

Explanatory Note (November 2023) (Last updated in December 2023)

Switzerland-incorporated Company's Compliance with Core Shareholder Protection Standards

The purpose of this note (the “**Note**”) is to explain, based on information submitted by a potential applicant as of November 2021, how a Switzerland-incorporated company complies with the core shareholder protection standards under Appendix 3-A1 (the “**Core Shareholder Protection Standards**”) of the Listing Rules (the “**Rules**”).

Important note: This Note does not override the Rules and is not a substitute for advice from qualified professional advisers. If there is any conflict or inconsistency between this Note and the Rules, the Rules prevail. You may consult the Listing Division on a confidential basis for an interpretation of the Rules or this Note.

*The information contained in this Note on foreign laws, regulations and market practices is based on information provided by a potential applicant, its adviser or officials from the relevant jurisdiction (where applicable). We have neither separately verified this information nor updated this information since its receipt. A potential applicant/an applicant should inform The Stock Exchange of Hong Kong Limited (the “**Exchange**”) of any changes in the laws, regulations and market practices described in this Note.*

Reference should also be made to the guidance materials published by the Exchange on overseas issuers from time to time.

Background

1. A Switzerland-incorporated company has brought our attention to how it complies with the Core Shareholder Protection Standards under the Rules.

Core Shareholder Protection Standards

2. Shareholder protection standards under applicable Swiss laws do not fully meet the Core Shareholder Protection Standards in respect of (i) casual vacancy appointments; (ii) notice of annual general meeting; (iii) right to speak and vote at general meeting; (iv) restriction on shareholder voting; (v) variation of class rights; (vi) amendment of constitutional documents; (vii) appointment, removal and remuneration of auditors; (viii) inspection of branch register¹; and (ix) voluntary winding up, under Appendix 3-A1 to the Rules.

¹ Under the Swiss law, while there is no general right for shareholders to inspect a company's share register, shareholders may ask the company's board of directors to disclose certain information about the company and the board of directors must provide such information to the extent that it is necessary to exercise the shareholders' right. Such information must not, however, be disclosed if it would compromise corporate interests worthy of protection. In addition, Swiss data protection law applies to shareholders of a Swiss company.

3. In respect of inspection of branch register, the board of directors will accept all requests submitted by a shareholder for inspection of the company's share register in Hong Kong (which will be free of charge) as there should be no concern on (i) breach of applicable data protection rules; or (ii) damage to the interests of the company.² For the other matters set out in paragraph 2, the potential applicant will amend its constitutional documents to include provisions equivalent to the relevant Core Shareholder Protection Standards prior to listing, and such amendments also comply with Swiss law.

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² This is because the register will only contain very limited information about the shareholders and the company will inform its shareholders and potential investors in advance that such information will be made available for inspection by including statements to this effect in the prospectus.