

LISTING PROCEDURES AND REQUIREMENTS

Annual PNS Entrepreneurs Gathering

PWTC

6 June 2000



Agenda

■ Going Public

- Key Statistics
- Why Go Public
- Factors To Consider
- When To Go Public
- How To Go Public
- Listing Requirements

■ Case Study



■ Q&A

Listed Companies on KLSE (as at April 2000)

	1993	1994	1995	1996	1997	1998	1999	2000
Main Board	329	347	369	413	444	454	474	480
Second Board	84	131	160	208	264	282	283	287
Total	413	478	529	621	708	736	757	767

* Mesdaq = 1



New Listing on KLSE (1993 - 2000)

	1993	1994	1995	1996	1997	1998	1999	(Jan – April) 2000
Main Board	12	19	18	40	25	6	10	2
Second Board	32	47	33	52	63	22	11	8
Total	44	66	51	92	88	28	21	10



* Mesdaq = 1

Listed Bumiputera vs Non Bumiputera Companies (as at April 2000)

	Main Board		Second Board		Total	
	No.	%	No.	%	No.	%
Bumi	145	30.21	63	21.95	208	27.12
Non-Bumi	335	69.79	224	78.05	559	72.88
Total	480	100.00	287	100.00	767	100.00



Why Go Public

- **Access to Capital Market**
- **Flexibility in sourcing funds**
- **Enhances profile and standing**
- **Greater visibility**
- **Added value to shares**
- **Compliance with NDP**



Factors To Consider

- **Public accountability**
- **Public scrutiny**
- **Dilution of shareholding/control**
- **Compliance with regulations**
- **Costs of listing**



When To Go Public

- **Has track record**
- **Good future prospects**
- **Favourable market conditions**



How To Go Public

- **Appoint advisers/experts**
- **Decide overall objective**
- **Formulate flotation scheme**
- **Prepare documentation**
- **Seek approval from authorities**
- **Issues prospectus**
- **Balloting/Listing**



Parties Involved In Listing

■ Flotation Team :

- Merchant bank
- Reporting accountants
- Lawyers/Solicitors
- Issuing house
- Share registrar
- Others
 - Valuers
 - Tax consultants
 - Experts



Parties Involved In Listing

■ Authorities

- SC
- MITI
- FIC
- ROC
- KLSE
- Others
 - EPU
 - MOF
 - BNM
 - DGI



Listing Requirements

■ Listing on KLSE

- Quantative Requirements
- Qualitative Requirements
- Special Requirements



Quantitative Requirements

- Main Board KLSE

Requirements	Main Board
Paid-up capital (minimum)	At least RM60 million
Percentage of paid-up capital in public hands	At least 25% (with a minimum no. of shareholders)
Profit track record (minimum)	Uninterrupted profit record of 3 or 5 years RM30 million aggregate PAT RM8 million minimum PAT for latest year
Forecast after-tax profit (minimum)	No minimum figure
Business operation (minimum)	5 years after incorporation
Moratorium on shareholding	Only for certain industries



Quantitative Requirements - Second Board KLSE

Requirements	Second Board
Paid-up capital (minimum)	At least RM40 million
Percentage of paid-up capital in public hands	At least 25% (with a minimum no. of shareholders)
Profit track record (minimum)	Uninterrupted profit record of 3 or 5 years RM12 million aggregate PAT RM4 million minimum PAT for latest year
Forecast after-tax profit (minimum)	No minimum figure
Business operation (minimum)	5 years after incorporation
Moratorium on shareholding	Yes



Quantitative Requirements

■ Listing based on Proforma Accounts can be considered provided companies within group:

- involved in same/complementary business*
- have common directors
- have common shareholders

* *Bumiputera company only needs to meet this criterion*



Definition of Bumiputera Company...

- **More than 50% of its equity is owned by Bumiputera shareholders; or**
- **At least 35% of its equity is owned by an identified Bumiputera shareholder together with certain conditions**



Qualitative Requirements

- **Business Dynamics**
- **Competition Dynamics**
- **Industry Dynamics**



Special Requirements

■ Additional Requirements for Specific Companies:

- Property-Development
- Construction
- Infrastructure Project Companies (IPC)
- Plantation
- Financial Services
- Stockbroking
- Trading/Retailing



Special Requirement

■ Property Development Companies

Requirements	
Board	Only Main Board
Profit track record (minimum)	Uninterrupted over 5 full financial years <ul style="list-style-type: none">• RM30 million aggregate PAT• RM4 million PAT per annum for at least 3 out of first 4 financial years• RM8 million PAT for latest year
Land bank	405 hectares (1,000 acres)
On-going projects	Able to sustain profits for 5 years after listing



Special Requirements

■ Construction Companies

Requirements	
Board	Only Main Board
Profit track record (minimum)	Uninterrupted over 5 full financial years <ul style="list-style-type: none">● RM30 million aggregate PAT● RM4 million PAT per annum for at least 3 out of first 4 financial years● RM8 million PAT for latest year
Contracts-in-hand	Sufficient to sustain profits for at least 3 years after listing



In Summary

- **Start planning**
- **Take long-term view**
- **Be committed**

