

PROSPECTUS GUIDELINES
SUMMARY OF AMENDMENTS ISSUED ON 22 JUNE 2022

The following table provides a summary of key amendments to **Division 3: Structured Warrants of Part II** of the revised Prospectus Guidelines (Guidelines) issued on 22 June 2022:

A. Overview
<ol style="list-style-type: none"> 1. Re-arrangement of all chapters in Division 3: Structured Warrants of Part II. 2. Introduced new requirements to aid investors' understanding of the offering. 3. Editorial amendments including streamlining requirements to enhance clarity and ensure consistency throughout the Guidelines, rephrasing and renumbering of certain requirements. 4. Inserted Guidance, where appropriate, to set out SC's expectations in complying with the disclosure requirements. 5. Removed requirements that are provided for in the Capital Market and Services Act 2007 (CMSA).

1. Key amendments to Division 3: Structured Warrants of Part II

B. Key Amendments to specific paragraphs		
Prior To 22 June 2022	Revised Version Dated 22 June 2022	Comments
Chapter 1		
Paragraph 1.03	-	Existing paragraph deleted as it is provided for in the CMSA.
Chapter 2		
Title: Front Cover	Title: Cover Page, Inside Cover/ First Page, Timetable, Definitions and Corporate Directory	Amended header pursuant to consolidation of requirements and introduction of respective sub-headers.
Paragraph 2.01	Paragraph 2.01	Existing paragraph amended to reflect the Companies Act 2016.
Paragraph 2.04	Paragraph 2.03	Existing paragraph amended to include trustee.

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Chapter 3: Inside Cover/First Page	Sub-header: Inside Cover or First Page	Existing Chapter 3 repositioned and merged as part of the new Chapter 2 under sub-header "Inside Cover or First Page".
Paragraph 3.01(d)	Paragraph 2.04(d)	Existing paragraph amended to provide for disclosure where the underlying references include indices or exchange-traded funds.
Paragraph 3.01(e)	Paragraph 2.04(e)	Existing paragraph amended to include the disclaimer that the Securities Commission Malaysia has not in any way considered the merits of the structured warrants being offered for investment.
Paragraph 3.02(a)	Paragraph 2.04(i)	Existing paragraph amended to require disclosure informing investors that they may seek recourse for a material omission or for any misleading or deceptive act in relation to the prospectus or the conduct of any other person in relation to the issuer.
Chapter 4: Timetable/Definitions/ Table of Contents/Corporate Directory	-	Existing Chapter 4 repositioned and merged as part of the new Chapter 2.
Paragraph 4.01	-	Existing paragraph deleted as the requirement for the prospectus to be properly structured is expected.
Paragraph 4.03	Paragraph 2.05	Existing paragraph repositioned as part of the new paragraph 2.05.
Paragraph 4.04	Paragraph 2.07	Existing paragraph amended to require disclosure as to whether the directors of the issuer reserve the right to make any change to the timetable.

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Paragraph 4.05	Paragraph 2.08	Existing paragraph amended to require disclosure of the method of informing the public if there are changes to the timetable.
Paragraph 4.07	-	Existing paragraph to disclose table of contents, listing of sections and sub-sections of the prospectus has been deleted.
Paragraph 4.08(a)	Paragraph 2.10(a)	Existing paragraph amended to require disclosure of the designation of each director.
Paragraph 4.08(e)	Paragraph 2.10(e)	Existing paragraph amended to require disclosure of any other person connected to the offering in the Corporate Directory.
Paragraph 4.08(f)	Paragraph 2.10(f)	Existing paragraph amended to require disclosure of the qualification of experts whose prepared reports, excerpts or summaries are included or referred to in the prospectus. If the expert is a corporation or a firm, disclosure is also required of the name of the individuals responsible for preparing the reports, excerpts or summaries included or referred to in the prospectus.
Chapter 3		
-	Chapter 3: Prospectus Summary	New Chapter 3 inserted to prescribe the contents of the Prospectus Summary.
Chapter 4		
Chapter 5: Details of Structured Warrants Offering	Chapter 4: Information on the Issuer	Existing Chapter 5 repositioned and amended into new chapters 4, 5, 6, 7 and 8 to enhance disclosure and provide better clarity.

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-	Paragraph 4.01(c)	New paragraph inserted to provide that the issuer must disclose the issuer's group organisation structure. If there is a performance guarantee, issuer must disclose the relationship between the issuer and guarantor and the guarantor's organisation structure.
-	Paragraph 4.01(d)	New paragraph inserted to require disclosure of the issuer's subsidiaries, joint ventures, and associated companies.
Paragraph 5.01	Paragraph 4.01(e)	New paragraph amended to require disclosure of the name and designation of directors.
-	Paragraph 4.03	New paragraph inserted to require disclosure of the background and business activities of the guarantor where there is a performance guarantee.
Paragraph 5.02	Paragraph 4.04 Paragraph 4.05	Existing paragraph amended to require issuers to also disclose the audited financial statements for the past 3 financial years for collateralised offerings.
Paragraph 5.03	Paragraph 4.06	Existing paragraph amended to provide clarity on the circumstances where disclosure of interim financial information is required.
Paragraph 5.04(b)	Paragraph 4.07(b) Paragraph 4.07(c) Paragraph 4.07(d)	Existing paragraph amended to provide clarity and ease of reference.
Paragraph 5.04(c)	Paragraph 4.07(e)	Existing paragraph amended to replace "senior management" with "key senior management".

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-	Paragraph 4.07(f)	New paragraph inserted to require disclosure of the role of the audit committee.
-	Paragraph 4.07(g)	New paragraph inserted to require disclosure of the policy with respect to counterparty selection and monitoring.
Paragraph 5.06	Paragraph 4.09	Existing paragraph amended to require disclosure of an appropriate negative statement if there is no material litigation outside the ordinary course of business.
Paragraph 5.09	Paragraph 4.12	Existing paragraph amended to require disclosure of the salient terms of the trust deed.
-	Paragraph 4.14	New paragraph inserted to provide for disclosure of material contracts that are not in the ordinary course of business.
Chapter 5		
Market making	Chapter 5: Market making	Existing section on market making repositioned as new Chapter 5.
-	Paragraph 5.08	New paragraph inserted to require disclosure of the pre-requisite conditions before a further offering of structured warrants can be made.
Chapter 6		
Conflict of interest	Chapter 6: Conflict of interest	Existing section on conflict of interest repositioned as new Chapter 6.
Paragraph 5.17	Paragraph 6.01	Existing paragraph amended to require disclosure of an appropriate negative statement when there is no conflict of interest.

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Paragraph 5.18	Paragraph 6.02(i)	Existing paragraph amended to require disclosure of whether any party acting in an advisory capacity holds any securities in the issuer, any member of the issuer's group or has the right to nominate persons to subscribe for securities in the issuer or any member of the issuer's group.
-	Paragraph 6.02(ii)	New paragraph inserted to require disclosure of the steps taken to resolve, eliminate or mitigate any existing or potential conflict of interest situation and an appropriate negative statement if there is no existing or potential conflict of interest situation.
Chapter 7		
Information on the terms and conditions of the structured warrants	Chapter 7: Terms and conditions of the structured warrants	Existing section repositioned as new Chapter 7.
-	Paragraph 7.01(d)	New paragraph inserted to provide for disclosure of a warning statement relating to the pricing values and parameters.
-	Paragraph 7.01(f)	New paragraph inserted to provide for disclosure of the applicable fees and charges for the exercise of the structured warrants.
-	Paragraph 7.05	New paragraph inserted to provide for disclosure of the rights of the structured warrant holders to be in the main body of the prospectus and not by way of an attachment of the deed poll to the prospectus.
Chapter 8		

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Information on the underlying financial instrument	Chapter 8: Information on the underlying financial instrument	Existing section under Chapter 5 repositioned as new Chapter 8.
-	Paragraph 8.01(b)	New paragraph inserted to require disclosure of the name of the stock exchange where the underlying shares are listed.
Paragraph 5.25(b)	Paragraph 8.01(c)	Existing paragraph amended to require disclosure of how prospective investors can obtain the information on the underlying corporation's financial statements.
Paragraph 5.25(f)(ii), (iii), (iv) and (v)	Paragraph 8.02(b), (c), (d) and (e)	Existing paragraphs amended to replace the term "date of the issue of the prospectus" with "price fixing date".
Chapter 9		
Chapter 6: Risk Factors	Chapter 9: Risk Factors	Existing Chapter 6 repositioned as new Chapter 9.
-	Paragraph 9.01(a)	New paragraph inserted to require disclosure of risks relating to the issuer.
Paragraph 6.01(a)	Paragraph 9.01(c)	Existing paragraph amended to provide for additional examples on the type of risks expected to be disclosed (i.e. leverage risk, currency risk and credit risk).
-	Paragraph 9.01(g)	New paragraph inserted to require disclosure of potential tax implications for prospective investors who wish to invest in the structured warrants.
-	Paragraph 9.03	New paragraph inserted to require disclosure of a warning statement that the investors of the structured warrants are taking on the credit risk of the guarantor and to provide the guarantor's credit rating for guaranteed offerings.
Chapter 10		

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Chapter 7: Approvals and Conditions	Chapter 10: Approvals and Conditions	Existing Chapter 7 repositioned as new Chapter 10.
Paragraph 7.02	Paragraph 10.02	Existing paragraph amended to require disclosure of any specific relief obtained from compliance with relevant securities laws, guidelines and other regulatory requirements.
Chapter 11		
Chapter 8: Experts' statements/reports	Chapter 11: Expert's statements/reports	Existing Chapter 8 repositioned as new Chapter 11.
Chapter 9: Directors' Report	-	Existing Chapter 9 deleted to remove the disclosure of the Directors' Report.
Chapter 10: Consents	-	Existing Chapter 10 deleted as it is provided for in the CMSA.
Chapter 12		
Chapter 11: Documents Available for Inspection	Chapter 12: Documents Available for Inspection	Existing Chapter 11 repositioned as new Chapter 12.
Paragraph 11.01(a)	Paragraph 12.01(a)	Existing paragraph amended to replace the term "Memorandum and Articles of Association" with "Constitution".
-	Paragraph 12.01(d)	New paragraph inserted to require the guarantee deed poll to be made available for inspection, if applicable.
-	Paragraph 12.01(k)	New paragraph inserted to require the guarantee agreement to be made available for inspection, if applicable.
Chapter 13		
Chapter 12: Application for structured warrants	Chapter 13: Application for structured warrants	Existing Chapter 12 repositioned as new Chapter 13.

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Paragraph 12.01	Paragraph 13.01	Existing paragraph amended to remove instructions on how to apply and complete applications and to require disclosure of procedures of application.
Paragraphs 12.02, 12.03, 12.04 and 12.06	-	Existing paragraphs deleted to remove the requirements for prescribing the contents of the application form for structured warrants and instructions for allocation of excess subscription.
Paragraph 12.05	Paragraph 13.02	Existing paragraph amended to require the contents of the application form must not be in contrary to the information in the prospectus.