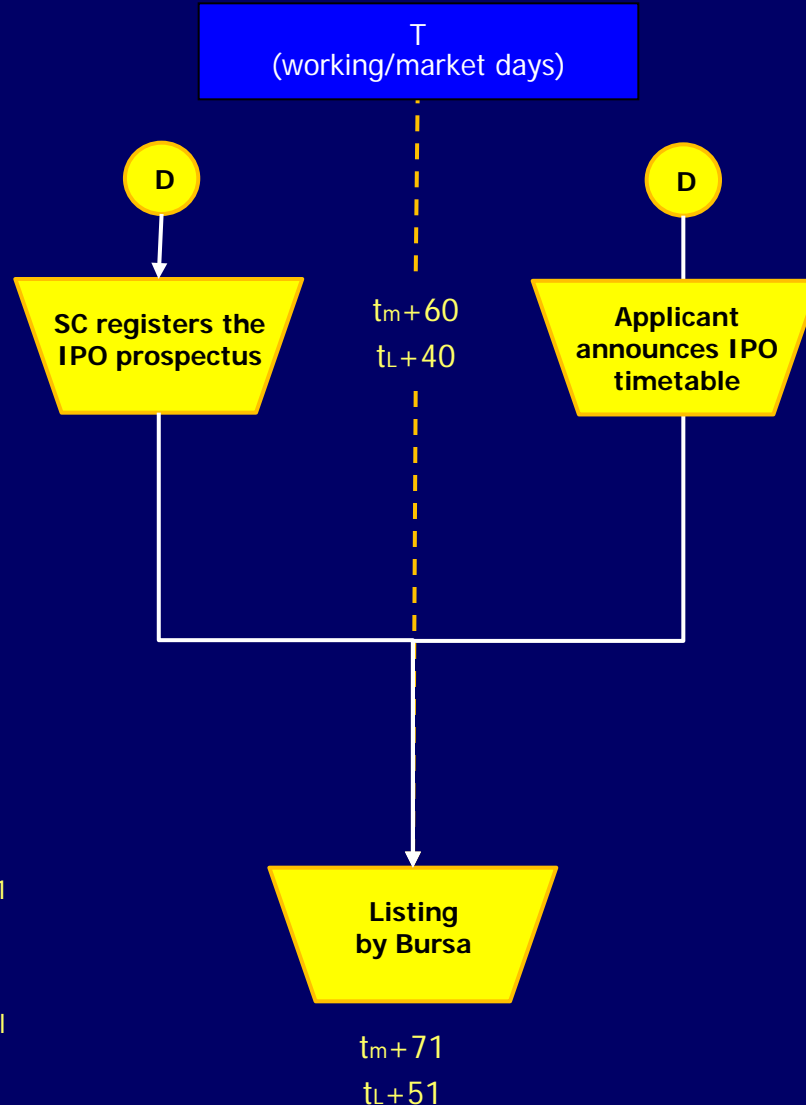


T
(working/market days)



- The SC issues decision letter to the Adviser for approval under Section 212 of the CMSA and approval in principle for the registration of the prospectus under Section 232 of the CMSA.
- The Adviser/Applicant has 6 months from the date of the SC's decision letter to implement the listing proposal of the Applicant.
- Where approval is not granted, the SC will conduct a post-decision meeting with the Adviser/Applicant to convey and discuss the grounds for the decision. The Adviser/Applicant has one month from the date of the SC's decision letter to make an appeal.
- Applicant confirms date of prospectus registration and updates documentation.
- Under the CMSA, it is an offence to authorise/ cause the issuance of a prospectus that contains any statement/ information that is false or misleading or from which there is material omission.

The Approval Process of Main Market IPOs in Malaysia



- Adviser/ Applicant to announce IPO Timetable pursuant to paragraph 8.1 of PN21, the following:
 - Opening & closing date of the offer period
 - Balloting date
 - Allotment date of the IPO
 - Tentative listing
- **On the day before listing**, the Adviser/ Applicant to announce pursuant to paragraph 8.2 of PN21, the following:
 - Actual date of listing
 - Enlarged issued & paid-up capital of the PLC indicating the no. of shares and par value if any
 - Stock short name, stock code, ISIN code
 - Sector and market in which the new securities will be admitted

- The SC conducts final check on registrable IPO prospectus before registering the prospectus.
- Relevant departments conduct checks on compliance by Adviser/Applicant on approval conditions.
- Once registered, the Adviser/Applicant is required to lodge the prospectus with CCM.
- The prospectus is issued to prospective investors and the offer period is open for 5 market days.
- Listing of the securities by Bursa takes place in 11 market days (minimum) from the issuance of the prospectus.
- Relevant SC departments perform post-approval follow-up on the terms and conditions of approval and post-vetting on the prospectus.

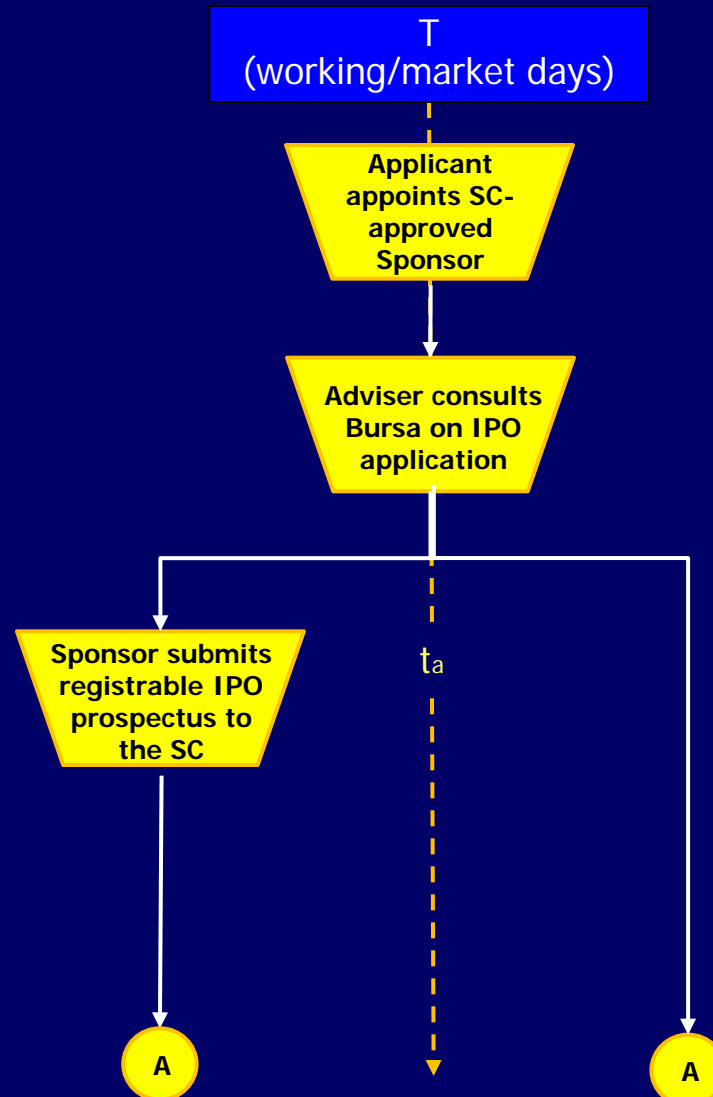


Registration of ACE Prospectuses with the SC

Acronyms and Abbreviations

Bursa	<i>Bursa Malaysia Securities Berhad</i>
CCM	<i>Companies Commission of Malaysia</i>
IPO	<i>Initial Public Offering</i>
MITI	<i>Ministry of International Trade and Industry</i>
SC	<i>Securities Commission Malaysia</i>
t_a	<i>Day of submission of ACE application</i>
t_{a+21}	<i>Twenty first day of ACE application</i>
$t_{a+2} - t_{a+50}$	<i>Between second day of submission from ACE application to fiftieth day of ACE application</i>

Registration of ACE IPO Prospectuses with the SC

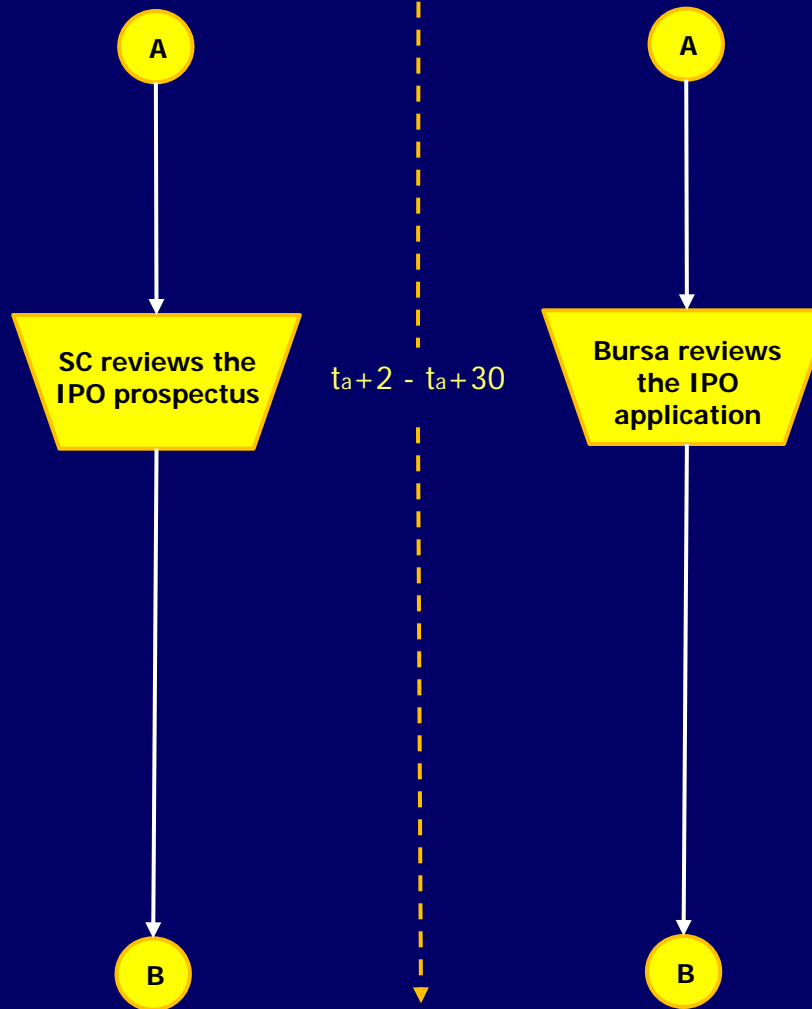


- Sponsor are encouraged to have pre-submission consultations with Bursa to discuss potential issues pertaining to the IPO application. Advisers may consult the SC on matters such as novel proposals, practical / implementation issues and regulatory issues.
- The registrable prospectus with accompanying documentation must be submitted in its complete form in order for the SC to meet its timeline charter of 40 working days for review of the IPO prospectus.
- Incomplete submissions may cause delays in the review of the prospectus or can even cause the submission to be returned.
- Sponsors also make concurrent submissions to the relevant authorities (e.g. MITI).

Registration of ACE IPO Prospectuses with the SC



T
(working/market days)



The SC reviews the IPO prospectus based on the following broad areas. As part of the review, the SC may expose the prospectus for a period of 15 working days with a view to obtaining feedback from the public:

- Review the proposal and disclosures in prospectus
 - Corporate governance/adverse records checks are made on the Applicant and its subsidiaries, promoters, directors and substantial shareholders of the Applicant.
 - A review is undertaken on the adequacy of disclosures in the prospectus and compliance with the Prospectus Guidelines.
 - Queries are sent to the Sponsor to seek further clarification on issues identified or to elicit further information. (Any delays in response may affect overall timelines)
 - The SC may conduct site visits to better understand the business of the Applicant.
 - Clarification meetings with the Sponsor/Applicant may be held to discuss major issues.

- Application can be made to Bursa for Initial Listing (no more separate application for listing and quotation) at any time. Documents required:
 - Application form and supporting documents
 - Copy of the registrable/ final prospectus
 - Declarations / undertaken by applicant & adviser
- Processing timeframe : 6 market days (from the date complete submission/ documentation received)
- Incomplete submissions may cause delays in consideration of the application

Registration of ACE IPO Prospectuses with the SC



T
(working/market days)

B

B

SC makes decision on registration of IPO prospectus

$t_a + 31$

C

C

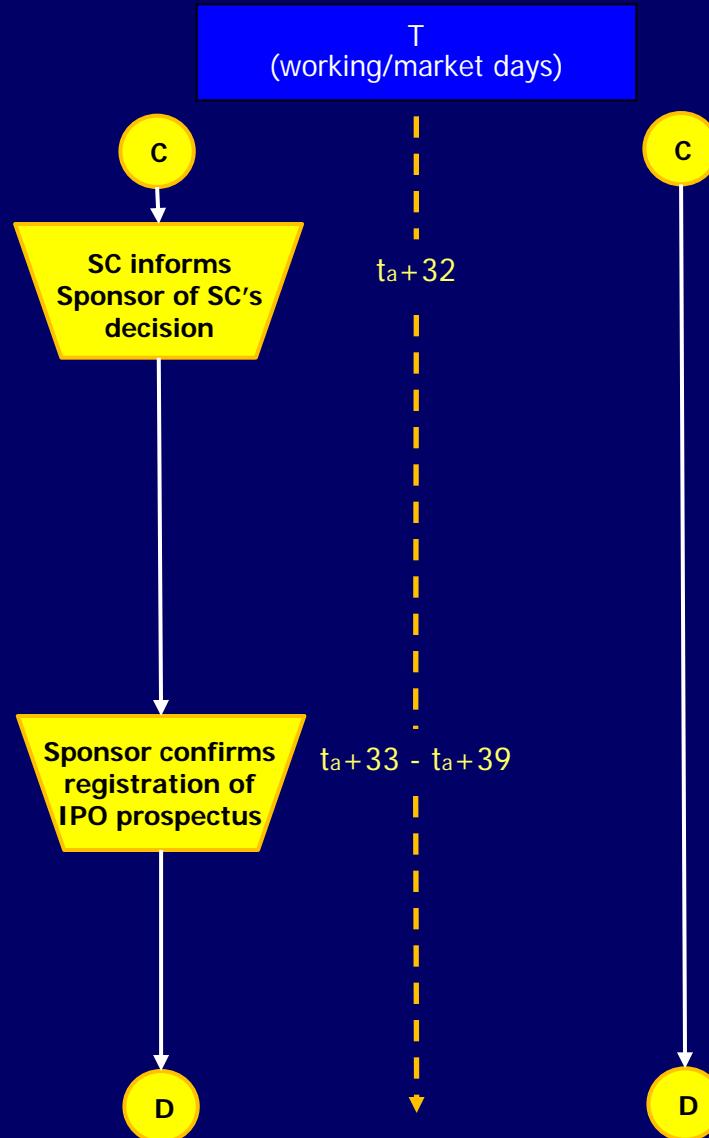
SC reviews the IPO application notation
(Continued)

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 - A review is undertaken on the adequacy of disclosures in the valuation certificate and the compliance of the valuation report with the Asset Valuation Guidelines issued by the SC.
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In arriving at a decision:

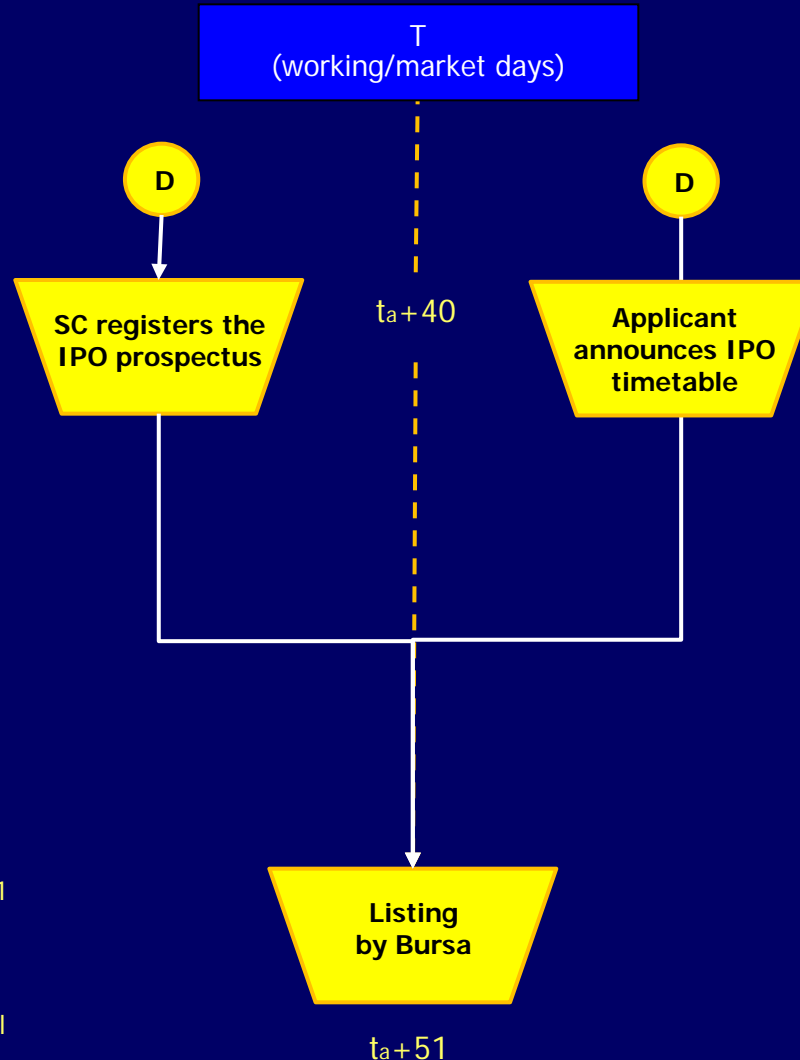
- Relevant departments within the SC provide inputs in relation to compliance with the relevant regulations and guidelines.
- A Recommendations Committee, comprising senior management staff from different departments within the SC, convenes for a challenge process to ensure thoroughness and consistency in the recommendation of the application to be tabled to the Issues Committee.
- The Issues Committee, comprising different members of the Commission, convenes to deliberate and decide on the IPO prospectus registration.

Registration of ACE IPO Prospectuses with the SC



- The SC issues decision letter to the Sponsor for approval in principle for the registration of the prospectus under Section 232 of the CMSA.
- The Sponsor/Applicant has 6 months from the date of the SC's decision letter to implement the listing proposal of the Applicant.
- In the case of a refusal to register the prospectus, the SC will conduct a post-decision meeting with the Sponsor/Applicant to convey and discuss the grounds for its decision. The Sponsor/Applicant has one month from the date of the SC's decision letter to make an appeal of the decision.
- Applicant confirms date of prospectus registration and updates documentation.
- Under the CMSA, it is an offence to authorise/ cause the issuance of a prospectus that contains any statement/ information that is false or misleading or from which there is material omission.

Registration of ACE IPO Prospectuses with the SC



- The SC conducts final check on registrable IPO prospectus before registering the prospectus.
- Relevant departments conduct checks on compliance by Sponsor/Applicant on approval conditions.
- Once registered, the Sponsor/Applicant is required to lodge the prospectus with CCM.
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- **On the day before listing**, the Adviser/ Applicant to announce pursuant to paragraph 8.2 of PN21, the following:
 - Actual date of listing
 - Enlarged issued & paid-up capital of the PLC indicating the no. of shares and par value if any
 - Stock short name, stock code, ISIN code
 - Sector and market in which the new securities will be admitted