

Listing on Bursa Malaysia

Presentation by:

Equity IPO, Securities Market
Bursa Malaysia Berhad

Introduction

Regulatory Landscape

Approving Authorities for Listings



Securities Commission Malaysia

Approving authority for:

- Listing on the Main Market (IPO/RTO/cross listing of foreign corporations)
- Registration of prospectuses for public offerings and rights issues

Oversight authority for Bursa Malaysia



Bursa Malaysia Berhad

Approving authority for:

- Listings on the ACE Market and LEAP Market
- Secondary offerings and other post listing proposals (eg rights issues, issuance of convertibles, consolidation of shares)

Bursa Malaysia Market Structure

**MAIN** Market

Prime market for
listing of established
companies

**ACE** Market

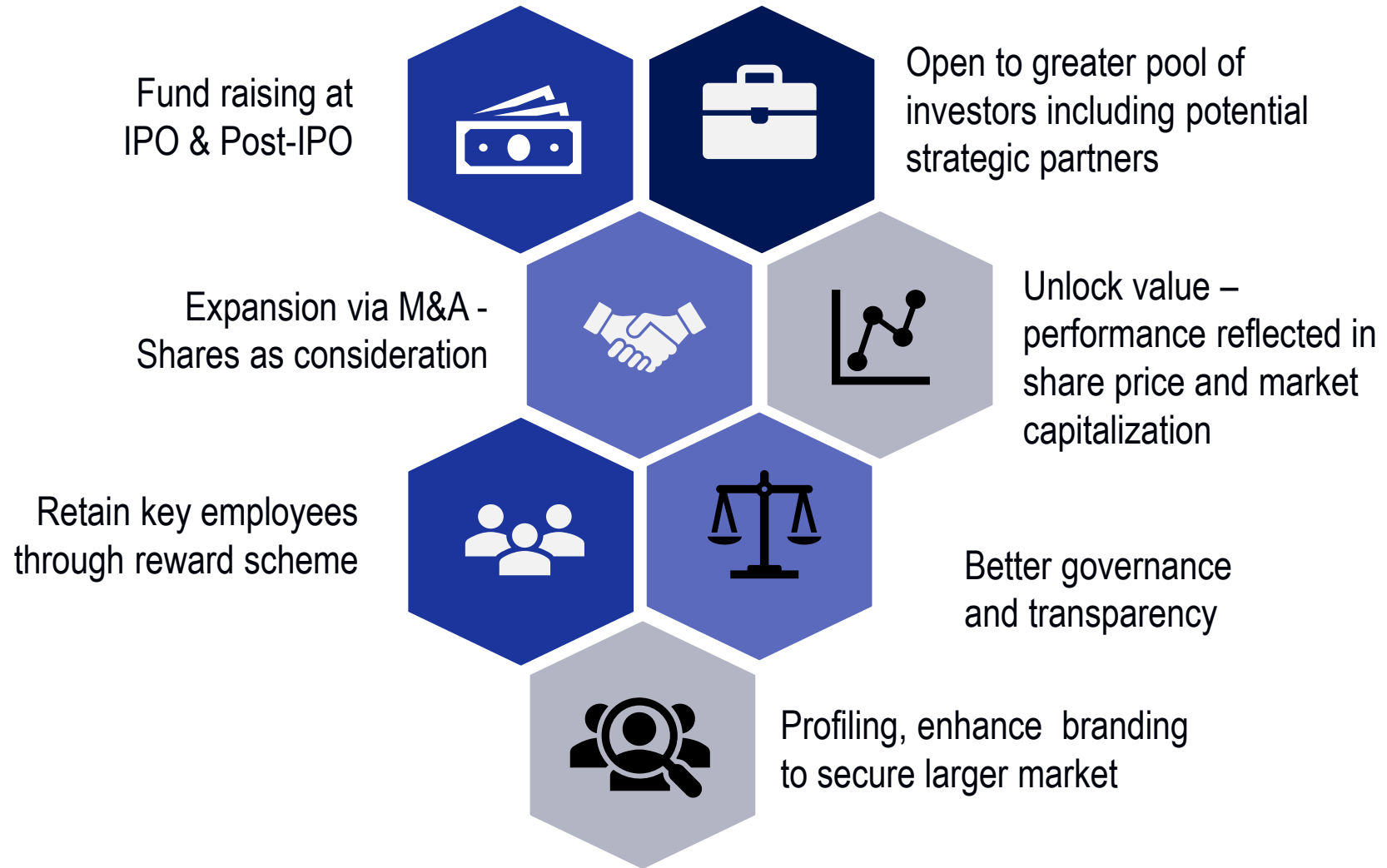
Sponsor-driven
alternative market
for companies with
growth prospects

**LEAP** Market

Adviser-driven
market for
sophisticated
investors

Listing overview

Why List?



Listing Options on Bursa Malaysia


MAIN Market





ACE Market


LEAP Market

	MAIN Market	ACE Market	LEAP Market
Approving authority	SC (CMSA)	Bursa (LR)	Bursa (LR)
Prospectus/ Information Memorandum	SC (Prospectus Guidelines)	SC (Prospectus Guidelines)	Lodge IM with SC (LR)
Adviser/Sponsor	IPO submission	IPO submission + 3 yrs* after listing	IPO submission + 3 yrs after listing
Who can be Adviser/Sponsor	Principal Advisers	Principal Advisers registered a Sponsors	Principal Advisers + eligible Corporate Finance Advisers
Admission criteria	<ul style="list-style-type: none"> Profit track record Market capitalisation Infrastructure cos 	<ul style="list-style-type: none"> No minimum profit or operation Demonstrate potential 	<ul style="list-style-type: none"> No minimum profit or operation
Moratorium on promoters shares	6 months	3 Years *	4 years
Public spread	25% (min 1,000 shareholders)	25% (min 200 shareholders)	10%

* Liberalised for ACE Market companies that have met Main Market qualitative criteria

Listing Criteria

	Key Criteria	Description
	Entry modes	1) Profit Test <ul style="list-style-type: none"> • ≥ RM20 mil uninterrupted net profit for 3 - 5 financial years • ≥ RM6 mil for the latest financial year 2) Market Capitalisation Test <ul style="list-style-type: none"> • ≥ RM500 mil upon listing • ≥ 1 full year operating revenue 3) Infrastructure Project Corporation Test <ul style="list-style-type: none"> • Possess rights to build/operate infrastructure project • Project cost of ≥ RM500 mil • Remaining concession or license period of ≥ 15 years
	Financial position & liquidity	<ul style="list-style-type: none"> ➤ Positive cash flow from operating activities (Profit Test: ≥ profit track record period; Market Cap Test: in the most recent financial year) ➤ No accumulated losses (under Profit Test)
		<ul style="list-style-type: none"> ➤ No operating track record or profit requirement ➤ Demonstrate potential
		<ul style="list-style-type: none"> ➤ No operating track record or profit requirement ➤ Open to only sophisticated investors

Other Qualitative Criteria



Public Interest

Business activities would not undermine public interest, e.g. no impact on religious sensitivity, morality, ethics, etc.



Conflict of Interests

Any conflicts of interests must be addressed and mitigated satisfactorily. This includes:

- Conflict involving interest of substantial shareholders and directors
- Conflict involving Advisers



Corporate Governance

Past corporate conduct of the company and its group, promoters, directors and key management

Regulatory Approval Process




Submit application including prospectus to SC

Review by SC

- Queries
- Site visit

Approval from SC

(12 weeks)



- Submit application to Bursa
- Submit prospectus to SC

Review by Bursa & SC

- Queries
- Site visit

Approval from Bursa & SC

(11 weeks)



- Lodge IM with SC
- Submit application to Bursa

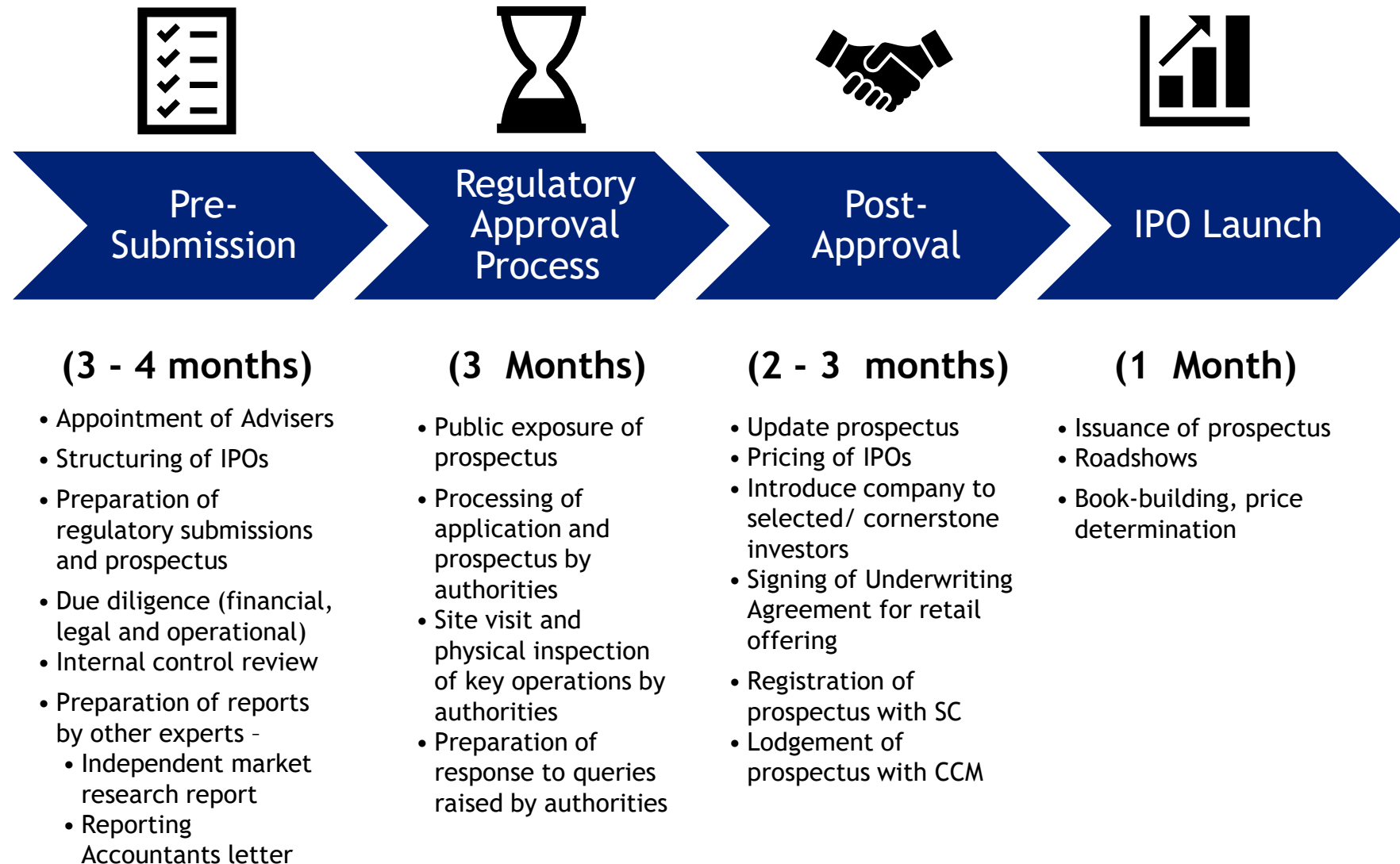
- Review by Bursa
- Queries only on focus areas

Approval from Bursa

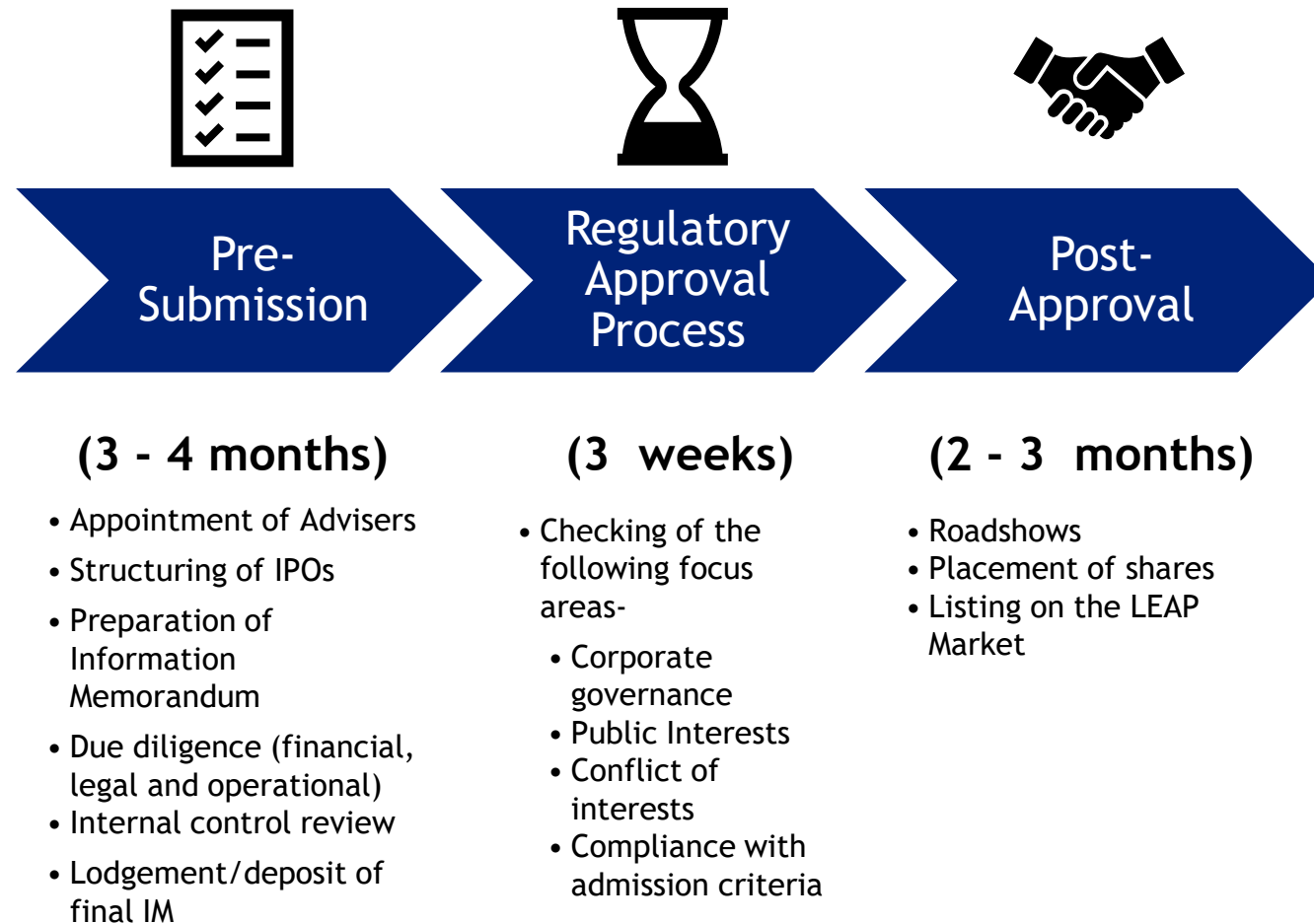
(3 weeks)

Note: Actual processing time depends on quality of submission and timely response to queries issued by regulators

Typical Listing Process and Timeline - Main & ACE Market



Typical Listing Process and Timeline - LEAP Market



Post-listing Requirements



Shareholder's mandate to issue securities	10%	10%	Pro-rata: 100% Non pro-rata: 50%
Transactions -Non RPT (% ratios)	$\geq 5\%$ Announce $\geq 25\%$ shareholders approval & issue circular (consideration >500k)	$\geq 5\%$ Announce $\geq 25\%$ shareholders approval & issue circular (consideration >200k)	$\geq 10\%$ Announce $\geq 25\%$ shareholders approval & issue circular (consideration >250k)
Transactions - RPT (% ratios)	$\geq 0.25\%$ Announce $\geq 5\%$ shareholders approval & issue circular (consideration >500k)	$\geq 0.25\%$ Announce $\geq 5\%$ shareholders approval & issue circular (consideration >200k)	$\geq 5\%$ Announce $\geq 10\%$ shareholders approval & issue circular (consideration >250k)
Circular to shareholders	Pre-vet by Bursa	Pre-vet by Bursa	Review by Advisers

Role of Advisers



Pre-listing

- ✓ Assessing suitability of the company for listing
- ✓ Conduct due-diligence and preparation of submission documents
 - ✓ Adequacy of disclosures
 - ✓ Due diligence as per SC's Guidelines for Due Diligence
- ✓ Submit application
- ✓ Liaise with regulatory authorities
- ✓ Share distribution

Post-listing (ACE and LEAP Market)

- ✓ Provide guidance on compliance with relevant rules and regulations
- ✓ Review public documents prior to release - announcements, circular to shareholders
- ✓ Liaise with regulatory authorities on behalf of the Company

Common pitfalls



Common Issues

- Conflict of interests and related party transactions
- Ensure valid licenses, permits, authority approvals for business and properties
- Arrangements that affects operations e.g. with shareholders/ suppliers/ customers to be properly documented
- Auditors from the list of Audit Oversight Board (AOB) Registered Firms
 - Change accounts preparation from Malaysian Private Equity Reporting Standards to MFRS
- Unrealistic future plans

Advisable to resolve issues at early stage

- ✓ Inform advisers of all issues faced by the company
- ✓ May consult Bursa - we provide guidance on listing process and assist in preliminary suitability assessment

Listing Cost : Regulatory Fees

Types of Fees	 MAIN Market	 ACE Market	 LEAP Market
Processing Fee (Main Market : payable to SC ACE & LEAP Market : payable to Bursa Malaysia)	RM80,000 + 0.05% of the total market cap of securities to be listed and nominal value of any additional securities issued or to be issued but not listed Max: RM800,000	RM30,000	RM9,000
Prospectus Fee (payable to SC)	RM15,000		RM500 IM lodgement fee
Initial Listing Fee (payable to Bursa Malaysia)	0.01% of market cap Min: RM20,000 Max: RM200,000	0.01% of market cap Min: RM10,000 Max: RM20,000	RM3,000
Annual Listing Fee (payable to Bursa Malaysia)	0.0025% of market cap Min: RM20,000 Max: RM100,000	0.012% of market cap Min: RM10,000 Max: RM20,000	RM5,000

Professional advisors' fees including underwriting, placement and brokerage fees are negotiable depending on the size and complexity of the case

Tax Deduction

Effective from the year of assessment 2020 to 2022, listings of eligible technology-based companies on the ACE and LEAP Market are eligible for a tax deduction of up to RM1.5 million on the following listing costs:

- Fees to authorities
- Professional fees; and
- Underwriting, placement and brokerage

Economic Stimulus Package 2020

Bursa Malaysia will grant the following fee waivers to encourage growth in fund-raising activities through listings on the Exchange.

a) Processing fee

Applicable for IPO applications for listings on the ACE Market and the LEAP market. The fee waiver will be granted for submissions made within 12 months from 27 February 2020.

b) Initial Listing and Annual Listing fees

Applicable for listings of corporations on the ACE market, LEAP Market and on the Main Market for corporations with estimated market capitalization of less than RM 500 mil at the date of listing

The fee waiver will be granted for listing where the date of admission to the official list of Bursa Malaysia takes place within 12 months from 27 February 2020.

Approved Advisers

Principal Advisers (Main, ACE & LEAP)

No .	Name
1	Affin Hwang Investment Bank Berhad
2	Alliance Investment Bank Berhad
3	AmInvestment Bank Bhd
4	CIMB Investment Bank
5	Hong Leong Investment Bank Bhd
6	KAF Investment Bank Bhd
7	Kenanga Investment Bank Bhd
8	M&A Securities Sdn Bhd
9	Maybank Investment Bank Bhd
10	Mercury Securities Sdn Bhd
11	MIDF Amanah Investment Bank Bhd
12	Public Investment Bank Bhd
13	RHB Investment Bank Bhd
14	TA Securities Holdings Bhd
15	UOB Kay Hian Securities (M) Sdn Bhd

Corporate Finance Advisers (LEAP)

No.	Name
1	Astramina Advisory Sdn Bhd
2	BDO Capital Consultants Sdn Bhd
3	cfSolutions Sdn Bhd
4	Crowe Howarth Sdn Bhd
5	DWA Advisory Sdn Bhd
6	Inter Pacific Securities Sdn Bhd
7	MainStreet Advisers Sdn Bhd
8	Sierac Corporate Advisers Sdn Bhd
9	SJ Securities Sdn Bhd
10	Strategic Capital Advisory Sdn Bhd
11	Thinkat Advisory Sdn Bhd
12	WYNCORP Advisory Sdn Bhd
13	ZJ Advisory Sdn Bhd

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For more details on Listing on Bursa Malaysia, visit
https://www.bursamalaysia.com/listing/why_bursa_malaysia/your_listing_destination

Thank you

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