

Shareholders' approval requirement for connected transactions

1. A listed issuer proposes a connected transaction which involves an issue of new shares or a transfer of treasury shares to a connected person as consideration (consideration issue). The transaction is subject to independent shareholders' approval.

- (i) Will the Exchange grant a waiver from the general meeting requirement under MB Rule 14A.37 / GEM Rule 20.35?

Yes, if the listed issuer is able to meet all the conditions set out in MB Rule 14A.37 / GEM Rule 20.35 (i.e. no shareholder other than a holder of treasury shares is required to abstain from voting if a general meeting is held to approve the transaction, and a written shareholders' approval is obtained).

- (ii) Can the listed issuer ~~issue the consideration shares~~ conduct the consideration issue under a general mandate?

Yes, if the listed issuer has obtained independent shareholders' approval in a general meeting or a written shareholders' approval.

*MB Rules 14A.37 and Note 1 to 13.36(2)(b)
GEM Rules 20.35, 17.39 and Note 1 to 17.41
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