LISTING FRAMEWORK FOR DUAL CLASS SHARE STRUCTURES

AMENDMENTS TO MAINBOARD RULES

Legend: Deletions are struck-through and insertions are underlined.

Definitions and Interpretation

"controlling shareholder"

a person who:-

(a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings voting rights in the company. The Exchange may determine that a person who satisfies this paragraph is not a controlling shareholder; or

(b) in fact exercises control over a company

“dual class share structure”

a share structure that gives certain shareholders voting rights disproportionate to their shareholding. Shares in one class carry one vote, while shares in another class carry multiple votes

“enhanced voting process”

a voting process in a general meeting of the issuer where votes are cast on the basis that one multiple voting share is limited to one vote

“multiple voting share”

in relation to a dual class share structure, a share that carries multiple votes but that otherwise has the same rights as an ordinary voting share. A multiple voting share is neither listed nor traded

“ordinary voting share”

in relation to a dual class share structure, a share that carries one vote
(10) Dual Class Share Structure

(a) In this Rule 210(10):

(i) “permitted holder group” means a group of persons or an entity permitted to hold multiple voting shares in accordance with Rule 210(10), and includes a holder of multiple voting shares;

(ii) “responsible director” means, in relation to any multiple voting shares, a director who is required to be appointed in accordance with Rule 210(10); and

(iii) references to any sale or transfer of multiple voting shares include any sale or transfer of interest (including beneficial interest or voting right) thereto, and whether or not for value.

(b) A listing applicant that intends to list with a dual class share structure must be suitable for listing with a dual class share structure.

(c) An issuer must specify the holders of multiple voting shares at IPO. The Exchange may permit a group of persons or an entity to be treated as a permitted holder group. In the case of a permitted holder group, an issuer must specify the scope of the permitted holder group at IPO. The issuer may not add to the scope subsequently.

(d) Each multiple voting share shall not carry more than 10 votes per share. An issuer must specify the number of votes at IPO, and may not increase such number subsequently.

(e) Subject to Rule 210(10)(f):

(i) a holder of multiple voting shares must be appointed as a responsible director; or

(ii) in the case of a permitted holder group, a responsible director must be appointed for the permitted holder group. The Exchange may require any other person to be appointed as a responsible director.

(f) An issuer with a dual class share structure must have automatic conversion provisions which provide that a multiple voting share will be converted into an ordinary voting share on a one-for-one basis in the event that:

(i) the multiple voting share is sold or transferred to any person, and in the case of a permitted holder group, other than to persons in the permitted holder group; or

(ii) a responsible director ceases service as a director (whether through death, incapacity, retirement, resignation or otherwise), and in the case of a permitted holder group, other than where a new responsible director is appointed.
unless otherwise specifically approved by shareholders through the enhanced voting process. The relevant holder of the multiple voting share, the person to whom the multiple voting share is to be sold or transferred and such responsible director (as the case may be), and their respective associates, must abstain from voting on the resolution.

(g) Holders of ordinary voting shares holding at least 10% of the total voting rights on a one-share-one-vote basis must be able to convene a general meeting.

(h) In any general meeting, the number of votes that may be cast by holders of ordinary voting shares who are not also holders of multiple voting shares must be at least 10% of the total voting rights of the issuer.

(i) The majority of each of the committees performing the functions of an audit committee, a nominating committee and a remuneration committee, including the respective chairmen, must be independent.

(i) The issuer must ensure that the requirements relating to the dual class share structure and the rights of the multiple voting shares and ordinary voting shares in Rules 210(10)(c) to 210(10)(i) are prescribed in its Articles of Association or other constituent documents.

225 Purpose of a Moratorium

The purpose of a moratorium is to maintain the promoters’ commitment and the commitment of holders of multiple voting shares to the issuer and align their interests with that of public shareholders.

Dual Class Share Structure

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The holders of multiple voting shares must give contractual undertakings to the issue manager to observe a moratorium on the transfer or disposal of their entire shareholdings in the issuer in respect of their interests in both multiple voting shares and ordinary voting shares at the time of listing for at least 12 months after listing.
The following additional information should be provided in the prospectus, offering memorandum, introductory document and shareholders’ circular: –

(10) In the case of a dual class share structure, the following information must also be prominently provided:-

(a) A statement on the cover page of the document that the issuer is a company with a dual class share structure;

(b) Details of the dual class share structure and its associated risks;

(c) The rationale for adopting the dual class share structure;

(d) Matters that are subject to the enhanced voting process and the implications to holders of ordinary voting shares;

(e) Key provisions of the Articles of Association or other constituent documents relating to the dual class share structure; and

(f) The following details for each holder of multiple voting shares:

<table>
<thead>
<tr>
<th>Name of shareholder</th>
<th>Number of multiple voting shares</th>
<th>Total voting rights of multiple voting shares</th>
<th>Number of ordinary voting shares</th>
<th>Total voting rights of ordinary voting shares</th>
<th>Total voting rights of both multiple voting shares and ordinary voting shares</th>
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</thead>
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Chapter 7 Continuing Obligations

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In addition to Rule 703, an issuer must immediately announce the following:—

Acquisitions and Realisations

(17) Any acquisition of—

(a) shares resulting in the issuer holding 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings voting rights of a quoted company;

(18) Any sale of—

(a) shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares and subsidiary holdings voting rights of a quoted company;

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(1) Where any borrowings or loans of the issuer or any of its subsidiaries contains any provisions which makes reference to the shareholding interest of any controlling shareholder(s), the issuer must obtain an undertaking from such controlling shareholder(s) to notify the issuer, as soon as it becomes aware, of any share pledging arrangements relating to these shares and of any event which may result in a breach of the issuer’s loan provisions.

(2) Upon notification by the controlling shareholder(s), the issuer must immediately announce the following information:—

(a) The name of the shareholder;

(b) The class and number of shares and the percentage of the issuer’s issued share capital excluding subsidiary holdings voting rights that is the subject of the security interest;

(c) The party or parties in whose favour the security interest is created or financial instrument given; and

(d) All other material details which are necessary for the understanding of the arrangements.

Dual Class Share Structure

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For an issuer with a dual class share structure, the following matters must be voted through the enhanced voting process:

(1) changes to the issuer’s Articles of Association or other constituent documents;

(2) variation of rights attached to any class of shares;
appointment and removal of independent directors;

appointment and removal of auditors;

reverse takeover of the issuer as set out in Rule 1015;

winding up of the issuer; and

delisting of the issuer as set out in Rule 1307.

For the avoidance of doubt, the relevant voting thresholds in respect of each of the above matters will continue to apply.

Part X Dual Class Share Structure – Continuing Listing Obligations

An issuer must comply with Rules 210(10)(c) to 210(10)(i) on a continuing basis.

An issuer with a dual class share structure must prominently include a statement on the cover page of its announcements that the issuer is a company with a dual class share structure.
Chapter 8 Changes in Capital

803A

(1) An issuer with a dual class share structure must not issue multiple voting shares except in the event of a rights issue, bonus issue, scrip dividend scheme or consolidation or subdivision of shares, in each case in conjunction with the issuance of ordinary voting shares.

(2) Any issuance of multiple voting shares by an issuer with a dual class share structure must be approved by a special resolution of the shareholders in a general meeting.

(3) The issuer must ensure that, in undertaking any corporate action (including as set out in Rule 803A(1)), the proportion of the total voting rights of the multiple voting shares as a class against those of the ordinary voting shares after the corporate action will not increase above that proportion existing prior to the corporate action.

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(2) A general mandate must limit the aggregate number of shares and convertible securities that may be issued. The limit must be not more than 50% of the total number of issued shares excluding treasury shares and subsidiary holdings in each class, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20% of the total number of issued shares excluding treasury shares and subsidiary holdings in each class. Unless prior shareholder approval is required under the Listing Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.

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A share buy-back may only be made by way of:

(1) on-market purchases transacted through the Exchange's trading system or on another stock exchange on which the issuer's equity securities are listed ("market acquisition"); or

(2) off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

Unless a lower limit is prescribed under the issuer's law of incorporation, such share buy-back shall not exceed 10 per cent of the total number of issued shares excluding treasury shares and subsidiary holdings in each class as at the date of the resolution passed by shareholders for the share buy-back.
Chapter 12 Circulars, Annual Reports and Electronic Communications

1206

Any circular sent by an issuer to its shareholders must:-

(7) for an issuer with a dual class share structure, prominently include: (a) a statement on the cover page that the issuer is a company with a dual class share structure; and (b) information on the voting rights of each class of shares.

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The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including at least the following:-

(9)

(g) the number of subsidiary holdings held; and

(h) the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed; and

(i) for an issuer with a dual class share structure, prominently include: (i) a statement on the cover page that the issuer is a company with a dual class share structure; and (ii) the following details for each holder of multiple voting shares:

| Name of shareholder | Number of multiple voting shares | Total voting rights of multiple voting shares | Number of ordinary voting shares | Total voting rights of ordinary voting shares | Total voting rights of both multiple voting shares and ordinary voting shares |