

SCHEDULE 5 OF CAPITAL MARKET SERVICES ACT 2007 (CMSA) - FREQUENTLY ASKED QUESTIONS

- 1) What types of proposals would require the SC's approval under section 212 of the CMSA under the new fund-raising regime which is effective from 3 August 2009?

The following proposals are subject to the SC's approval under section 212 of the CMSA:

- (a) Initial public offering (IPO) and listing of a corporation on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia);
- (b) Secondary listing of a foreign corporation on the Main Market of Bursa Malaysia;
- (c) Cross listing of a Malaysian company on a recognised foreign stock exchange;
- (d) Back-door listing (BDL) or reverse take-over (RTO) undertaken by a corporation listed on the Main Market of Bursa Malaysia; and
- (e) Transfer of the listing status from the ACE Market to the Main Market of Bursa Malaysia.

In addition, the SC's approval under section 212 of the CMSA is also applicable for-

- (f) Any offering of securities that forms part of an IPO, BDL/RTO scheme or a transfer of listing to the Main Market;
- (g) Offering of securities in Malaysia by a foreign corporation that is listed on a recognised foreign stock exchange other than-
 - offering of equity securities pursuant to an employee share or employee share option schemes, a bonus issue or a rights issue;
 - offering of equity securities made to a person within paragraph 7, 8, 9, 11, 12, 13 or 14 of Schedule 6 or 7 of the CMSA and the distribution of such securities is made through a holder of a Capital Markets Services Licence;
 - scrip dividends; or
 - distribution of shares held by the foreign corporation in its subsidiary in lieu of dividends;

- (h) Offering of securities in Malaysia by an unlisted foreign corporation other than-
- a non renounceable rights issue, bonus issue, employee share or employee share option schemes; or
 - offering of existing equity securities made to existing holders;
- and
- (i) Distribution of assets of a corporation that is listed on Bursa Malaysia other than distribution of -
- cash;
 - assets on its winding up;
 - treasury shares as dividends; or
 - scrip dividends.

2) Upon listing of a corporation on the Main Market of Bursa Malaysia, what are the corporate exercises that are still subject to the SC's approval?

Upon the listing of a corporation on the Main Market, only the following proposals by the listed corporation are subject to the SC's approval:

- (a) Corporate exercises involving issuance of debt securities or unit trust;
- (b) BDL/RTO schemes and any other proposals undertaken in conjunction with such schemes;
- (c) Cross listings of Malaysian companies on a recognised foreign stock exchange; or
- (d) Distributions of assets which are not exempted under paragraph 1(i) above.

3) Would acquisitions of assets financed via issuance of securities by a listed corporation require the SC's approval?

Acquisitions of assets by a listed corporation financed by issuance of securities would not require the SC's approval unless such transactions are undertaken pursuant to a BDL/RTO scheme.

4) Would distribution of assets by a corporation listed on the ACE Market of Bursa Malaysia require the SC's prior approval?

Yes, unless the distribution of assets falls under any of the exemptions stated under paragraph 1(i) above.