



**ព្រះរាជាណាចក្រកម្ពុជា**  
**ជាតិ សាសនា ព្រះមហាក្សត្រ**  
**KINGDOM OF CAMBODIA**  
**Nation Religion King**

**គណៈកម្មការមូលបត្រកម្ពុជា**  
**SECURITIES AND EXCHANGE COMMISSION OF CAMBODIA**  
 N° .....**០០១**.....SECC/.....

**PRAKAS**  
**ON**  
**PUBLIC ISSUANCE OF EQUITY SECURITIES**

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**Deputy Prime Minister**  
**Minister of Economy and Finance and**  
**Chairman of Securities and Exchange Commission of Cambodia**

- Having seen the constitution of the Kingdom of Cambodia
- Having seen the Preah Reach Kret No. NS/RKT/0908/1055 of 25 September 2008 on the Appointment of the Royal Government of the Kingdom of Cambodia
- Having seen the Preah Reach Kram No. 02/NS/94 of 20 July 1994 promulgating the Law on the Organization and Functioning of the Council of Ministers
- Having seen the Preah Reach Kram No. NS/RKM/0196/18 of 24 January 1996 promulgating the Law on the Establishment of the Ministry of Economy and Finance
- Having seen the Preah Reach Kram No. NS/RKM/0107/001 of 10 January 2007 promulgating the Law on Government Securities
- Having seen the Preah Reach Kram No. NS/RKM/1007/028 of 19 October 2007 promulgating the Law on the Issuance and Trading Non-government securities

Unofficial Translation

- Having seen the Anukret No. 97 ANKR/BK of 23 July 2008 on Conduct and Organization of Cambodia Securities and Exchange Commission
- Having seen the Anukret No. 54 ANKR/BK of 08 April 2009 for the Implementation of the Law on the Issuance and Trading Non-government securities
- Having seen the approval by the Exchange and Securities Commission of Cambodia in plenary meeting on 31 December 2009

**HEREBY DECIDE**  
**CHAPTER I**  
**GENERAL PROVISION**

**ARTICLE 1.– Purpose**

The purpose of this Prakas is to prescribe the process, procedure, mechanism, and approval for the issuance of equity securities in the kingdom of Cambodia pursue to the Law on Issuance and Trading of Non-government securities and the ANUKRET on the implementation of the law on the issuance and trading of non-government securities.

**ARTICLE 2.– Definition**

Technical terms used in this Prakas are defined in this article and available in the glossary of Annex of the Law and Anukret.

1. Law: refers to the Law on the Issuance and Trading of Non-Government Securities.
2. AKUKRET: refers to the Sub-degree on the Implementation of the Law on the Issuance and Trading of Non-Government Securities.
3. Public issuance of equity securities may be initial public offerings (IPO) or additional public offering.

a- Initial Public Offering refers to an offer of equity securities which has never been made to the public by public limited company or permitted entity as prescribed by the Law, the ANUKRET and this Prakas.

b- Additional issuance of equity securities refers to public offering made by existing public issuing company.

4. Premium: refers to the excess received over the par value of the share issued.
5. Preference Share: refers to share which often has no voting rights and receive dividend before common share.

6. **Securities Registrar:** refers to persons recognized by the SECC to provide services related to registration of securities issued by the issuer.
7. **Asset Valuation Agent:** refers to a company which business activities are to value the assets of issuer.
8. **Securities Transfer Agent:** refers to person recognized by the SECC to provide services related to securities transfer.
9. **Paying Agent:** refers to person recognized by the SECC to provide services related to payment for issuer.
10. **Equity Securities:** refers to any legal interest in or right to shares in the share capital of a public limited company or permitted entity including similar foreign entity and includes voting and non-voting shares, partly paid shares and preference shares.
11. **Shareholder's Equity:** refers to capital that shareholders contribute to a company including retained earnings.
12. **Financial Statement:** refers to financial statement audited by independent auditor pursuant to the Law on Corporate Accounts, Their Audit and The Accounting Professions. The financial Statement is included management's letter, independent auditor's report and audited financial statement.
13. **Conversion rights:** refers to rights by which preferred stock converts into common stock.

### **ARTICLE 3.- Conditions of public offering and private placement**

Issuance of equity securities may be private placement or public offering.

The offering which meets the following conditions are considered as private placement:

- 1- the total number of people to whom the offer is made shall be no more than 30 and
- 2- The offering shall not be publicly advertised by any mean including the advertisement for the purpose to be asked for information or any advice on the securities investment.

A person who proposes to make private placement shall filling related documents to SECC. When the private placement is completed, that person should report the result without delay to SECC. In case, listed issuers who offer the private placement shall report the result immediately to SECC.

Any issuance of equity securities which is contrast to the abovementioned is considered as public offering that requires to comply with the procedure as prescribed by the Law, Anukret and this Prakas.

## **CHAPTER II**

### **The Approval of Issuance of Equity Securities**

#### **ARTICLE 4.–Equity Securities Offering**

A person who proposes to make public offering shall fulfill the following requirements:

- 1-Shareholders' equity shall not less than 5,000,000,000 (five billions) Riels at the date of filing the application;
- 2- the issue size shall not less 20 percent of shareholder's equity at the latest balance sheet in the case of shareholder's equity is less than 20,000,000,000 (twenty billions) Riels and the issue size shall not less 15 percent of shareholder's equity at the latest balance sheet in the case of shareholder's equity is 20,000,000,000 (twenty billions) Riels or more;
- 3- Net profit shall not less than 500,000,000 (five hundreds millions) Riels for the latest full financial year prior to the date of logging application and the aggregate of net profit shall not less than 1,000,000,000 (one billions) Riels for the latest 3 financial year prior to the date of filing application;
- 4- Obtaining prior approval by permitted securities market for listing ability;
- 5- Obtaining prior approval by permitted securities market for securities pricing.

#### **ARTICLE 5.– The application for public offering**

In order to make a public offer, a public limited company or permitted entity shall:

- 1- Submit application form determined by SECC;
- 2- Submit disclosure document determined by SECC;
- 3- Submit the attached documents determined in this Prakas.

#### **ARTICLE 6.– Approval and Registration disclosure document**

A person who proposes to make public offering shall get approval from SECC and register disclosure document with SECC pursuant to Article 12 of the Law and Article 9, article 10, article 11 and article 13 of the Anukret.

Disclosure document contains the information from Article 7 to Article 27 of this Prakas. Disclosure document shall have signature of Chairman of Board of Director, Directors, CEO and CFO.

## **ARTICLE 7.— Content of disclosure document**

1. General information
2. Risk factors
3. Use of proceeds
4. Investment projects
5. Description of Business
6. Description of Plant, Machinery and Equipment (PME)
7. Operational Plan and Financial Position
8. Asset Valuation or/and Revaluation
9. Directors and Officers
10. Involvement of Directors and Officers in Certain Legal Proceedings
11. Certain Relationships and Related Parties Transactions
12. Director and Officer Compensation
13. Options granted to Directors, Officers and Employees
14. Transaction with Directors and Shareholders
15. Net Assets Per Share and Earning per Share
16. Ownership of the Issuer's Equity Securities
17. Determination of Offering Price
18. Description of Equity Securities Being Offered
19. Financial Information and Financial Statement
20. Consolidated Financial Information and Consolidated Financial Statement

## **ARTICLE 8.— Investment Projects of Public Offer**

In case where the proposal of public offering related to one investment project or more, the separation of full disclosure document of each project shall be included.

## **ARTICLE 9.— General Information**

The disclosure document shall contain general information as follow:

- 1- Name of the issuer;
- 2- Amount and type of equity securities being issued;
- 3- Offering price of the equity securities per unit and its aggregate amount;
- 4- Opening and closing date of subscription;
- 5- Names and addresses of the underwriter;
- 6- Issue date of the disclosure document;

7-Statement as provided in the form. "THE ISSUER AND RELATED ENTITY WHO PREPARES THE DISCLOSURE DOCUMENT SHALL BE RESPONSIBLE FOR THE INFORMATION CONTAINING IN THIS DISCLOSURE DOCUMENT."

**Article 10.- Risk Factors and Management's Perception about the Risks:**

Disclosure document shall have information related to risk factors, such as:

- 1- Interest rate risks;
- 2- Exchange rate risks;
- 3- Industry risks;
- 4- Operational risks.
- 5- Non-operational risks.
- 6- Market and technology-related risks;
- 7- Risk related to the changes in rule and regulation;
- 8- Risk related to the changes in national and international policies;

**Article 11.- Use of Proceeds:**

The disclosure document shall show how the net proceeds of offering shall be used, indicating the amount to be used for each purpose.

The disclosure document shall also include a schedule mentioning the stage of implementation and the utilization of funds received through public offering.

If the proceeds of sale of securities are to be used for the contract covering issuer's activities, the disclosure document shall disclose the validity term of such contracts and attach such contracts as annexure of the disclosure document.

**Article 12.- Description of Business:**

The date on which the issuer was incorporated and the date on which it commenced operations and the nature of the business which the issuer and its subsidiaries are engaged in or propose to be engaged in shall be stated in the disclosure document.

The disclosure document shall contain the material information in respect of its business operation such as:

1- The principal products or services of the issuer and the markets for such products or services inside or outside Cambodia.

2- The sale volume of other products which are not the principal products or services of which revenue accounts for more than 10% of the issuer's total revenues.

3- Names of subsidiary, associates or holding company and their core areas of business.

4- The method of the products or services which are distributed.

5- Business competitive position in the market.

6- Raw material and inputs guarantee sustainably for production or service-providing processes of the issuer including its sources and suppliers.

7- Requirement for power, gas and water; or any other utilities necessary for production or service-providing processes indicating its sources.

8- Names of the customers who purchase 10% or more of the issuer's products or services showing the total amount and quantity of transaction for which the contract is made and the duration of the contract.

9- Names of the suppliers who supply 10% or more of the company's products or services showing the total amount and quantity of transaction for which the contract is made and the duration of the contract.

10- Description of any material patents, trademarks, licenses or royalty agreements.

11- Number of total employees and number of full-time employees.

12- Production or service capacity and current utilization, where applicable.

13- If the issuer is a holding or subsidiary company, there shall be full disclosure document about the material transactions between the issuer and its subsidiary or holding company indicating its nature and amount of transactions which have taken place within the latest 03 (three) years on lodging application date of public offering.

### **Article 13: Description of Property and Plant, Machinery and Equipment (PME)**

The disclosure document shall contain the information related to property and PME as follow:

1- Location of operation and other property and PME and the condition thereof;

2- Certification of property and PME ownership of the issuer. If the property and PME taken on lease, the expiration dates of the lease with the name of lessor;

3- The property and PME valuation of the issuer is conducted by asset valuation agent registered with SECC and attaching valuation report;

4- If the property and PME is owned by the issuer, whether there is a mortgage on the property and PME with identification of the mortgagor, value of the initial mortgage and the outstanding sum outstanding to the mortgagor;

#### **Article 14.- Operational Plan and Financial position**

In the disclosure document, a person who proposes to make public offering shall submit the summary of 03-year operational plan as follow:

- 1- Profit and cash flow estimate and forecast for 12 months which is subjected to be reviewed and reported by the independent auditor;
- 2- Any expected significant changes in the number of employees;
- 3- Internal and external sources of cash;
- 4- Any material commitments for capital expenditure and expected sources of funds for such expenditure;
- 5- Causes for any material changes from period to period in income, cost of goods sold, other operating expenses and net income;
- 6- Any seasonal aspects of the issuer's business;
- 7- Any known trends, events or uncertainties that shall have a material effect on the issuer's future business;
- 8- Any change in the assets of the issuer used to pay off any liabilities;
- 9- Statement specifies about any material loan between holding company and subsidiary company on the applying for public offering;
- 10- Any future contractual liabilities the company might enter into, and the impact it would have on the issuer's financial position;
- 11- The estimated amount of future capital expenditure;
- 12- Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why those were not paid prior to the issuance of the disclosure document;
- 13- Details of any material operating lease which the issuer have entered into, clearly indicating terms of the operating lease;
- 14- Details of all personnel related schemes for which the issuer has to make provision.
- 15- Break down of all expenses connected with the public issue showing specifically the fee of underwriter.
- 16- An auditor's report regarding to the issuer's incentive policy through allotment of equity securities, the value of remuneration or cash as stating in the articles of corporation.

#### **Article 15.- Asset Valuation or/and its Revaluation**

The disclosure document shall contain material information about asset valuation or/and its revaluation. The issuer shall disclose the name and qualification of the asset valuation agent and the reason for the valuation or/and revaluation, showing the value of the assets prior to the revaluation, itemizing separately each asset revalued in a manner

which shall facilitate comparison between the historical value and the amount shown after revaluation and attaching the valuation report.

#### **Article 16.- Directors and Officers**

The disclosure document shall contain the following information in respect of its directors and officers, namely:

1- Short bio-data including name, age, qualification, experience and position of each of the directors of the issuer and any person nominated to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him;

2- The date on which he/she first became a director of the issuer and the date on which his current term of office shall expire;

3- If any director is also a director or shareholder of another company or owner or partner of any other concern, gives the names of such companies;

4- Any family relationship among directors and top officers;

5- Declaration of insolvency of issuer's directors or shareholders who hold more than 5% of paid up capital, if any;

6- Name with position, educational qualification, date of joining in the issuer, latest five years experience of the Chief Executive Officer, Chief Financial Officer, Company Secretary, Advisers, Consultants, Deputy Managing Directors and all persons who hold important position in the company.

The disclosure document shall attach the following document:

1- The code of Ethics for director of issuer

2- The director's report on the valuation of issuer's performance.

#### **Article 17.- Involvement of Directors and Officers in Certain Legal**

##### **Proceedings:**

The following events shall be described in the disclosure document, if they have occurred during the latest ten years, namely; -

1- Any bankruptcy petition filed by or against any company of which any officer or director of the issuer was a director, officer or partner at the time of the bankruptcy.

2- Any conviction of any criminal proceeding or any criminal proceeding pending against director or officer.

3- Any permanent or temporary judgment or decree from any court of competent jurisdiction against any director or officer enjoining, barring, suspending or limiting the involvement in any type of business or securities activities.

4- Any decision of the SECC, or any foreign Securities or Exchange Commission, or other regulatory authority suspending or limiting the involvement of any director or officer director in any type of business, equity securities or banking activities.

**Article 18.- Certain Relationships and Related Transactions:**

The disclosure document shall contain a description of any material transactions with related parties that occurred during the latest three years by giving the name, relationship, amount and nature of the interest in the transaction occurred between the issuer and any related party as follow:

- 1- Any director or officer;
- 2- Any person holding more than 5% of the outstanding shares of the issuer;
- 3- Any member of the immediate family (including husband, wife, children, parents, brothers, and sisters) of any persons as mention in 1 and 2 above.
- 4- A person who have relationship with the director of issuer, its affiliate or holding company where the relationship occurred during the operation or arrangement by issuer.
- 5- A person who used to be director or any person connected with the director of issuer of which the relationship occurred in the business operation during the latest two years prior to the date of issuance of the disclosure document.
- 6- Any director holding any position in an association or non-profit organization or other than issuer.
- 7- Any director receiving any interest from issuer whether pecuniary or non-pecuniary.

**Article 19.- Director and Officer Compensation**

The disclosure document shall contain the information of executive compensation as follow:

- 1- The total amount of remuneration paid to the top five salaried officers of the issuer in the latest accounting year and the name and designation of each such officer.
- 2- The total amount of remuneration paid to non-executive director during the latest accounting year;
- 3- Aggregate amount of remuneration paid to all directors and officers as a group during the latest accounting year;
- 4- Aggregate amount of remuneration paid to all directors and officers for a coming year;

5- If the issuer intends to materially increase the remuneration paid to its directors and officers in the current or future years the issuer shall disclose the aggregate amount involved.

**Article 20.- Options granted to Directors, Officers and Employees:**

The disclosure document shall specify the information related to option granted to director or employees as follow:

- 1- The date on which the option was granted.
- 2- The exercise price of the option.
- 3- The number of shares covered by the option.
- 4- The market price of the shares on the date the option was granted.
- 5- The expiration date of the option.

**Article 21.- Transaction with the Directors and Shareholder:**

In case the issuer has transaction with its directors and shareholders, the disclosure document shall detail the name of the directors and shareholders, types and the value of the properties, services or remuneration to be received or to be taken by issuer direct or indirect during the latest 5 years.

If the issuer has acquired or is going to acquire assets from the directors or shareholders, the disclosure document shall specify the method used to determine the price and the amount paid for such assets.

**Article 22:- Net assets per share and Earning per share:**

The disclosure document shall specify the net asset backing per unit of the equity securities prior and after being offered and the earning backing per unit of the equity securities being offered at the latest income statement date.

**Article 23.- The Ownership of Issuer's Equity Securities:**

The disclosure document shall disclose, in tabular form, the name of any person who owns more than 5% of the equity securities of the issuer, indicating the amount and percentage of equity securities.

The disclosure document shall have a table showing the number of the equity securities owned by each director, each of the top five salaried officers by indicating their name and address, and all other officers as a group by indicating the percentage of equity securities owned comparing to outstanding equity securities

**Article 24.- Determination of Offering Price:**

The disclosure document shall specify the considered factors in determining the offering price of equity securities being offered.

If the issue price is higher than the par value, the disclosure document shall justify the premium with reference to:

- 1- Net asset value per share at historical or current costs;
- 2- Earning-based-value per share calculated on the basis of weighted average of net profit after tax for the immediate preceding three years or such shorter period during which the issuer was in commercial operation;
- 3- Projected earnings per share for the next three accounting year base on the profit estimate, forecast and projection to be prepared by the issuer. The profit estimated and forecasted are to be reviewed by independent auditor.;
- 4- Average market price per share of similar equity securities for the last six months immediately prior to the public offer or average market price per share of common stock of the issuer for the aforesaid period if issuance is the repeat public offering; and
- 5- Other factors with justification have been taken into account by the issuer for fixing the premium.
- 6- Other model determined by the SECC to compute one unit of equity securities.

**Article 25.- Description of Equity Securities Outstanding or Being Offered:**

The disclosure document shall contain information related to the rights attached to the equity securities subjected to the public offering as follow:

- 1- Describe the dividend and voting rights of any equity securities outstanding or being offered;
- 2- Describe the dividend, voting, conversion and liquidation rights, as well as redemption or sinking fund provisions, of any preference share outstanding or being offered;
- 3- If there is any restriction on the payment of dividends to common or preference shareholders because of provisions related to debt instruments, explain such restrictions;
- 4- Describe any other material rights of the common or preference shareholders.

**Article 26.- Financial Information and Financial Statements:**

The disclosure document shall contain historical financial information and pro-forma financial information in the forms prescribed by SECC and shall attach the financial

statements prepared and audited pursuant to the provisions of the Law on Corporate Accounts, Their Audit and The Accounting Professions for the latest 03 financial years.

**Article 27.- Consolidated Financial information and Consolidated Financial Statement:**

The disclosure document shall contain consolidated historical financial information and consolidated pro-forma financial information in the forms prescribed by SECC and shall attach the consolidated financial statements prepared and audited pursuant to the provisions of the Law on Corporate Accounts, Their Audit and The Accounting Professions for the latest 03 financial years.

**Article 28.- Expert statement**

Pursuant to article 9 and article 10 of the ANUKRET, expert or related party who gave the consent in writing on any statement, report or opinion used in the disclosure document shall be responsible for such statement, report or opinion.

**Article 29.- The responsibility of Issuer, Securities Firm and Expert:**

The issuer shall be fully responsible for accuracy, adequacy and reliability of information contained in the disclosure document.

The securities firm and any expert providing opinions or information and participated in preparing the disclosure document shall be responsible for such opinions or information and the participation.

**ARTICLE 30.- Attach documents**

A person who proposes to make public offering shall attach to the disclosure document the following documents:

- 1- A certified copy of Articles of Incorporation.
- 2- A certified copy of Certificate of Incorporation.
- 3- The Board of Directors' resolution related to public offer of equity securities preceding the resolution of general shareholders' meeting.
- 4- A transfer of rights letter indicated position and obligation of director or CEO in serving the Issuer with signature of the chairman of board of director and all directors.
- 5- Loan agreements, if any.
- 6- Banker's letter confirming opening of separate bank account for public issue purposes.

- 7- Agreement with Underwriter.
- 8- Due Diligence Certificate from Underwriter.
- 9- Confirmation of Agreement with Securities Registrar.
- 10- Confirmation of Agreement with Securities Transfer Agent.
- 11- Confirmation of Agreement with Securities Paying Agent.
- 12- Copies of any material agreement if any.
- 13- Commercial banker's certificate or auditor's certificate showing deposit of an amount equivalent to the paid up capital.
- 14- Accountant report issued by independent auditor registered with SECC.
- 15- Due diligence report issued by Professional Accounting Firm registered with SECC.
- (16) Due diligence report issued by Law firm registered with SECC.

### **ARTICLE 31.– Principle approval**

The Director General of SECC shall inform to a person who proposes to make public offering in writing about the refusal or principle approval on registering the disclosure document within 02 (two) months after obtaining the full disclosure document.

### **ARTICLE 32.– Supplement, Replacement, Confirmation and Clarification information**

The Director General of SECC may require a person who proposes to make public offering to provide the supplementary, replaced, confirmed or clarified information. A person who proposes to make public offering shall respond within 15 working days or any specific period determined by the Director General of SECC from the date of issuing letter. In case the person who proposes to make public offering can not satisfy the above request, the Director General of SECC may take measures pursuant to the applicable law.

### **ARTICLE 33.– Refuse the proposal of Public offering**

The General Director of SECC may refuse the proposal of public offering of a person who proposes to make public offering based on the following reasons:

- 1- A person who proposes to make public offering can not satisfy the requirements as prescribed by the Law, Anukret and Prakas.
- 2- The documents submitted to SECC contain false or misleading information.

3- A person who proposes to make public offering is in the situation of termination or bankruptcy.

4- The non-compliance or partial compliance with the court's order which required the person who proposes to make public offer to pay any judgment sum.

5- A person who proposes to make public offering, director, CEO, management or the controlling interest shareholder of the person who proposes to make public offering:

a- Is not a person of good character as prescribed by the Anukret.

b- Has conducted or engaged in any other business in such a way as to cast doubt on its or his competence and soundness of judgment.

c- Has conducted any business appearing deceitful or oppressive or otherwise improper.

d- Has shown the fact that it or he/she may not be able to act in the best interest of its clients having regard to their reputation, character, financial integrity and reliability;

e- Has shown the fact that it or he/she may not carry out the businesses under the license condition efficiently, honestly or fairly.

6- Any of directors, chief executive officer, managers or controlling shareholder of the applicant is an un-discharged bankrupt, whether within or outside the Kingdom of Cambodia, within the latest 5 (five) years as from the date on which the application is made;

7- The financial position or business conducted of the person who proposes to make public offering is not sufficient to ensure sustainability and reliability of the business operation;

8- There are other circumstances which are likely to:

a- Directors, chief executive officer, managers or controlling shareholder of a person who proposes to make public offering can not operate business properly; or

b- Discredit the manner of conducting the business of person who proposes to make public offering.

9- The approval to a person who proposes to make public offering will affect the public interests by considering the conditions as mentioned in Article 14 of the Law.

## CHAPTER III

### Public Offering of Equity Securities

#### **ARTICLE 34.- Approve and Registered Disclosure document**

A person who proposes to make public offering after obtaining approval in-principle may proceed the public offer when:

1- Prepared term of offer including the securities pricing which obtains approval from the securities market operator.

2- Obtained approval the term of offering as mentioned in point 1 above from Director General of SECC pursuant to article 12 of Anukret.

3- Obtained approval and registered the disclosure document of a person who proposes to make public offering from SECC.

#### **Article 35.- Subscription**

After obtaining approval and registering the disclosure document, a subscription shall be started when disclosure document is still valid as stipulated in point 3 of article 7 of the Anukret. When the subscription is completed, the issuer shall report of the subscription result to SECC without delay.

The subscription shall be done through securities firm licensed by SECC as stipulated in article 16 and article 17 of the Anukret. The securities firm shall deposit the cash receiving from the subscription in a separated bank account opened with a commercial bank as stipulated in article 18 of the Anukret. The amount and list of subscribers' name shall be kept with the securities registrar.

The application form for subscription shall be determined by SECC. Each subscription shall be considered as completed, when subscribers fully comply with the application form for subscription, fully pay and get receipt issued by the securities firm. The subscribers may not withdraw amounts paid for the subscription, except in the case stipulated in the Paragraph 4 b of Article 7 and Paragraph 2 of Article 18 of Anukret and Article 39 and 40 of the Prakas.

#### **ARTICLE 36.- Subscription the remaining equity securities**

After the end of subscription date, in the case of equity securities remain unsubscribed, the underwriters of the issuer shall subscribe to those remaining securities and pay fully the issuer in cash or with other financial instruments as prescribed by Article

8 of Anukret, within 30 days as of the closing date of subscription application. The issuer shall report without delay to SECC the remaining equity securities subscription.

#### **ARTICLE 37.- Allotment of equity securities**

The subscription shall be determined as following:

1- 20 % of total public offering amounts is reserved for investors who are Cambodian citizens.

2- 80 % of the remaining public offering amount is opened to investors who are Cambodian citizens and non-Cambodian citizens.

Where the subscription can not be successful with the above determination, the Director General of SECC may reallocate them to secure the success of public offering of equity securities.

#### **ARTICLE 38.- Allotment of securities**

The securities firm shall distribute equity securities at the price set in the disclosure document registered with SECC.

The issuer, securities registrar or securities firm shall dispatch the equity securities or the certificates to subscribers within 15 working days as of the closing date of subscription.

#### **ARTICLE 39.- Suspension of registered disclosure document**

Pursue to Article 21 of the Law, the registered disclosure document may be suspended by the Director General of SECC. In such case, the issuer and the securities firm shall stop receiving the subscription application and inform immediately subscribers and public about the suspension. The issuer and the securities firm shall inform the subscribers are entitled to withdraw the agreement of public offering and get refund. The issuer and the securities firm may receive again the subscription application after the problems causing the suspension are resolved; and re-obtaining the approval of the Director General of SECC.

#### **ARTICLE 40.- Public announcement on cancellation of registered disclosure document**

The issuer shall announce immediately the cancellation of registered disclosure document in the media recognized by the Director General of SECC by specifying the following:

1- Serial number and cancellation date;

2- Reason of the cancellation;

3- Time, place and the method of repayment to the subscribers who pay or deposit money for the subscription. The repayment shall be done no longer than 15 days after cancellation date;

4- Other information directed by Director General of SECC.

#### **ARTICLE 41.- Fail subscription**

The registered disclosure document may be cancelled, in case the subscription fails as prescribed by the Prakas; or in case the issuer fails to distribute the equity securities within the period set in the Prakas.

#### **ARTICLE 42.- Report the result of public offering**

The issuer shall report SECC the result of public offering in accordance with the form determined by SECC, attaching with the commercial bank's written letter about the amount in the separate account created for the purpose of public offering.

#### **ARTICLE 43.- Fulfill the procedure of permitted securities market**

The issuer shall fulfill the procedure of permitted securities market within 7 working days, after equity securities or certificate are transferred to the subscribers as stipulated in Article 39 of the Prakas, to list its securities for official trading on the permitted securities market.

#### **ARTICLE 44.- Fully comply the obligation of corporate governance**

The issuer shall fully comply with the obligation as prescribed in chapter 6 of Law and Anukret and other Provision stipulated by SECC.

## **CHAPTER IV**

### **Advertisement and Public Announcement**

#### **ARTICLE 45.- Advertisement and announcement**

Any advertisement, announcement or statement related directly or indirectly to issuing and offering shall be done in compliance with requirements as stipulated in Article 14 of Anukret and permitted in writing by the Director General of SECC pursuant to Article 15 of Anukret.

The issuer shall prepare the disclosure document for public viewing at its securities firm, the issuer, securities market operator and SECC with 05 working days after obtaining approval from Director General of SECC.

## **Article 46.- Official note of subscription**

At least 05 working days prior to the subscription date, the issuer shall make an official announcement through newspapers and other media devices approved by the Director General of SECC and specifying as follow:

- 1- Name and country or other institution of issuer;
- 2- Number and name of equity securities to be offered;
- 3- Place where the public may receive disclosure documents and copy of application forms for subscription;
- 4- The date of public announcement of official subscription.
- 5- The statement to the public specifies that the public offering obtained the approval in-principle from SECC.
- 6- The statement to the public specifies that the public announcement is to inform the public and does not invite for subscription.
- 7- The date of subscription of equity securities is going to be launched.
- 8- The statement specifies that subscribers shall consider to subscribe based on the disclosure document.

The disclosure document and application forms for subscription to be announced shall be in printing form. In addition, if the issuer may release the disclosure document and application forms for subscription in the electronic forms, issuer shall ensure the content of disclosure document and application forms for subscription in electronic form are the same as in the printing form.

## **CHAPTER V**

### **Fee and Charge**

#### **ARTICLE 47.- Fee for submission and registration of disclosure document**

A person who proposes to make public offering shall pay the following fees for submission and registration of disclosure document when making such proposal to SECC:

- 1- 12,000,000 Riels in cash, in the case of initial public offering (IPO).
- 2- 8,000,000 Riels in cash, in the case of additional public offering.

#### **ARTICLE 48.- Fee for submission and registration of additional disclosure document**

A person who proposes to review and register additional disclosure document shall pay the following fees for reviewing and registering additional disclosure document when making such proposal to SECC:

- 1- 1,200,000 Riels in cash, in the case of IPO.
- 2- 800,000 Riels in cash, in the case of additional public offering.

#### **ARTICLE 49.– Fee for extending the expiration of disclosure document**

A person who proposes to extend the expiration of public offering proposal shall pay the following fees for reviewing the expiration of public offering proposal when making such proposal to SECC:

- 1- 6,000,000 Riels in cash, in the case of IPO.
- 2- 4,000,000 Riels in cash, in the case of additional public offering.

#### **ARTICLE 50.– Non-refundable fees**

The fees as mentioned in article 47, 48 and 49 of this Prakas shall not be refunded whether the disclosure document will be approved and registered or not.

## **CHAPTER VI PENAL PROVISION**

#### **ARTICLE 51.– Administrative Sanctions**

The following administrative actions shall be taken against person who violates any item of this Prakas:

- 1- Request for submission of a explanatory memorandum;
- 2- Warning or admonition;
- 3- Public notice of such fact and order to redress;
- 4- Restriction on issuance of equity securities;
- 5- Recommendation on dismissal of directors or officers;
- 6- Public announcement on the actions taken as a result of violation of the Law, Sub-decree and this Prakas;
- 7- Suspension or prohibition of the public offering or secondary distribution.

## **Article 52.- Transactional fine**

Without considering on the sanction defined in the Law and regulations in used in the Kingdom of Cambodia, Issuer, underwriter, expert, related entity violating against this Prakas shall be fined by SECC in cash range from 15,000,000 to 30,000,000 Riels.

## **CHAPTER VII FINAL PROVISIONS**

### **ARTICLE 53.- Effective**

SECC will adopt guidelines for facilitating understanding and enforcement of the requirements of the Prakas by related entities, public and securities market participants.

### **ARTICLE 54.- Abrogate**

All provisions contrary to this Prakas are hereby abrogated.

### **ARTICLE 55.- Application**

Director General, Deputy-Director General of SECC, Securities Issuance department, departments, other units of SECC and related parties shall implement this Prakas after the date of signing.

Phnom Penh, 31 December 2009

Signature and Seal

KEAT CHHON

#### **Copy and Distribution:**

- Ministry of Royal Palace
- Secretariat of Constitutional Council
- Secretariat of Senate
- Secretariat of National Assembly
- Secretariat of Royal Government
- Cabinet of Samdech Akka Moha Sena Padei Techo **Hun Sen**  
Prime Minister of the Kingdom of Cambodia
- Cabinets of Excellencies Deputy Prime Ministers
- Office of the Council of Ministers
- Ministry of Economy and Finance
- Ministry of Commerce
- Ministry of Justice
- National Bank of Cambodia
- Securities and Exchange Commission of Cambodia and its member
- As prescribed in Article 53
- Royal Gazette
- Archives-records