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# Amendments To The Main Board Listing Rules (the Rules) Effective March 31, 2004

## H. Voting By Shareholders

### 1. Poll Vote Mandatory (Rule 13.39(4))

1. Voting by poll (rather than by show of hands) is required for:
   1. connected transactions;
   2. all resolutions requiring independent shareholders' approval;
   3. granting of options to a substantial shareholder, an INED or any of their associates; and
   4. transactions in which a shareholder has a 'material interest'\* and is therefore required to abstain from voting under Rule 2.15.

As discussed at paragraph A.12.2 above there is a new explanation of 'material interest' (Rule 16). Factors to be taken into account in determining whether a shareholder has a material interest include:

1. whether the shareholder or his associate is a party to the transaction or arrangement;
2. whether the transaction or arrangement confers upon the shareholder or his associate a benefit (whether economic or otherwise) not available to the issuer's other shareholders.
3. There is a new requirement (Rule 13.39(5)) for the issuer to publish the results of a poll in the newspaper on the business day following the meeting. The issuer must also appoint its auditors, share registrar or external accountants qualified to serve as accountants as scrutineer for the vote-taking and must state the scrutineer's identity in the announcement.
4. There is also a new requirement for issuers to disclose the procedure of demanding a poll by shareholders pursuant to their constitutional documents in circulars to shareholders, when voting by poll is not a mandatory requirement under the Rules or the issuer's constitutional documents.

### 2. Voting by Controlling Shareholders

1. The following circumstances in which controlling shareholders are required to abstain from voting (irrespective of whether they have a material interest) are retained:
2. rights issues and open offers when either the issued share capital or market capitalization of the issuer will increase by more than 50% (see paragraph D.5 above);
3. withdrawal of a primary listing on the Exchange (subject to the revised voting thresholds) (see paragraph F.1 above); and
4. on a fundamental change in the principal business activities of the listed issuer within 12 months of commencement of dealings in its securities on the Exchange (Rule 14.90).

Amendments to the Rules now also require controlling shareholders to abstain from voting on the second and subsequent refreshments of the general mandate during the year (see paragraph D.1 above).

1. Amendments to the Rules provide that in the circumstances set out at 2.1 above, controlling shareholders and their respective associates are only required to abstain from voting in favour of the relevant resolution ie. they are now permitted to vote against the relevant resolution. Their intention to do so must be stated in the relevant listing document or circular to shareholders (Rule 13.40).
2. The Rules are also amended so that in the circumstances requiring independent shareholders' approval, where there are no controlling shareholders, the issuer's chief executive and directors (excluding INEDs) and their respective associates must abstain from voting in favour.
3. In circumstances requiring independent shareholders' approval, the Exchange also reserves the right to require the following parties to abstain from voting in favour of the relevant resolution at the general meeting:
4. parties who were controlling shareholders of the issuer at the time the decision for the transaction or arrangement was made or approved by the board (and who are still shareholders, but no longer controlling shareholders, at the time of the general meeting), and their associates; and
5. where there were no controlling shareholders, directors (other than INEDs) and the chief executive of the issuer at the time the decision for the transaction or arrangement was made or approved by the board, and their associates.
6. Issuers are required to have procedures in place to record that any parties that must abstain or have stated their intention to vote against the relevant resolution in the listing document, circular or announcement have done so at the general meeting.

This memorandum is intended only to highlight some of the principal amendments to the Main Board Listing Rules. Specific advice should be sought in relation to any particular situation.

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