

Why Listing in LEAP Board?

Contains

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Summary – 5 Stages of Growth

Stage of Growth	Description
Pre Seed	Individuals or companies that just have ideas or concepts and require funds for prototypes or proof of concept, business plan, market feasibility
Seed/Start up	Companies that may be in the process of setting up or have been in business for a short period of time and require capital for commercialisation in the areas of production, marketing or sales. These companies may not be generating profits yet
Growth/Expansion	Companies that may be breaking-even or trading profitably but require additional capital to increase production, expand market presence and/or further develop their products
Mezzanine/Pre-IPO	Companies that are seeking capital, advisors and partners to assist in a public floatation or corporate exercise
IPO/Public	Companies that are publicly quoted on a stock exchange

Brief Intro

- Dream to SME/Mid Market Industry
- Provide a full clearer picture to SME about the advantages of LISTING exercise

Listing – Pros

- The Company value will at least 4 to 9 times after Listing (oversea Listing can up to 20 times)
 - ⑩ E.g, Profit After Tax of RM10m, after Listing the Company worth of RM80m in share (8 times jump)

Listing – Pros

- Raise funds for expansion
- Enhance image, improve products/services marketability
- Increase shareholders' wealth
- Employees participate in growth of company
- Enhance marketability & liquidity for shareholders'

Listing – Cons

- Public accountability
- Strict corporate governance standards
- Periodic reporting requirements
- Dilution in equity & control
- Financial cost of listing
- Heavy Tax Payment if Listing fail

Overview

From 2013 to 2015

- ACE cost of listing is around RM2.5m (not cost effective for smaller SMEs)
- LEAP Market aims to facilitate 19,000 medium size SME
- 300 Ready SME but not listing yet (Sin Chew Daily on 11 May 2016)

连赚3至5年 符合条件

逾300企业“忘了”上市

(吉隆坡 11 日讯) 国际贸易及工业部副部长拿督阿末马斯兰透露，我国有超过 300 家私营公司被确定为符合马来西亚交易所主板上市的先决条件，但这些公司却还未把握上市的机会。他指出，根据大马投资发展局记录显示，这 300 多家私营企业已连续 3 至 5 年创下逾 2000 万令吉的税后盈利。

他是今日出席由马来西亚投资发展局和大马交易所联办的“拓展业务-在大马交易所上市”论坛上，致词时这么说。

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主板上市条件

- 连续 3 至 5 年的税后盈利达到 2000 万令吉
- 最新财政年的税后盈利必须达到 600 万令吉
- 必须确保公众持股权至少 25%
- 获大马证券监督委员会批准

创业板上市条件

- 无需营运记录或盈利要求，但需要委任投资银行作为保荐商，为期 3 年
- 必须确保公众持股权至少 25%
- 须获大马交易所批准



What is LEAP Board?

- Cost-Efficient Fund Raising and Listing
- Lower Entry compare to ACE and Main Board
- Qualified Market for Sophisticated Investors, Venture Capital or Private Equity Firms

Investors Requirement

Individuals Investors

- > RM3m assets ; or
- Income > RM300k per annum; or
- Husband & Wife Income > RM400k per annum

Investors Requirement

Corporate Investors

- Net Asset > RM10m
- Partnership > RM10m
- Trust Company > RM10m

What is the Advantage for SME to list in LEAP Board?

- Alternative Platform to raise fund
- Rules & Regulations is lower
- Less costly platform for Listing
- Enhanced visibility / Profile
- Early exposure to prepare for Listing on ACE or Main Market

What is the Advantage for Investors?

- Easy access to standard information and disclosure in respect of the investment (i.e Greater Price Transparency)
- Access to LEAP potential investments
- Another way of divestment of their investment
- Early investment which may yield higher returns when company get listed in ACE / Main market

What is the Advantage for Advisors?

- Access to additional revenue stream for LEAP Market
- Potential additional benefit if bring the Company to ACE / Main Market

What is the Disadvantage for LEAP BOARD?

- Fund Raising is not as liquid as ACE / Main Board
- This LEAP Market is still in the infant stage and still subject to a lot of changes

Regulations

Offering Documents

- No Prospectus required, only information Memorandum
- No Pre Vetting by Bursa or SC

Regulations

Listing Options

- Placement / IPO
- 10% Public Spread
- No maximum on fund to be raised
- No Profit track record
- Only ordinary shares will be listed

Regulations

Processing

- Fast Processing (< 3 months)
- Waiver of fees (ACE Marketing Initial listing and ACE Market Processing) for companies that can graduate within 3 years
- Waiver of ACE Market annual listing fees for 2 years

Regulations

Approval

- Bursa is the sole approving authority
- Listing suitability (included Commercial Viability) assessment undertaken by Advisors
- Bursa's assessment focuses on conflict of interest, corporate governance & public interest matters

Regulations

Post Listing

- Semi annual financial reporting (within 2 months need to submit) & annual audited accounts (within 4 months need to submit)
- No requirement for independent Director, Audit Committee and Nomination & Remuneration Committee

Regulations

Moratorium

- First 1 year : Entire shareholdings of the promoters
- Upon the expiry of one year period, 45% must be held under moratorium for
 - (a) another 3 years; or
 - (b) the shares are held under moratorium until the company has 1 full year revenue (i.e.12 months of revenue)
 - which ever is later

Regulations

Advisers

- Increased Pool of Advisers (to include Corporate Finance Advisers) from 14 to potentially 64 Organizations
- Auditors for Companies listed on LEAP market has to be register with Audit Oversight Board under SC

Q & A

THE END

Funding

Equity Funding

Business Loan

IPO

China
Investor

Local
Investor

Government
Loan

SME Bank
Loan

Malaysia

Singapore

Labuan
Investor

License
Loan

UK / HK /
OTC