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ACE Market Advertising Restrictions

Contact Persons:

Chia Loong Thye
Partner

+04 370 1122
ltchia@rdslawpartners.com

Mohd Farizal Farhan
Partner

+603 6206 0400
farizal@rdslawpartners.com

Ong Eu Jin
Partner

+603 6209 5488
eujin@rdslawpartners.com

Ooi Bee Hong
Partner

+603 6209 5401
beehong@rdslawpartners.com

Tan Gek Im
Partner

+04 370 1122
gekim@rdslawpartners.com

Annabel Kok Keng Yen
Senior Associate

+603 6209 5400
annabel@rdslawpartners.com

Lily Lee Zai-Lii
Senior Associate

+603 6209 5400
lily@rdslawpartners.com

The alert summarises the amendments to the ACE Market Listing Requirements relating to the ACE One-Stop Centre – where the requirements contain the advertising restrictions prior to and after the submission of prospectus in respect of proposed initial public offering (IPO) and listing on the ACE Market of Bursa Securities (Bursa Securities).

1. Who Is Covered By The Restrictions?

The advertising restrictions apply to all the companies exploring the proposed IPO, its directors, officers, employees, and other persons such as advisers, public relations firms, advertising and marketing agencies and any individuals participating in the proposed IPO and their respective affiliates.

2. What Are The Advertising Restrictions?

Pursuant to rule 3.12H of the ACE Market Listing Requirements (Listing Requirements) issued by Bursa Securities, an applicant must not issue or publish any advertising notice unless the requirements as may be prescribed by Bursa Securities are complied with.

“Advertising notice” includes any notice that:

- (a) Issues or offers an applicant’s shares.
- (b) Makes reference whether directly or indirectly to:
 - (i) A prospectus in respect of an applicant’s shares.
 - (ii) An issue or offer or intended issue or offer of an applicant’s shares.
 - (iii) Another notice that refers to a prospectus in relation to an issue or offer or intended issue or offer of an applicant’s shares.

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The advertising notice excludes the following:

- (a) A preliminary prospectus.
- (b) A report as referred to in Section 241(7) of the Capital Market Services Act 2007 (CMSA).
- (c) A prospectus submitted to, but has yet to be registered by, Bursa Securities which is published for public information.

3. Are There Any Circumstances Where An Applicant May Publish An Advertising Notice?

Pursuant to paragraph 4.2 of Guidance Note 23 of the Listing Requirements, an applicant may before the registration of a prospectus, issue or publish an advertising notice if the following are complied with:

- (a) The consent of the Bursa Securities has been obtained.
- (b) All terms or conditions as may be imposed by the Bursa Securities for its consent have been met.
- (c) The advertising notice only contains the following prescribed information:
 - (i) The name of the applicant.
 - (ii) A concise statement of the general nature of the main business or undertaking or proposed main business or undertaking of the applicant.
 - (iii) The names, addresses and where appropriate, occupations of the directors or proposed directors.
 - (iv) The names and addresses of stockbrokers, underwriters and sponsors in relation to the proposed issue or offer of securities.

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- (v) In the case of debentures, the name and address of the trustee for debenture holders.
- (vi) If applicable, a brief description of the listing status of the applicant on any stock exchange or other similar exchange outside Malaysia, or a statement that it intends to apply for permission to list the applicant on any stock exchange or other similar exchange outside Malaysia but no assurance has been given that the applicant will be listed.
- (vii) A statement that a prospectus is in the course of preparation and that an issue or offer of securities is proposed together with a brief indication of the nature and number of securities and of the possible timing of the issue of the prospectus.
- (viii) Such other information or matters which Bursa Securities may specify.

4. Can An Applicant Issue An Advertising Notice That Contains Information Disclosed In The Prospectus After The Registration And Lodgement Of A Prospectus With Bursa Securities And The Companies Commission Of Malaysia?

Yes. Paragraph 4.6 of Guidance Notice 23 of the Listing Requirements expressly states that an applicant may, after the registration and lodgement of a prospectus with Bursa Securities and the Companies Commission of Malaysia respectively, issue or publish an advertising notice that contains information disclosed in the prospectus and which is to include the following prescribed information:

- (a) A statement that a prospectus in relation to the applicant's securities has been registered.
- (b) The date of the prospectus.

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- (c) A statement specifying where a copy of the prospectus can be obtained.
- (d) A statement that any issue of securities to which the prospectus relates will only be made on receipt of a form of application referred to in and accompanying a copy of the prospectus.
- (e) Such other information or matters which Bursa Securities may specify.

Authored by Rowena Ng Zhi Ying, who is an Associate with the firm's Capital Markets and M&A Practice.



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We are a full-service commercial law firm with a head office in Kuala Lumpur and a branch office in Penang. Our key areas of practice are as follows:-

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