

## MAIN BOARD & SECOND BOARD VS MESDAQ MARKET

The following comparative includes major points on Bursa Malaysia Securities Berhad's ("Bursa Securities" or "the Exchange") Main and Second Board and MESDAQ Market. It is not meant to be an exhaustive list of all similarities or differences between the three markets. For a more detailed and comprehensive review, readers are advised to refer to the Listing Requirements of Bursa Securities for the Main Board and Second Board ("LR"), the Listing Requirements of Bursa Securities for the MESDAQ Market ("MMLR"), the Securities Commission's ("SC") Policies and Guidelines on Issue/Offer of Securities and SC's Guidelines for Initial Public Offerings and Listings on the MESDAQ Market.

|   |                            | <b>MESDAQ Market</b>   | <b>Main &amp; Second Board</b>  |
|---|----------------------------|--|---|
| 1 | Types of issuers           | <p>Incorporated in Malaysia 3 types of issuers</p> <ul style="list-style-type: none"> <li>i. Technology companies <ul style="list-style-type: none"> <li>• Companies with technology-based business activities, involved in design, development and manufacture/ production/ application in 12 areas prescribed by SC</li> </ul> </li> <li>ii. Non-technology companies <ul style="list-style-type: none"> <li>• Companies with high growth business activities that are suitable for listing on the MESDAQ Market.</li> </ul> </li> <li>iii. Technology Incubators</li> </ul> | Companies incorporated in Malaysia and eligible foreign corporations under SC's Policies and Guidelines on Issue/Offer of Securities  |
| 2 | Issued and paid-up capital | Minimum RM2 million for technology and non-technology companies. Minimum RM20 million for Technology Incubators.   | <ul style="list-style-type: none"> <li>i. Main board – minimum RM60 million</li> <li>ii. Second board – minimum RM40 million</li> </ul>   |
| 3 | Operating history          | For companies involved in technology-based business activities, must have commenced operations and have commercialized the principal products and/or services under its core business. A Technology Incubator must have commenced operation of its corporate business for at least 12 months. For all other companies, a minimum period of generating operating revenue of at least 3 full financial years based on audited accounts.  | At least 5 full financial years   |
| 4 | Profit requirements        | No specific profit record is required. However, a listing applicant must be in a healthy financial position and have sufficient level of working capital at the point of listing.  | Uninterrupted profit record of 3 to 5 full financial years, with an aggregate after-tax profit of not less than RM30 million (Main Board) or RM12 million (Second Board) over the said 3 to 5 financial years and an after-tax profit of not less than RM8 million (Main Board) or RM4 million (Second Board) in respect of the most recent financial year. |

|   |                             |   |  |
|---|-----------------------------|---|--|
| 5 | Board lots                  | Traded in board lots of 100 shares.   | Traded in board lots of 100 shares.  |
| 6 | Par value                   | At least RM0.10 per share.  | At least RM0.10 per share.   |
| 7 | Type and method of offering | Type<br>New issue of shares only. Offer for sale of existing shares is not allowed.   | Type<br>New issue of shares and/ or offer for sale of existing shares  |
|   |                             | Method<br>Listing applicant may distribute its securities either by way of public offer, placement or book building or a combination of these methods. The method of offering chosen should enable the listing applicant to have a broad base of shareholders and comply with the shareholding spread requirements.   | Method<br>The method of offering should take into consideration the capital needs of the company, the opportunity for the general public to participate in the offering and the shareholding spread requirements to be complied with by the company.   |
| 8 | Public shareholding spread  | Minimum 25% of the total number of shares for which listing is sought must be in the hands of at least 1,000 public shareholders holding not less than 100 shares each.   | Minimum 25% of the total number of shares for which listing is sought must be in the hands of at least 1,000 public shareholders holding not less than 100 shares each.  |
| 9 | Moratorium                  | Yes, for all listings.  | Yes, on certain Main Board companies (i.e. those with core businesses in property development or construction, infrastructure project companies and companies applying for listing under the market capitalisation route) and for all Second Board listings.   |
|   |                             | A moratorium shall be imposed on the disposal of the promoters' shareholdings in a listing applicant, where the affected promoters will not be allowed to sell, transfer or assign their shareholdings amounting to 45% of the nominal issued and paid-up ordinary share capital of the said applicant at the date of admission for 1 year from the date of admission. Thereafter, the affected promoters are allowed to sell, transfer or assign up to a maximum of 1/3 per annum (on a straight line basis) of their respective shareholdings under moratorium. | In relation to Main Board companies with core businesses in property development or construction, Second Board companies and companies listed under the market capitalisation route, the affected shareholders will not be allowed to sell, transfer or assign their shareholdings amounting to 45% of the nominal and issued paid-up capital for 1 year from the date of admission. In relation to infrastructure project companies, the affected shareholders will not be allowed to sell, transfer or assign their shareholdings amounting to 45% of the nominal issued and paid- |

|    |  |  |  |
|----|--|--|--|
|    |  |  | up capital for at least 1 year from the date of admission. Thereafter, 50% of the moratorium shares will be released from the moratorium per annum on a straight-line basis, upon the infrastructure project achieving 1 full financial year of audited operating revenue. |
| 10 | Utilisation of proceeds                  | Listing applicants are expected to demonstrate that the listing exercise and the utilization of proceeds raised thereof is for the purposes of building and expanding the core business. Where the applicant intends to utilize more than 50% of the funds raised in the initial public offering outside Malaysia, the applicant must be able to demonstrate to the SC the benefits accruing to the country from the listing of the applicant. | The listing applicant has the discretion to utilize the proceeds raised from the issuance of securities. The SC expects issuers to use the proceeds raised from the issuance of securities for the benefit of the company.   |
| 11 | Sponsors                                 | An applicant shall secure and maintain the services of a Sponsor for 3 full financial years after admission. The Adviser shall act as its sponsor for at least 1 year after admission.   | No requirement for sponsors  |
| 12 | Continuous disclosure obligations        | <ul style="list-style-type: none"> <li>• Disclosure of material information</li> <li>• Quarterly report</li> <li>• Annual report</li> <li>• Research report</li> </ul>   | <ul style="list-style-type: none"> <li>• Disclosure of material information</li> <li>• Quarterly report</li> <li>• Annual report</li> </ul>  |
| 13 | Total number of shares issued under ESOS | The number of shares to be issued under the scheme shall not exceed 30% of the issued capital of the company at any one time.  | The number of shares to be issued under the scheme should not exceed 15% of the issued capital of the company at any one time.   |