

Lee Hishammuddin Allen & Gledhill

Level 6, Menara 1 Dutamas
Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Malaysia

T +603 6208 5888
F +603 6201 0122/0136
E enquiry@lh-ag.com
W www.lh-ag.com

14 JANUARY 2019

Revised Prospectus and Equity Guidelines

| by Eileen Tan Yuh Wen |

Towards the end of last year, the Securities Commission revised its Prospectus Guidelines and Equity Guidelines. The revision will come into effect on 13 March 2019. However, the SC in its press release has stated that market participants and listed corporations are encouraged to adopt these revisions earlier for the immediate benefit of shareholders and investors.

The aim of the revision is to enhance disclosure requirements for abridged prospectuses and circulars relating to proposals which would result in a significant change in the business direction or policy of a listed corporation, including back-door listings and reverse takeovers.

Here are some key changes to note:

Prospectus Guidelines

- **Rights Issue:** It is now required to include a Summary of Rights Issue in the abridged prospectus, which shall not exceed two pages.
- **Use of proceeds:** Enhanced disclosure is required such as a category of principal intended use and timeframe for full utilisation. Additional disclosure is required in certain circumstances.
- **Historical financial information:** Disclosure of key financial information (which must be taken from specified financial documents) relevant for understanding the business of the corporation as a whole.
- **Financial performance and industry outlook:** To provide an overview including significant factors which contributed to exceptional performance of the corporation during the period.
- **Accountants' Report:** An Accountants' Report is required only for a very substantial transaction, the content of which is now prescribed. A very substantial transaction means a disposal or acquisition where any percentage ratio is 100% or more, but not an acquisition that will result in a significant change in the business direction or policy of a listed corporation.

(which is governed by other provisions).

Equity Guidelines

Where the proposals would result in a significant change in the business direction or policy of a listed corporation, including back-door listings and reverse takeovers, the Equity Guidelines include prescription on timeframe and content in the following areas:

- Submission of application for relief, valuation report and a competent person's report or competent valuer's report
- Application and circular for a proposal which would result in significant change in the business direction or policy of a listed corporation.

For a summary of key amendments to the Prospectus Guidelines, click [here](#) and for the Equity Guidelines, click [here](#).

If you have any queries or would like to know more regarding the amendments to the SC's Prospectus and Equity Guidelines, please contact the author (ywt@lh-ag.com) or her team partner [Ong Eu Ji](mailto:Ong_Eu_Ji@lh-ag.com) (oej@lh-ag.com).

Published by the Corporate Department

© Lee Hishammuddin Allen & Gledhill. All rights reserved. The views and opinions attributable to the authors or editor of this publication are not to be imputed to the firm, Lee Hishammuddin Allen & Gledhill. The contents of this publication are intended for purposes of general information and academic discussion only. It should not be construed as legal advice or legal opinion on any fact or circumstance.

[Feedback](#)

[Unsubscribe](#)