

**FREQUENTLY ASKED QUESTIONS  
ON THE AMENDED CHAPTERS 12 AND 13 OF THE PROSPECTUS GUIDELINES**

**1. What are the key amendments or revisions to Chapters 12 and 13 of the Prospectus Guidelines?**

The key amendments to Chapters 12 include the new requirement for a “true and fair” audit opinion in relation to financial information disclosed in the prospectus, which is replacing the current requirement for pro forma financial information. This, in essence, would require the issuer to disclose either combined or consolidated financial statements in the prospectus. This new requirement for a “true and fair” audit opinion, would enhance the financial information disclosed in the prospectus and align the Malaysian requirements with international practice and is also in line with the ASEAN Equity Securities Disclosure Standards adopted by Malaysia for ASEAN cross-border offerings.

Disclosure of pro forma financial information would be limited to situations where there were recent significant acquisitions or disposals during and/or after the completion of the most recent financial year; as well as to illustrate the effects of the proposed initial public offering exercise.

The Securities Commission Malaysia (SC) has also introduced Guidance to Chapter 12, to clarify the SC’s expectation on compliance with the requirements of specific requirements in this chapter. For example, the Guidance includes SC’s expectations on the preparation of future financial information. Examples are also provided in this Guidance for illustration purpose and are not exhaustive.

**2. Does a reporting accountant need to be registered with the Audit Oversight Board?**

A firm of public accountants which proposes to act as a reporting accountant for the purpose for preparing a prospectus must be a firm that is already registered with AOB under section 31N of the Securities Commission Malaysia Act 1993 as an auditor of a public interest entity or a scheduled fund. The registration with AOB must still be valid and not suspended throughout that period.

**3. When would the amended chapters of the Prospectus Guidelines take effect?**

The relevant chapters are effective on 31 July 2015. However, the SC may grant a relief or variation from the requirements of the amended Chapters 12 and 13, if the SC is satisfied that such relief or variation, if granted, is not contrary to the intended purpose of the relevant provision in these chapters or there are mitigating factors which justify the said relief or variation.