

**Modifications to the Rules Governing the Listing of Securities on  
The Stock Exchange of Hong Kong Limited (the “Exchange”)  
to enable Prudential plc (the “Company”) to hold treasury shares**

**1. Chapter 1 (Interpretation)**

1.1 The definition of “market capitalisation” is amended to read: “the market value of the entire size of an issuer, which shall include all classes of securities of the issuer (other than treasury shares), irrespective of whether any of such class(es) of securities are unlisted, or listed on other regulated market(s)”.

1.2 The definition of “treasury shares” is inserted to mean: “shares of an issuer which the issuer has repurchased and holds in treasury, as authorised by the laws of its jurisdiction of incorporation and its constitution, such shares being shares to which sections 724 to 732 of the UK Companies Act 2006 apply. For the purpose of these Modifications, the 10% limit on the maximum holding of treasury shares set out in (the now repealed) section 725 of the UK Companies Act 2006 shall continue to apply”.

**2. Chapter 2 (Introduction)**

Rule 2.03(4) is amended to read: “all holders of listed securities are treated fairly and equally (disregarding for these purposes the issuer in its capacity as the holder of any treasury shares)”.

**3. Chapter 3 (Authorised Representatives, Directors, Board Committees and Company Secretary)**

Rule 3.13(1) is amended to read: “holds more than 1% of the number of issued shares of the listed issuer (excluding treasury shares)”.

**4. Chapter 3A (Sponsors, Compliance Advisers, Overall Coordinators and other Capital Market Intermediaries)**

Rule 3A.23(2) is amended to read: “where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues, sales of treasury shares out of treasury and share repurchases”.

**5. Chapter 4 (Accountants’ Reports and Pro Forma Financial Information)**

**5.1 Rule 4.04**

Rule 4.04(8) is amended to read: “the earnings per share (which, for the avoidance of doubt, will not take account of treasury shares) and the basis of computation...”.

**5.2 Rule 4.05(3)**

Rule 4.05(3)(a) is amended to read: “rates of dividend paid or proposed on each class of shares (which, for the avoidance of doubt, will not take account of treasury shares) (with particulars of each such class) and amounts absorbed thereby and any waivers of dividend except that the accountants’ report need not disclose this information:-”.

### 5.3 **Rule 4.29(8)**

Rule 4.29(8) is amended to read: “Where pro forma earnings per share information is given for a transaction which includes the issue of securities or the sale of treasury shares out of treasury for cash, the calculation is to be based on the weighted average number of shares outstanding during the period (other than treasury shares), adjusted as if that issue had taken place at the beginning of the period.”.

## 6. **Chapter 6 (Trading Halt, Suspension, Cancellation and Withdrawal of Listing)**

### 6.1 **Rules 6.03, 6.05 and 6.08**

Note (1) to rules 6.03, 6.05 and 6.08 is amended to read: “*The Exchange is under an obligation to maintain an orderly and fair market for the trading of all Exchange listed securities and listed securities (other than treasury shares) should be continuously traded save in exceptional circumstances.*”.

### 6.2 **Rule 6.15**

Rule 6.15(1) is amended to read: “after a general offer a right to compulsory acquisition is exercised pursuant to applicable laws and regulations (the requirements of which are, where the issuer is not a company incorporated in Hong Kong, at least as onerous as those applicable if it were) resulting in the acquisition of all the listed securities of the issuer (other than treasury shares); or”.

## 7. **Chapter 7 (Methods of Listing)**

### 7.1 **Rule 7.19A**

Rule 7.19A(1) is amended to read: “A proposed rights issue must be made conditional on minority shareholders’ approval in the manner set out in rule 7.27A if the proposed rights issue would increase either the number of issued shares (excluding treasury shares) or the market capitalisation of the issuer by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities (other than any such bonus securities to be issued into treasury), warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers).”.

### 7.2 **Rule 7.27A**

Rule 7.27A(3)(a) is amended to read: “the purpose of the proposed rights issue or open offer, together with the total funds expected to be raised and a detailed breakdown and description of the proposed use of the proceeds. The issuer shall also include the total funds raised and a detailed breakdown and description of the funds raised on any issue of equity securities or sale of treasury shares in the 12 months immediately preceding the announcement of the proposed rights issue or open offer, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount; and”.

### 7.3 **Rule 7.27B**

(A) Rule 7.27B is amended to read: “A listed issuer may not undertake a rights issue, open offer or specific mandate placing that would result in a theoretical dilution effect of 25% or more (on its own or when aggregated with any other rights issues, open offers, and/or

specific mandate placings announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities (other than any such bonus securities to be issued into treasury), warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues, open offers and/or specific mandate placings), unless the issuer can demonstrate that there are exceptional circumstances (for example, the issuer is in financial difficulties and the proposed issue forms part of the rescue proposal).”.

- (B) Note 1(a) to rule 7.27B is amended to read: “*The “theoretical diluted price” means the sum of (i) the issuer’s total market capitalization (by reference to the “benchmark price” and the number of issued shares (excluding treasury shares) immediately before the issue) and (ii) the total funds raised and to be raised from the issue, divided by the total number of shares (excluding treasury shares) as enlarged by the issue.*”.

## **8. Chapter 8 (Qualifications for Listing)**

### **Rule 8.08**

Rule 8.08 is amended by the insertion of note (4) to rule 8.08(1)(b) as follows: “For the purposes of rule 8.08, treasury shares are not taken into consideration when calculating the number of shares of a class of shares in the hands of the public.”.

## **9. Chapter 10 (Restrictions on Purchase and Subscription)**

### **9.1 Rule 10.01**

Rule 10.01 is amended to read: “Normally no more than ten per cent. of the aggregate of any securities being marketed for which listing is sought and/or any treasury shares being sold (but not any treasury shares being sold or transferred out of treasury for the purposes of an employees’ share scheme) may be offered to employees or past employees of the issuer or its subsidiaries...”.

### **9.2 Rule 10.06**

- (A) Rule 10.06(1)(b)(viii) is amended by the addition of the following wording at the end of such rule: “together with details of any such repurchases which resulted in the issuer holding treasury shares and details of any transfer, sale or cancellation of such treasury shares by the issuer during that period (including the date of any transfer, sale or cancellation and the price of any sale of treasury shares or the highest and lowest price of any such sales, where relevant);”.
- (B) Rule 10.06(1)(c)(i) is amended to read: “the total number and description of the shares which the issuer is authorised to purchase, provided that the number of shares which the issuer is authorised to purchase on the Exchange or on another stock exchange recognised for this purpose by the Commission and the Exchange under the Code on Share Buy-backs, may not exceed 10 per cent. of the number of issued shares of the issuer (excluding treasury shares) and the total number...”.
- (C) The note to rule 10.06(1)(c)(i) is amended to read: “*If the issuer conducts a share consolidation or subdivision after the repurchase mandate has been approved in general meeting, the maximum number of shares that may be repurchased under the mandate as a percentage of the total number of issued shares (excluding treasury shares) at the date immediately before and after such consolidation or subdivision shall be the same.*”.

- (D) Rule 10.06(3) is amended to read: “An issuer whose primary listing is on the Exchange may not make a new issue of shares or sell its treasury shares out of treasury or announce a proposed new issue of shares or a proposed sale of its treasury shares out of treasury (other than, in each case, for the purposes of an employees' share scheme) for a period of 30 days after any purchase by it of shares...”.
- (E) Rule 10.06(4)(b) is amended to read: “include in its annual report and accounts a monthly breakdown of purchases of shares made during the financial year under review showing the number of shares purchased each month (whether on the Exchange or otherwise), ~~and~~ the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, ~~and~~ the aggregate price paid by the issuer for such purchases, the number of shares held as treasury shares following such purchases, the number of treasury shares sold, transferred or cancelled (on a monthly basis) and the number of treasury shares held following such sale, transfer or cancellation (at the end of each month). The directors' report shall contain reference to the purchases made during the year and the directors<sup>[1]</sup> reasons for making such purchases.”.
- (F) Rule 10.06(5) is amended to read: “Other than those listed shares purchased by an issuer to be held as treasury shares, the listing of all shares which are purchased by an issuer (whether on the Exchange or otherwise) shall be automatically cancelled upon purchase and the issuer must apply for listing of any further issues of that type of shares in the normal way. The issuer shall ensure that the documents of title of purchased shares (other than documents of title relating to the shares to be held as treasury shares) are cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase. Where shares are held as treasury shares following a purchase by the issuer, and those treasury shares are subsequently cancelled by the issuer, the listing of those treasury shares shall also be cancelled and the issuer shall ensure that the documents of title of any cancelled treasury shares are destroyed as soon as reasonably practicable following such cancellation.”.
- (G) Rule 10.06 is amended by the insertion of a note to rule 10.06(5) as follows: “*Note: For the avoidance of doubt, shares purchased by an issuer to hold as treasury shares will remain listed and the listing will not be suspended or cancelled. Any subsequent sale of such treasury shares or transfer of such treasury shares pursuant to an employees' share scheme shall not, for the purposes of the Exchange's Listing Rules, constitute a new issue of shares and shall not require a new listing application to be made.*”.

## 10. Chapter 13 (Continuing Obligations)

### 10.1 Rule 13.25A

- (A) Rule 13.25A(2)(a) is amended by the insertion of a new sub-paragraph (xi) as follows: “(xi) sale of treasury shares out of treasury or cancellation of treasury shares that, in the case of cancellation of treasury shares, represents over 0.5% of the listed issuer's issued shares; or” and the existing rule 13.25A(2)(a)(xi) shall be renumbered as 13.25A(2)(a)(xii) and shall be amended to read “change in issued shares not falling within any of the categories referred to in rule 13.25A(2)(a)(i) to (xi) or rule 13.25A(2)(b); and”, and the “or” at the end of rule 13.25A(2)(a)(x) shall be deleted.
- (B) Rule 13.25A(3)(a) is amended to read: “the event, either individually or when aggregated with any other events described in that rule which have occurred since the listed issuer published its last monthly return under rule 13.25B or last return under this rule 13.25A (whichever is the later), results in a change of 5% or more of the listed issuer's issued shares (excluding treasury shares); or”.
- (C) Rule 13.25A(4) is amended to read: “For the purposes of rule 13.25A(3), the

percentage change in the listed issuer's issued shares is to be calculated by reference to the listed issuer's total number of issued shares (excluding treasury shares) as it was immediately before the earliest relevant event which has not been disclosed in a monthly return published under rule 13.25B or a return published under this rule 13.25A.”.

#### 10.2 Rule 13.25B

Rule 13.25B is amended to read: “A listed issuer shall, by no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the fifth business day... Such information includes, among other things, the number as at the close of such period of equity securities (including the number of any equity securities held as treasury shares), debt securities and any other securitised instruments, as applicable, issued and which may be issued pursuant to options, warrants, convertible securities or any other agreements or arrangements. Such information shall also include details of the sale of treasury shares out of treasury or cancellation of treasury shares.”.

#### 10.3 Rule 13.25C

Rule 13.25C is amended to read: “A listed issuer shall, in relation to each new issue of securities (or sale of treasury shares out of treasury) reported in the next day disclosure return under rule 13.25A and the monthly return under rule 13.25B, confirm that (where applicable):

- (1) the issue (or sale out of treasury) of securities has been duly authorised by its board of directors;
- (2) all money due to the listed issuer in respect of the issue (or sale out of treasury) of securities has been received by it;...
- (7) all the definitive documents of title have been delivered/are ready to be delivered/are being prepared and will be delivered in accordance with the terms of issue/sale;...”.

#### 10.4 Rule 13.28

Rule 13.28 is amended to read: “Where the directors agree to issue securities for cash in accordance with rule 13.36(1)(a) or 13.36(2), or agree to sell treasury shares out of treasury for cash other than in connection with an employees' share scheme, an issuer shall publish an announcement in accordance with rule 2.07C as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day, containing the following information:-

- (1) the name of the issuer;
- (2) the number, class and aggregate nominal value of the securities agreed to be issued or sold out of treasury;

*Note: If the issue or sale out of treasury involves (i) securities convertible into shares of the issuer or (ii) options, warrants or similar rights to subscribe for shares or such convertible securities, the announcement should also contain:*

- (a) *the conversion/subscription price and a summary of the provisions for adjustments of such price and/or number of shares to be issued or sold out of treasury and all other material terms of the convertible securities or warrants; and*

- (b) *the maximum number of shares that could be issued or sold out of treasury upon exercise of the conversion/subscription rights.*
- (3) the total funds to be raised and the proposed use of the proceeds;
  - (4) the issue/sale price of each security and the basis for determining the same;
  - (5) the net price to the issuer of each security;
  - (6) the reasons for making the issue/sale;
  - (7) the names of the allottees/transferees, if less than six in number and, in the case of six or more allottees/transferees, a brief generic description of them. The Exchange reserves the right to require submission of such further information (on an electronic spreadsheet or such other format as it may request) on the allottees/transferees as it may consider necessary for the purpose of establishing their independence, including without limitation details of beneficial ownership;
  - (8) the market price of the securities concerned on a named date, being the date on which the terms of the issue or sale out of treasury were fixed;
  - (9) the total funds raised and a detailed breakdown and description of the funds raised on any issue of equity securities or sale of treasury shares in the 12 months immediately preceding the announcement of the proposed issue of securities, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount;
  - (10) where applicable, the name(s) of syndicate member(s), and the principal terms of the underwriting/placing arrangements;
  - (11) a statement whether the issue or sale out of treasury is subject to shareholders' approval;
  - (12) where the securities are issued under a general mandate granted to the directors by the shareholders in accordance with rule 13.36(2)(b), details of the mandate;
  - (13) where the securities are issued or sold out of treasury by way of a rights issue or an open offer, the information set out in paragraph 18 of Appendix 1, Part B;
  - (14) conditions to which the issue or sale out of treasury is subject or a negative statement if applicable; and
  - (15) any other material information with regard to the issue or sale out of treasury (including any restrictions on the ability of the issuer to issue or sell out of treasury further securities or any restrictions on the ability of the allottees/transferees to dispose of shares issued or sold to them or any restrictions on the ability of existing shareholders to dispose of their securities arising in connection with the allotment or sale).

*Notes: (1) This rule does not apply to a grant of options or awards or issue of securities or sale out of treasury under a share scheme which complies with Chapter 17. For these, the issuer must follow the announcement requirements under rules 17.06A, 17.06B and 17.06C.*

*(2) For any exercise of these options, the issuer must follow the disclosure*

*obligations under rules 13.25A and 13.25B.”.*

#### 10.5 **Rule 13.36**

- (A) Rule 13.36(2)(b) is amended to read: “...subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of (i) 20% of the number of issued shares of the issuer (excluding treasury shares) as at the date of the resolution granting the general mandate (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in rule 7.14(3), 20% of the number of issued shares of an overseas issuer (excluding treasury shares) following the implementation of such a scheme) and (ii) the number of such securities repurchased and cancelled by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the number of issued shares of the issuer (excluding treasury shares) as at the date of the resolution granting the repurchase mandate), provided that...”.
- (B) Note (3) to rule 13.36(2)(b) is amended to read: “*If the issuer conducts a share consolidation or subdivision after the issue mandate has been approved in general meeting, the maximum number of securities that may be issued under the mandate as a percentage of the total number of issued shares (excluding treasury shares) at the date immediately before and after such consolidation or subdivision shall be the same.*”.
- (C) Rule 13.36(2)(c) is amended to read: “issue of shares and/or sale or transfer of treasury shares out of treasury under a share scheme that complies with Chapter 17.”.

#### 10.6 **Rule 13.64A**

Rule 13.64A is amended to read: “The issuer must not undertake a subdivision or bonus issue of shares if its share price adjusted for the subdivision or bonus issue (excluding treasury shares and any bonus securities issued into treasury) is less than HK\$1 based on the lowest daily closing price of the shares during the six-month period before the announcement of the subdivision or bonus issue.”.

#### 10.7 **Rule 13.84**

Rule 13.84(1) is amended to read: “the IFA group and any director or close associate of a director of the independent financial adviser holds, directly or indirectly, in aggregate more than 5% of the number of issued shares of the issuer (excluding treasury shares), another party to the transaction...”.

### 11. **Chapter 14 (Notifiable Transactions)**

#### 11.1 **Rule 14.06D**

- (A) The sub-heading to rule 14.06D is amended to read: “Large scale issue of securities and/or sale of treasury shares out of treasury”.
- (B) Rule 14.06D is amended to read: “Where a listed issuer proposes a large scale issue of new securities (including any shares, warrants, options or convertible securities) and/or sale of treasury shares out of treasury for cash to acquire and/or develop a new business, which, in the opinion of the Exchange, is a means to circumvent the new listing requirements and to achieve a listing of that new business, the Exchange may refuse to grant listing approval for the shares to be issued and/or refuse to confirm it has no comments on the sale of treasury shares out of treasury for cash for the purpose of this rule 14.06D.”.

- (C) Note to rule 14.06D is amended to read: "...It is intended to apply to a large scale issue of securities and/or sale of treasury shares out of treasury for cash proposed by a listed issuer...".

#### 11.2 Rule 14.07

Rule 14.07(5) is amended to read: "Equity capital ratio - the number of shares to be issued by the listed issuer as consideration divided by the total number of the listed issuer's issued shares (excluding treasury shares) immediately before the transaction."

#### 11.3 Rule 14.32A

- (A) Rule 14.32A is amended to read: "This rule applies to the disposal (or deemed disposal) of a listed issuer's interests in a subsidiary from the grant of new, treasury or existing shares of the subsidiary or options over any such shares under a share scheme (other than a share scheme of a principal subsidiary set out in rule 14.04(1)(h))."

- (B) Rule 14.32A(1) is amended to read: "When a subsidiary of a listed issuer adopts a share scheme (whether involving new shares issued and/or treasury shares sold or transferred out of treasury by the subsidiary and/or existing shares of the subsidiary held by or for the issuer), the issuer must consider whether the disposal of interests in the subsidiary constitutes a notifiable transaction..."

#### 11.4 Rule 14.81

Rule 14.81(3) is amended to read: "a prominent and legible statement in the following form:

"The Stock Exchange of Hong Kong Limited (the "Exchange") has stated that if, at the close of the offer, less than the minimum prescribed percentage applicable to the listed issuer, being [ ] % of the issued shares (excluding treasury shares), are held by the public..."

### 12. Chapter 14A (Connected Transactions)

#### 12.1 Rule 14A.24

Rule 14A.24(6) is amended to read: "issuing new securities of, and/or selling or transferring treasury shares out of treasury by, the listed issuer or its subsidiaries, including underwriting or sub-underwriting an issue of securities or sale of treasury shares out of treasury;"

#### 12.2 Rule 14A.73

Rule 14A.73(3) is amended to read: "issues of new securities and/or sales or transfers of treasury shares out of treasury by the listed issuer or its subsidiary (rule 14A.92);"

#### 12.3 Rule 14A.76

Rule 14A.76 is amended to read: "This exemption applies to a connected transaction (other than an issue of new securities or the sale of treasury shares out of treasury by the listed issuer)..."



## 12.4 Rule 14A.92

- (A) The sub-heading to rule 14A.92 is amended to read: “Issues of new securities and/or sales or transfers of treasury shares out of treasury by the listed issuer or its subsidiary”.
- (B) Rule 14A.92 is amended to read: “An issue of new securities and/or sale or transfer of treasury shares out of treasury by a listed issuer or its subsidiary to a connected person is fully exempt if:”.
- (C) Rule 14A.92(2) is amended to read: “the connected person subscribes for the securities in a rights issue, ~~or~~ open offer or sale of treasury shares out of treasury”.
- (D) Rule 14A.92(3) is amended to read: “the securities are issued or treasury shares are transferred or sold out of treasury to the connected person under: (a) a share scheme...”.
- (E) Rule 14A.92(4) is amended to read: “the securities are issued or treasury shares are sold out of treasury under a “top-up placing and subscription” that meets the following conditions:
  - (a) the new securities are issued (or, in the case of treasury shares, sold) to the connected person:
    - (i) after it has reduced its holding in the same class of securities by placing them to third parties who are not its associates under a placing agreement; and
    - (ii) within 14 days from the date of the placing agreement;
  - (b) the number of new securities issued (or, in the case of treasury shares, sold) to the connected person does not exceed the number of securities placed by it; and
  - (c) the new securities are issued (or, in the case of treasury shares, sold) at a price not less than the placing price...”.

## 13. Chapter 15 (Options, Warrants and Similar Rights)

### Rule 15.02

Rule 15.02(1) is amended to read: “the securities to be issued or transferred out of treasury on exercise of the warrants must not, when aggregated with all other equity securities which remain to be issued or transferred out of treasury on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed twenty per cent. of the number of issued shares of the issuer (excluding treasury shares) at the time such warrants are issued...”.

## 14. Chapter 17 (Share Schemes)

### 14.1 Rule 17.01

Rule 17.01(1)(a) is amended to read: “share schemes involving the grant by a listed issuer of (i) new shares or treasury shares of the listed issuer; or (ii) options over new shares or

treasury shares of the listed issuer, to, or for the benefit of, specified participants of such schemes (which includes a grant of any such shares or options to a trust or similar arrangement for the benefit of a specified participant (see rules 17.02 to 17.11));”.

#### 14.2 Rule 17.02

The sub-heading before rule 17.02 is amended to read: “Share schemes involving issue of new shares and/or sale or transfer of treasury shares out of treasury by listed issuers”.

#### 14.3 Rule 17.03

- (A) Rule 17.03(3) is amended to read: “the total number of shares which may be issued and/or treasury shares which may be sold or transferred out of treasury in respect of all options and awards to be granted under the scheme and any other schemes (the **scheme mandate limit**), together with the percentage of the issued shares (excluding treasury shares) that it represents at the date of approval of the scheme; and, where the participants of the scheme include service providers, the sublimit on the total number of shares that may be issued and/or treasury shares that may be sold or transferred out of treasury in respect of all options and awards to be granted to service providers (the **service provider sublimit**) within the scheme mandate limit;”.
- (B) Rule 17.03(16) is amended to read: “where there is a provision for termination of the operation of the scheme before the end of its life, a provision for the treatment of options or awards granted under the scheme but not yet exercised or in respect of which shares are not yet issued or treasury shares are not yet sold or transferred out of treasury to the participants at the time of termination;”.
- (C) Note to rule 17.03(16) is amended to read: “*Details of the options or awards granted (including options exercised or outstanding, or shares issued and to be issued and/or treasury shares sold or transferred or to be sold or transferred out of treasury in respect of the awards granted) under the scheme and (if applicable) options or awards that become void or non-exercisable as a result of the termination must be disclosed in the circular to shareholders seeking approval of the first new scheme to be established or refreshment of scheme mandate limit under any existing scheme after such termination.*”.

#### 14.4 Rule 17.03B

- (A) Rule 17.03B(1) is amended to read: “The scheme mandate limit must not exceed 10% of the relevant class of shares (excluding treasury shares) of the listed issuer in issue as at the date of approval of the scheme (alternatively, in respect of a scheme of a new applicant that will become effective only upon its separate listing, the 10% limit may be calculated by reference to the relevant class of shares of the applicant in issue as at the date of its listing).”.
- (B) Note (2) to rule 17.03B(2) is amended to read: “*If the listed issuer conducts a share consolidation or subdivision after the scheme mandate limit or the service provider sublimit has been approved in general meeting, the maximum number of shares that may be issued and/or treasury shares that may be sold or transferred out of treasury in respect of all options and awards to be granted under all of the schemes of the listed issuer under the scheme mandate limit or the service provider sublimit as a percentage of the total number of issued shares (excluding treasury shares) at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.*”.

#### 14.5 Rule 17.03C

- (A) Rule 17.03C(1)(c) is amended to read: “The requirements under paragraphs (i) and (ii) of rule 17.03C(1)(b) do not apply if the refreshment is made immediately after an issue of securities by the issuer to its shareholders on a pro rata basis as set out in rule 13.36(2)(a) such that the unused part of the scheme mandate (as a percentage of the relevant class of shares in issue (excluding treasury shares)) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole share.”.
- (B) Rule 17.03C(2) is amended to read: “The total number of shares which may be issued and/or treasury shares which may be sold or transferred out of treasury in respect of all options and awards to be granted under all of the schemes of the listed issuer under the scheme mandate as “refreshed” must not exceed 10% of the relevant class of shares in issue (excluding treasury shares) as at the date of approval of the refreshed scheme mandate...”.

#### 14.6 Rule 17.03D

Rule 17.03D(1) is amended to read: “Where any grant of options or awards to a participant would result in the shares issued and to be issued and/or treasury shares sold or transferred or to be sold or transferred out of treasury in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of shares (excluding treasury shares) of the listed issuer in issue (the **1% individual limit**), such grant must be separately approved by shareholders of the listed issuer in general meeting with such participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting. The listed issuer must send a circular to the shareholders.”.

#### 14.7 Rule 17.04

- (A) Rule 17.04(2) is amended to read: “Where any grant of awards (excluding grant of options) to a director (other than an independent non-executive director) or chief executive of the issuer, or any of their associates would result in the shares issued and to be issued and/or treasury shares sold or transferred or to be sold or transferred out of treasury in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of shares in issue (excluding treasury shares), such further grant of awards must be approved by shareholders of the listed issuer in general meeting in the manner set out in rule 17.04(4).”.
- (B) Rule 17.04(3) is amended to read: “Where any grant of options or awards to an independent non-executive director or a substantial shareholder of the listed issuer, or any of their respective associates, would result in the shares issued and to be issued and/or treasury shares sold or transferred or to be sold or transferred out of treasury in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue (excluding treasury shares)...”.

#### 14.8 Rule 17.06A

Rule 17.06A(2)(c) is amended to read: “a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares).”.

#### 14.9 Rule 17.07

- (A) Rule 17.07 is amended to read: “ .... (iii) each related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares)...”.
- (B) Rule 17.07(3) is amended to read: “the number of shares that may be issued and/or treasury shares that may be sold or transferred out of treasury in respect of options and awards granted under all schemes of the issuer during the financial year/period divided by the weighted average number of shares of the relevant class in issue for the year/period (excluding treasury shares).”.

#### 14.10 Rule 17.09

Rule 17.09(3) is amended to read: “the total number of shares available for issue and/or sale or transfer of treasury shares out of treasury under the scheme together with the percentage of the issued shares (excluding treasury shares) that it represents as at the date of the annual report;”.

#### 14.11 Rule 17.13

- (A) The sub-heading before rule 17.13 is amended to read: “Share schemes involving new, treasury or existing shares of a principal subsidiary of a listed issuer”.
- (B) Rule 17.13 is amended to read: “Rules 17.02 to 17.04 and rules 17.06 to 17.09, with appropriate modifications, apply to share schemes of a principal subsidiary of a listed issuer (whether they involve new shares issued and/or treasury shares sold or transferred out of treasury by the subsidiary or existing shares of the subsidiary held by or for the issuer) as if they were share schemes of the issuer as described in rule 17.01(1).”.

#### 14.12 Rule 17.15

Rule 17.15(1) is amended to read: “The scheme mandate limit, the service provider sublimit, the 1% individual limit, the limits on grants to the issuer’s directors, chief executive and substantial shareholders (and their respective associates) under rule 17.04 and the limit on grants to service providers and related entity participants under rule 17.06A(1)(c) are to be calculated with reference to the total issued shares (excluding treasury shares) of the subsidiary.”.

### 15. Appendix 1B (Contents of Listing Documents)

Paragraph 26(1)(b)(v) is amended to read: “a statement of the interests of any of the directors; their close associates; or any shareholder (which to the knowledge of the directors owns more than 5% of the number of issued shares of the issuer (excluding treasury shares)) in the suppliers or customers disclosed under (i) to (iv) above or if there are no such interests a statement to that effect;”.

### 16. Appendix 2B (Documents of Title)

Paragraph 5(2) is amended to read: “if any such class (other than preference or preferred shares so described) is a class the holders of which are not entitled to vote at general meetings of the issuer, the words “non voting” must appear legibly on every certificate therefor issued by the issuer. For the avoidance of doubt, this rule shall not apply to treasury shares.”.

which shall be non-voting; and”.

**17. Appendix 3 (Core Shareholder Protection Standards)**

17.1 Paragraph 14(5) is amended to read: “That members holding a minority stake in the total number of issued shares must be able to convene an extraordinary general meeting and add resolutions to a meeting agenda. The minimum stake required to do so must not be higher than 10% of the voting rights, on a one vote per share basis (excluding treasury shares), in the share capital of the issuer.”.

17.2 Note 1 to paragraph 15 is amended to read: “A “*super-majority vote*” means at least three-fourths of the voting rights of the members holding shares in that class (excluding treasury shares) present and voting in person or by proxy at a separate general meeting of members of the class where the quorum for such meeting shall be holders of at least one third of the issued shares of the class (excluding treasury shares)...”.

**18. Appendix 5 (Forms Relating to Applications for Listing)**

The Company will amend the relevant forms contained in Appendix 5 to the extent necessary (if at all) as and when it is required to submit such forms pursuant to the Exchange's Listing Rules.

**18.1 Form E**

When appropriate the Company will amend paragraph (3) of the Sponsor's/ Overall coordinator's Declaration as follows: “25% of the total number of issued shares of the Issuer (excluding treasury shares) [have been placed/will be held] in the hands of the public in accordance with rule 8.08...”.

**18.2 Form F**

Paragraph 3 of Form F is amended to read: “that.....Shares of...(Number & Class).....HK\$.....Debenture/Loan Stock.....Debenture/Notes/Bonds (of which .....Shares of HK\$.....were treasury shares which were sold out of treasury for cash) have been subscribed/purchased for cash and duly allotted/issued/transferred to the subscribers/purchasers (and that the said Shares have been converted into HK\$.....Stock);”.

**19. Appendix 16 (Disclosure of Financial Information)**

19.1 Paragraph 4(3) is amended to read: “Rates of dividend paid or proposed on each class of shares (which, for the avoidance of doubt, will not take account of treasury shares) (with particulars of each such class) and amounts absorbed thereby (or an appropriate negative statement).”.

19.2 Paragraph 10(4) is amended to read: “...Any such statement must also distinguish between those listed securities which are purchased and cancelled by the listed issuer ~~(and, therefore, cancelled)~~, those securities which are purchased and held as treasury shares by that issuer and any existing treasury shares cancelled by the issuer and those securities which are purchased by a subsidiary of the listed issuer;”.

19.3 Paragraph 11 is amended to read:

“In the case of any issue for cash of equity securities (including securities convertible into equity securities) or sale of treasury shares (excluding any transfer of treasury shares for the

purposes of an employees' share scheme), a listed issuer shall disclose:-

- (1) the reasons for making the issue/sale;
- (2) the classes of equity securities issued/sold;
- (3) as respect each class of equity securities, the number issued/sold, their aggregate nominal value, if any;
- (4) the issue/sale price of each security;
- (5) the net price to the listed issuer of each security;
- (6) the names of the allottees/transferees, if less than six in number, and, in the case of six or more allottees/transferees, a brief generic description of them;
- (7) the market price of the securities concerned on a named date, being the date on which the terms of the issue/sale were fixed; and
- (8) the total funds raised from the issue/sale and details of the use of proceeds including:
  - (a) a detailed breakdown and description of the proceeds for each issue/sale and the purposes for which they are used during the financial year;
  - (b) if there is any amount not yet utilized, a detailed breakdown and description of the intended use of the proceeds for each issue/sale and the purposes for which they are used and the expected timeline; and..."

19.4 Paragraph 11A is amended to read: "To the extent that there are proceeds brought forward from any issue of equity securities (including securities convertible into equity securities) or sale of treasury shares (excluding any transfer of treasury shares for the purposes of an employees' share scheme) made in previous financial year(s), the listed issuer shall disclose the amount of proceeds brought forward and details of the use of such proceeds as set out in paragraph 11(8).".

19.5 Paragraph 31(5) is amended to read: "a statement of the interests of any of the directors; their close associates; or any shareholder (which to the knowledge of the directors owns more than 5% of the number of issued shares of the listed issuer (excluding treasury shares)) in the suppliers or customers disclosed under (1) to (4) above or if there are no such interests a statement to that effect;"

19.6 Paragraph 41A is amended to read: "A listed issuer shall include in its interim report the information in relation to any issue for cash of equity securities (including securities convertible into equity securities) or sale of treasury shares (excluding any transfer of treasury shares for the purposes of an employees' share scheme) during the interim period as set out in paragraph 11, and where applicable, the information required under paragraph 11A.".