



The Draft Regulatory Framework for the Offering and Listing of Different Classes of Shares

A) Preamble:

As part of the Capital Market Authority's ("CMA") strategic objectives to develop the Saudi capital market, and based on the Capital Market Law issued by Royal Decree No. (M/30) dated 2/6/1424H, the CMA Board issued its resolution to publish the Draft Regulatory Framework for the Offering and Listing of Different Classes of Shares ("the Draft") for public consultation for a period of thirty (30) calendar days.

B) Objectives of the Proposed Amendments and its Main Elements:

The Draft aim at facilitating the regulatory frameworks for the registration, offering, and listing of debt instruments in the Kingdom. The main elements of the Draft are as follows:

- 1) Enabling listed companies to submit capital increase requests for the registration and offering of new shares of a type or class not previously listed.
- 2) Regulating the provisions for increasing issuer's capital within the limits of the authorized capital for listed companies.
- 3) Enhancing the market notification requirements related to the transactions of Substantial shareholders in the listed companies.
- 4) Enhancing disclosure requirements to include different types and classes of shares.
- 5) Regulating the disclosure requirements related to redeemable shares in the event of offering redeemable shares or if the company holds redeemable shares, including the disclosure of the terms and conditions for the redemption of shares.
- 6) Regulating the disclosure requirements related to the conversion of shares from one type or class to another in the event of offering convertible shares or if the company holds convertible shares, including the disclosure of the terms and conditions of the convertible shares.



C) Proposed amendments to the Rules on the Offer of Securities and Continuing Obligations compared with the current provisions:

The Rules on the Offer of Securities and Continuing Obligations		
The Current Provisions	Provisions After Proposed Amendment	Clarification
Article 56: Application Submission for Capital Increase of Issuers of Listed Securities and Supporting Documents a) Where an issuer wishes to register and offer new shares of a class already listed by raising its capital, either by way of rights issue, share issuance with the suspension of preemptive rights, capitalisation issue, debt conversion, acquisition of a company or asset purchase, it must obtain the Authority's approval prior to calling for the issuer's extraordinary general assembly meeting. The approval of the extraordinary general assembly of the issuer must be obtained within six months of the approval of the Authority. If the assembly's approval is not obtained during such time, the Authority's approval shall be deemed to be cancelled and the issuer will be required to resubmit its letter of application if it still wishes to increase its capital.	Article 56: Application Submission for Capital Increase of Issuers of Listed Securities and Supporting Documents a) Where an issuer wishes to register and offer new shares by raising its capital, either by way of rights issue, share issuance with the suspension of preemptive rights, capitalisation issue, debt conversion, acquisition of a company or asset purchase, it must obtain the Authority's approval prior to calling for the issuer's extraordinary general assembly meeting. The approval of the extraordinary general assembly of the issuer must be obtained within six months of the approval of the Authority. If the assembly's approval is not obtained during such time, the Authority's approval shall be deemed to be cancelled and the issuer will be required to resubmit its letter of application if it still wishes to increase its capital. b) Where an issuer wishes to increase its capital by capitalisation issue and	It has been proposed to amend the provisions governing capital increase by allowing the registration and offering of new shares of a type or class that has not been previously listed. The shares resulting from the capitalization issuance must have the same form and conditions as the issued shares of the same type or class.



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	registering the new shares resulting from the issuance must ensure that they are in the same form and conditions as the shares issued of the same type or class.	
Article 87: Application Submission for Capital Increase of Issuers of Shares Listed in the Parallel Market a) Where an issuer whose shares are listed on the Parallel Market wishes to register and offer new shares of a class already listed, either by way of rights issue, share issuance with the suspension of preemptive rights, capitalisation issue, issuing new shares for debt conversion, acquisition of a company or asset purchase, it must obtain the Authority's approval prior to calling for the issuer's extraordinary general assembly meeting. The approval of the extraordinary general assembly of the issuer must be obtained during six months of the approval of the Authority. If the assembly's approval is not obtained during such time, the Authority's approval shall be deemed to be cancelled and the issuer will	Article 89: Application Submission for Capital Increase of Issuers of Shares Listed in the Parallel Market a) Where an issuer whose shares are listed on the Parallel Market wishes to register and offer new shares, either by way of rights issue, share issuance with the suspension of preemptive rights, capitalisation issue, issuing new shares for debt conversion, acquisition of a company or asset purchase, it must obtain the Authority's approval prior to calling for the issuer's extraordinary general assembly meeting. The approval of the extraordinary general assembly of the issuer must be obtained during six months of the approval of the Authority. If the assembly's approval is not obtained during such time, the Authority's approval shall be deemed to be cancelled and the issuer will be required to resubmit its	



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be required to resubmit its letter of application if it still wishes to increase its capital	letter of application if it still wishes to increase its capital b) Where an issuer whose shares are listed on the parallel market and wishes to increase its capital by capitalisation issue and registering the new shares resulting from the issuance must ensure that they are in the same form and conditions as the shares issued of the same type or class.	
PART 6 Capital Alteration Chapter 1: Capital Increase for Issuers of Listed Shares ...	PART 6 Capital Alteration Chapter 1: Capital Increase for Issuers of Listed Shares Article 61: Application Submission for Capital Increase of Issuers within the authorized capital limit. Where an issuer seeks to register and offer new shares through an increase in the issued capital within the authorised capital limit, it must satisfy the following conditions: a) The new shares must be issued through a rights issue b) Obtain the approval of the Authority, the conditional approval of the Exchange, and all necessary regulatory approvals before the	It has been proposed to enable listed companies to increase the issued capital within the authorized capital through the following: 1. Limiting the increase in issued capital within the authorized capital to rights issues. 2. Simplifying procedures by eliminating the requirement to submit a prospectus. 3. Requiring approval from the Authority, the Exchange, and other necessary regulatory approvals before issuing the capital increase decision. 4. Establishing additional regulatory controls, including: a) The increase must not exceed 10% of the issued capital. b) The newly issued shares



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	issuer's Board of Directors issues its resolution approving the capital increase. c) The issuer's Board of Directors must issue a resolution approving the capital increase within six months from the Authority's approval date. If the Board fails to issue the resolution within this period, the Authority's approval shall be deemed canceled, and the issuer must resubmit its application if it wishes to proceed with the capital increase. Article 62: Application Submission for Capital Increase of Issuers within the authorized capital limit. In addition to any other applicable requirements under Article (46) of these Rules, where an issuer wishes to submit an application to the Authority to increase its issued capital within the authorised capital limit must satisfy the following conditions: 1) The increase in capital should not exceed 10% of the issued capital. 2) The shares must be issued from a type and class of shares that have been previously listed. ...	must be from a previously listed class. c) Setting an entitlement date of no less than 21 calendar days from the announcement of the Board of Directors' decision. 5. Including the authorized capital requirement (if applicable) in the offering document, prospectus, shareholder circular, and registration document.



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Part 13: ANNEX 1 Contents of the offering document for offering shares through securities crowdfunding platform ... 4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the offering document prior to making an investment decision and include the following information at a minimum: ... b) the capital of the issuer; ... ANNEX 12: CONTENT OF A PROSPECTUS FOR SHARES ... 4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and include the following information (where applicable): ...	Part 13: ANNEX 1 Contents of the offering document for offering shares through securities crowdfunding platform ... 4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the offering document prior to making an investment decision and include the following information at a minimum: ... b) the capital of the issuer; and authorized capital (if applicable). ... ANNEX 12: CONTENT OF A PROSPECTUS FOR SHARES ... 4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and include the following information (where applicable):	



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4) the capital of the issuer; ... ANNEX 13: Content of a Prospectus for a Rights Issue ... 4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and contain the following information (where applicable): ... 9. the capital of the issuer; ... ANNEX 13 (A) CONTENT OF A PROSPECTUS FOR SHARE ISSUANCE WITH THE SUSPENSION OF PREEMPTIVE RIGHTS	... 4) the capital of the issuer; and authorized capital (if applicable). ... ANNEX 13: Content of a Prospectus for a Rights Issue ... 4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and contain the following information (where applicable): ... 9. the capital of the issuer; and authorized capital (if applicable). ... ANNEX 13 (A) CONTENT OF A PROSPECTUS FOR SHARE	



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4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and contain the following information (where applicable): ... 4) the capital of the issuer; ... ANNEX 19: Content of a shareholders' Circular for a Capital Increase by Debt Conversion ... 4. Summary This section must contain the following information (where applicable): ... 5. the capital of the issuer; ... ANNEX 20: Contents of a Circular for a Capital Increase to Acquire	ISSUANCE WITH THE SUSPENSION OF PREEMPTIVE RIGHTS 4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and contain the following information (where applicable): ... 4) the capital of the issuer; and authorized capital (if applicable). ... ANNEX 19: Content of a shareholders' Circular for a Capital Increase by Debt Conversion ... 4. Summary This section must contain the following information (where applicable): ... 5. the capital of the issuer; and authorized capital (if applicable).	



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a Company or Purchase an Asset 4. Summary This section must contain the following information (where applicable): ... 4. the capital of the issuer; ... ANNEX 26 CONTENT OF A PROSPECTUS FOR PARALLEL MARKET OFFERS 4. Offer summary This section must include the following information (where applicable): ... 4. the capital of the issuer; ... ANNEX 26 (A) Content of A Registration Document ... 4. Summary This section must contain the following information (where applicable): ... 4. the capital of the issuer;	... ANNEX 20 Contents of a Circular for a Capital Increase to Acquire a Company or Purchase an Asset 4. Summary This section must contain the following information (where applicable): ... 4. the capital of the issuer; and authorized capital (if applicable). ... ANNEX 26 CONTENT OF A PROSPECTUS FOR PARALLEL MARKET OFFERS 4. Offer summary This section must include the following information (where applicable): ... 4. the capital of the issuer; and authorized capital (if applicable). ... ANNEX 26 (A) Content of A Registration Document ...	



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...	4. Summary This section must contain the following information (where applicable): ... 4. the capital of the issuer; and authorized capital (if applicable). ...	



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Article 70: Dealings by Substantial Holders of Shares and Convertible Debt Instruments a) any person must notify the Exchange if such person becomes the owner of, or is interested in, (5%) or more of any class of voting shares or convertible debt instruments of the issuer at the end of the third trading day following the execution of the transaction or the occurrence of the event which results such ownership or interest; The person notification to the Authority shall also include a list of persons, in which those persons, have an interest in the shares or convertible debt instruments which they own or control. b) The person referred to in paragraph (a) of this Article must notify the Exchange in the event of any change to the list of persons referred to in paragraph (a) of this Article including any event which requires the inclusion of a person to that list or the exclusion of any person who has been previously included in that list. Such notification must be made at the end of the third trading day following the occurrence of the relevant event.	Article 72: Dealings by Substantial Holders of Shares and Convertible Debt Instruments a) Any person must notify the Exchange if such person becomes the owner of, or is interested in, (5%) or more of the total voting rights in the issuer or any class of voting shares or convertible debt instruments of the issuer at the end of the third trading day following the execution of the transaction or the occurrence of the event which results such ownership or interest; The person notification to the Authority shall also include a list of persons, in which those persons, have an interest in the shares or convertible debt instruments or voting rights which they own or control. b) as an exception from paragraph (a) of this Article, in the event of preferred shares with voting rights, the issuer must disclose when any person becomes the owner of, or is interested in, (5%) or more of the preferred shares by including a statement in the notice of the general assembly meeting. The statement must include a list of individuals who have an interest in the shares owned or controlled.	It has been proposed to expand the scope of the notification requirement to include the total voting rights in the issuer. Additionally, the issuer shall be required to disclose when any person becomes an owner of or has an interest in 5% or more of the preferred shares.



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c) For the purposes of this Article, a person's notification to the Exchange pursuant to paragraph (a) of this Article, regarding the its ownership or interest in (5%) or more of any class of voting shares of the foreign issuer whose shares are listed on the Main Market in accordance with the Listing Rules, limited to those listed in the Main Market pursuant to the Listing Rules.	c) The person referred to in paragraph (a) of this Article must notify the Exchange in the event of any change to the list of persons referred to in paragraph (a) of this Article including any event which requires the inclusion of a person to that list or the exclusion of any person who has been previously included in that list. Such notification must be made at the end of the third trading day following the occurrence of the relevant event. d) For the purposes of this Article, a person's notification to the Exchange pursuant to paragraph (a) and the issuer's disclosure pursuant to the paragraph (b) of this Article, regarding the ownership or interest in (5%) or more of the total voting rights in the issuer or any class of voting shares of the foreign issuer whose shares are listed on the Main Market in accordance with the Listing Rules, limited to those listed in the Main Market pursuant to the Listing Rules.	



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ANNEX 1 Contents of the offering document for offering shares through securities crowdfunding platform 1. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the offering document prior to making an investment decision and include the following information at a minimum: ... C. issuer's total number of shares ... F. number of shares to be offered, classes	ANNEX 1 Contents of the offering document for offering shares through securities crowdfunding platform 1. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the offering document prior to making an investment decision and include the following information at a minimum: ... C. issuer's total number of shares, including a clarification of their types, classes, and the number of shares for each type and class. ... F. number of shares to be offered, including a clarification of their types, classes, and the number of shares for each type and class.	It has been proposed to amend the provisions governing the conditions and requirements for registration and offering requests through the following: - Enhancing disclosure requirements to include different types and classes of shares. - Including details, terms, and conditions of redeemable shares in the prospectus, shareholder circular, and registration document, or providing a declaration that no redeemable shares exist. - Including details, terms, and conditions for the conversion of convertible shares of different types and classes in the prospectus, shareholder circular, and registration document, or providing a declaration that no convertible shares exist.
ANNEX 8 CONTENT OF APPLICATION The application must be submitted on the letterhead of the issuer and contain the following information: First: Shares - Number of issued shares, - Class.	ANNEX 8 CONTENT OF APPLICATION The application must be submitted on the letterhead of the issuer and contain the following information: First: Shares Number of issued shares, including a clarification of their types, classes, and the	



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- Nominal value per share (in SR) - Amount paid up per share (in SR) - Total amount paid up for issued shares ... Third: Ownership of shares - Number of holders of shares - Number of issued shares - Directors of the issuer - Substantial shareholders - Shares in public hands - Shares in hands of employees - Shares in hands of directors	number of shares for each type and class. - Type and Class. - Nominal value per share (in SR) - Amount paid up per share (in SR) - Total amount paid up for issued shares including a clarification of the paid up amount for each type and class. ... Third: Ownership of shares - Number of holders of shares, including a clarification of the types and classes of shares and the number of shareholders for each type and class. - Number of issued shares , including a clarification of their types, classes, and the number of shares for each type and class. - Directors of the issuer - Substantial shareholders - Shares in public hands, including their types and classes - Shares in hands of employees, including their types and classes	



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	Shares in hands of directors, including their types and classes	
ANNEX 12 CONTENT OF A PROSPECTUS FOR SHARES 1. Cover page This section must include the following information (where applicable): ... 2) capital and number of shares; 3) a summary of the offer including share class and rights; ... 7) shares that have been listed prior to the particular offer by the issuer (if applicable); ... 2. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and include the following information (where applicable): ...	ANNEX 12 CONTENT OF A PROSPECTUS FOR SHARES 1. Cover page This section must include the following information (where applicable): ... 2) capital and number of shares; including a clarification of their types, classes, and the number of shares for each type and class. 3) a summary of the offer including classes and types of the shares; and their rights. ... 7) shares that have been listed prior to the particular offer by the issuer including their types and classes (if applicable); ... 2. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and include the following information (where applicable):	



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3) substantial shareholders showing their ownership percentages and number of shares pre- and post-offering; ... 5) issuer's total number of shares; ... 7) the total number of offered shares; 8) the percentage of offered shares to the capital of the issuer; 9) the offer price; ... 12) the number of offer shares underwritten; 15) the total number of offered shares available to each type of targeted investors; 23) the rights to dividends; 24) voting rights; ... 26) a statement regarding whether or not there has been a prior listing of the issuer's shares; and ... 12. Issuer's background and business nature	... 3) substantial shareholders showing their number of shares including a clarification of their types, classes, and the number of shares and ownership percentages for each type and class; pre- and post-offering; ... 5) issuer's total number of shares; including a clarification of their types, classes, and the number of shares for each type and class. ... 7) the total number of offered shares; including a clarification of their types, classes, and the number of shares for each type and class. 8) the percentage of offered shares to the capital of the issuer; 9) In the event the offered shares are redeemable shares, or if the issuer has redeemable shares: a) redeemable shares number. b) the terms and conditions for the redemption of redeemable shares, including the redemption	



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This section must include the following information: ... 3) the authorised shares of the issuer, the number of shares issued or agreed to be issued, the value paid up, the nominal value and a description of the shares; ... 13. Ownership and Organisational structure This section must include the following information: ... 3. Employees a. any employee share-schemes in place prior to the application for registration and offer of securities that are subject to this prospectus along with details on the aggregate amount of shares owned by the employees in the issuer; and ...	date (if applicable) or the period during which the issuer has the right to exercise the option to redeem the redeemable shares (if applicable). c) the expected impact on the issuer's financial position upon the redemption of redeemable shares. 10) declaration stating that there are no redeemable shares if the issuer does not have redeemable shares. 11) In the event the offered shares are convertible into another type or class of shares, or if the issuer has shares convertible into another type or class of shares: a) The articles of the issuer's by-law that allow for the conversion of one type or class of shares into another type or class. b) The approvals required to convert each type or class of shares into another type or class, and the conversion procedures for each type or class of shares. c) number of shares of each on-going type or class that are convertible into another type or class, and the types or class of shares into which each on-going	



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	type or class can be converted. d) the terms and conditions for the conversion of shares for each on-going type or class that are convertible, including the conditions for automatic conversion of shares or the period after which those shares automatically convert (if applicable). e) the mechanism for calculating the conversion ratio of shares for each on-going convertible type or class. 12) declaration stating that there are no convertible shares if the issuer does not have convertible shares. ... 16) the number of offer shares underwritten; including a clarification of their types, classes, and the number of shares for each type and class. 19) the total number of offered shares including a clarification of their types, classes, and the number of shares for each type and class available to each type of targeted investors;. 27) the rights to dividends; for each type and class of shears.	



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	28) voting rights; for each type and class of shares. ... 30) a statement regarding whether or not there has been a prior listing of the issuer's shares for each type and class; and ... 12. Issuer's background and business nature This section must include the following information: ... 3. the authorised shares of the issuer, the number of shares issued or agreed to be issued including their type and class, the value paid up, the nominal value and a description for each type and class shares; ... 13. Ownership and Organisational structure This section must include the following information: ... 3. Employees b. any employee share-schemes in place prior to the application for registration and offer of securities that are subject to this prospectus along with details on the	



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	aggregate amount of shares owned by the employees in the issuer including a clarification of their types, classes, and the number of shares for each type and class; and ...	
ANNEX 13 CONTENT OF A PROSPECTUS FOR A RIGHTS ISSUE 1. Cover page This section must include the following information (where applicable): 2) a summary of the offer including share class and rights; 2) targeted types of investors; 4) offer period and conditions; 5) shares that have been listed prior to the particular offer by the issuer; ... 4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and contain the following information (where applicable): ...	ANNEX 13 CONTENT OF A PROSPECTUS FOR A RIGHTS ISSUE 1. Cover page This section must include the following information (where applicable): 2) a summary of the offer including share type, class and rights; 3) targeted types of investors; 4) offer period and conditions; 5) shares that have been listed prior to the particular offer by the issuer; including their types and classes. ... 4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision and contain the following information (where applicable):	



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3) substantial shareholders showing their ownership percentages and number of shares pre-offering; ... 10) issuer's total number of shares; ... 12) the total number of offered shares; 13) the percentage of offered shares to the capital of the issuer; ... 16) the number of offer shares underwritten; 19) the total number of offered shares available to each type of targeted investors; 26) the rights to dividends; 27) voting rights; ... 29) a statement regarding whether or not there has been a prior listing of the issuer's shares; and 11. Employees 1) any employee share-schemes in place prior to the application for registration and offer of securities that are subject to this prospectus along with	... 3) substantial shareholders showing their number of shares including a clarification of their types, classes, and the number of shares and ownership percentages for each type and class; pre-offering. ... 10) issuer's total number of shares, including a clarification of their types, classes, and the number of shares for each type and class. ... 12) the total number of offered shares, including a clarification of their types, classes, and the number of shares for each type and class. 13) the percentage of offered shares to the capital of the issuer; ... 14) In the event the offered shares are redeemable shares, or if the issuer has redeemable shares: a) The number of redeemable shares. b) The terms and conditions for the redemption of redeemable shares, including the	



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details on the aggregate amount of shares owned by the employees in the issuer; and ...	redemption date (if applicable) or the period during which the issuer has the right to exercise the option to redeem the redeemable shares (if applicable). c) the expected impact on the issuer's financial position upon the redemption of redeemable shares. 15) declaration stating that there are no redeemable shares if the issuer does not have redeemable shares. 16) In the event the offered shares are convertible into another type or class of shares, or if the issuer has shares convertible into another type or class of shares: a) The articles of the issuer's by-law that allow for the conversion of one type or class of shares into another type or class. b) The approvals required to convert each type or class of shares into another type or class, and the conversion procedures for each type or class of shares. c) number of shares of each on-going type or class that are convertible into another type or class, and the types or class of shares into which each on-	



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	going type or class can be converted. d) the terms and conditions for the conversion of shares for each on-going type or class that are convertible, including the conditions for automatic conversion of shares or the period after which those shares automatically convert (if applicable). e) the mechanism for calculating the conversion ratio of shares for each on-going convertible type or class. 17) declaration stating that there are no convertible shares if the issuer does not have convertible shares. ... 30) the rights to dividends; for each type and class of shares. 31) voting rights; for each type and class of shares. ... 33) a statement regarding whether or not there has been a prior listing of the issuer's shares for each type and class (if applicable) ; and	



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	11. Employees 1) any employee share-schemes in place prior to the application for registration and offer of securities that are subject to this prospectus along with details on the aggregate amount of shares owned by the employees in the issuer including a clarification of their types, classes, and the number of shares for each type and class; and ...	
ANNEX 13 (A) CONTENT OF A PROSPECTUS FOR SHARE ISSUANCE WITH THE SUSPENSION OF PREEMPTIVE RIGHTS 1. Cover page This section must include the following information (where applicable): 1) a summary of the capital increase including share, class and its rights; ... 4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision	ANNEX 13 (A) CONTENT OF A PROSPECTUS FOR SHARE ISSUANCE WITH THE SUSPENSION OF PREEMPTIVE RIGHTS 1. Cover page This section must include the following information (where applicable): 1) a summary of the capital increase including shares types, classes and its rights; ... 4. Offer summary This section must include a disclaimer to the targeted investors on the importance of reading the prospectus prior to making an investment decision	



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and contain the following information (where applicable): ... 3) substantial shareholders and their ownership percentages and number of shares they own before the offering; ... 9) issuer's total number of shares; ... 11) the total number of offered shares; 12) the total number of offered shares available to each category of targeted investors; 13) the percentage of offered shares to the capital of the issuer; ... 22) shares that have been listed prior to the particular offer by the issuer; 24) voting rights for the new shares. ... 11. Employees 1) any employee share-schemes in place prior to the application for registration and offer of securities that are subject to this prospectus along with details on	and contain the following information (where applicable): ... 3) substantial shareholders and their number of shares including a clarification of their types, classes, and the number of shares and ownership percentages for each type and class before the offering. ... 9) issuer's total number of shares, including a clarification of their types, classes, and the number of shares for each type and class. ... 11) the total number of offered shares, including a clarification of their types, classes, and the number of shares for each type and class. 12) the total number of offered shares available including a clarification of their types, classes, and the number of shares for each type and class to each category of targeted investors; 13) the percentage of offered shares to the capital of the issuer; ...	



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the aggregate amount of shares owned by the employees in the issuer; and ...	14) In the event the offered shares are redeemable shares, or if the issuer has redeemable shares: a. The number of redeemable shares. b. The terms and conditions for the redemption of redeemable shares, including the redemption date (if applicable) or the period during which the issuer has the right to exercise the option to redeem the redeemable shares (if applicable). c. the expected impact on the issuer's financial position upon the redemption of redeemable shares. 15) declaration stating that there are no redeemable shares if the issuer does not have redeemable shares. 16) In the event the offered shares are convertible into another type or class of shares, or if the issuer has shares convertible into another type or class of shares: a. The articles of the issuer's by-law that allow for the conversion of one type or class of shares into another type or class.	



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	b. The approvals required to convert each type or class of shares into another type or class, and the conversion procedures for each type or class of shares. c. number of shares of each on-going type or class that are convertible into another type or class, and the types or class of shares into which each on-going type or class can be converted. d. the terms and conditions for the conversion of shares for each on-going type or class that are convertible, including the conditions for automatic conversion of shares or the period after which those shares automatically convert (if applicable). e. the mechanism for calculating the conversion ratio of shares for each on-going convertible type or class. 17) declaration stating that there are no convertible shares if the issuer does not have convertible shares. ... 26) shares that have been listed prior to the particular offer by the issuer for each type and class;	



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	28) voting rights for each type and class of shares. ... 11. Employees 1) any employee share-schemes in place prior to the application for registration and offer of securities that are subject to this prospectus along with details on the aggregate amount of shares owned by the employees in the issuer including a clarification of their types, classes, and the number of shares for each type and class; and ...	
ANNEX 16 CONTENTS OF A PROSPECTUS FOR CONVERTIBLE DEBT INSTRUMENTS OR EXCHANGEABLE DEBT INSTRUMENTS ... 7. Offer summary This section must contain a disclaimer to the target investors on the importance of reading the prospectus prior to making an investment decision and include the following information (where applicable): ...	ANNEX 16 CONTENTS OF A PROSPECTUS FOR CONVERTIBLE DEBT INSTRUMENTS OR EXCHANGEABLE DEBT INSTRUMENTS ... 7. Offer summary This section must contain a disclaimer to the target investors on the importance of reading the prospectus prior to making an investment decision and include the following information (where applicable): ... 6. If the issuer has redeemable shares:	



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	a. The number of redeemable shares. b. The terms and conditions for the redemption of redeemable shares, including the redemption date (if applicable) or the period during which the issuer has the right to exercise the option to redeem the redeemable shares (if applicable). c. the expected impact on the issuer's financial position upon the redemption of redeemable shares. 7. declaration stating that there are no redeemable shares if the issuer does not have redeemable shares. 8. If the issuer has convertible shares into another type or class of shares: a. The articles of the issuer's by-law that allow for the conversion of one type or class of shares into another type or class. b. The approvals required to convert each type or class of shares into another type or class, and the conversion procedures for each type or class of shares. c. number of shares of each on-going type or class that	



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	are convertible into another type or class, and the types or class of shares into which each on-going type or class can be converted. d. the terms and conditions for the conversion of shares for each on-going type or class that are convertible, including the conditions for automatic conversion of shares or the period after which those shares automatically convert (if applicable). e. the mechanism for calculating the conversion ratio of shares for each on-going convertible type or class. 9. declaration stating that there are no convertible shares if the issuer does not have convertible shares. ...	
ANNEX 19 CONTENT OF A SHAREHOLDERS' CIRCULAR FOR A CAPITAL INCREASE BY DEBT CONVERSION 1. Cover page This section must include the following information (where applicable):	ANNEX 19 CONTENT OF A SHAREHOLDERS' CIRCULAR FOR A CAPITAL INCREASE BY DEBT CONVERSION 1. Cover page This section must include the following information (where applicable): 1) a summary of the capital increase including shares	



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The Current Provisions	Provisions After Proposed Amendment	Clarification
1) a summary of the offer including share class and rights; ... 4) the issuer's current capital and number of shares previously listed; ... 8) the total value of the debt that is subject to the transaction, and the value and number of shares to be issued; ... 4. Summary This section must contain the following information (where applicable): ... 4) the public, substantial shareholders of the issuer and the creditor showing their ownership percentages and number of shares pre- and post-capital increase ... 6) issuer's total number of shares ... 8) the total number of new shares;	types, classes and its rights; ... 4) the issuer's current capital and number of shares previously listed; including a clarification of their types, classes, and the number of shares for each type and class. ... 8. the total value of the debt that is subject to the transaction, and the value and number of shares to be issued; including a clarification of their types and classes. ... 4. Summary This section must contain the following information (where applicable): ... 4) the public, substantial shareholders of the issuer and the creditor showing their ownership percentages and number of shares including a clarification of their types, classes, and the number of shares for each type and class pre- and post-capital increase ... 6. issuer's total number of shares including a clarification of their types, classes, and the	



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The Current Provisions	Provisions After Proposed Amendment	Clarification
9) the percentage of the new shares to the capital of the issuer; 17) the rights to dividends; 19) voting rights of the new shares. 9. The Debt Conversion This section must include all information relating to the debt conversion including: ... 3. the issuer's ownership structure pre and post the capital increase; ... 7. pre and post capital increase ownership structure;	number of shares for each type and class. ... 8. the total number of new shares; including a clarification of their types, classes, and the number of shares for each type and class. 9. the percentage of the new shares to the capital of the issuer; 10. In the event the offered shares are redeemable shares, or if the issuer has redeemable shares: a. The number of redeemable shares. b. The terms and conditions for the redemption of redeemable shares, including the redemption date (if applicable) or the period during which the issuer has the right to exercise the option to redeem the redeemable shares (if applicable). c. the expected impact on the issuer's financial position upon the redemption of redeemable shares. 11. declaration stating that there are no redeemable	



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The Current Provisions	Provisions After Proposed Amendment	Clarification
	shares if the issuer does not have redeemable shares. 12. In the event the offered shares are convertible into another type or class of shares, or if the issuer has shares convertible into another type or class of shares: a. The articles of the issuer's by-law that allow for the conversion of one type or class of shares into another type or class. b. The approvals required to convert each type or class of shares into another type or class, and the conversion procedures for each type or class of shares. c. number of shares of each on-going type or class that are convertible into another type or class, and the types or class of shares into which each on-going type or class can be converted. d. the terms and conditions for the conversion of shares for each on-going type or class that are convertible, including the conditions for automatic conversion of shares or the period after which those shares automatically convert (if applicable).	



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The Current Provisions	Provisions After Proposed Amendment	Clarification
	e. the mechanism for calculating the conversion ratio of shares for each on-going convertible type or class. 13. declaration stating that there are no convertible shares if the issuer does not have convertible shares. 21) the rights to dividends; for each type and class of shares. 23) voting rights for each type and class of the shares. 9. THE DEBT CONVERSION This section must include all information relating to the debt conversion including: ... 3. the issuer's ownership structure pre and post the capital increase; including a clarification of their types, classes, and the number of shares for each type and class. ...	
ANNEX 20 CONTENTS OF A CIRCULAR FOR A CAPITAL INCREASE TO ACQUIRE A COMPANY OR PURCHASE AN ASSET 1. Cover page	ANNEX 20 CONTENTS OF A CIRCULAR FOR A CAPITAL INCREASE TO ACQUIRE A COMPANY OR PURCHASE AN ASSET 1. Cover page	



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The Current Provisions	Provisions After Proposed Amendment	Clarification
This section must include the following information (where applicable): 1. a summary of the capital increase including share, class and rights; ... 8. the current capital of the issuer and the number of shares that have been listed prior to the particular offer by the issuer. ... 4. Summary This section must contain the following information (where applicable): ... 3. substantial shareholders showing their ownership percentages and number of shares pre- and post-capital increase ... 5. issuer's total number of shares; ... 7. the total number of new shares; ... 14. substantial shareholders of the target (or the owners of the asset as applicable) showing their ownership percentages and number of	This section must include the following information (where applicable): 1. a summary of the capital increase including shares types, classes and rights; ... 8. the current capital of the issuer and the number of shares that have been listed prior to the particular offer by the issuer; including a clarification of their types, classes, and the number of shares for each type and class. ... 4. Summary This section must contain the following information (where applicable): ... 3. substantial shareholders showing their ownership percentages and number of shares including a clarification of their types, classes, and the number of shares for each type and class pre- and post-capital increase ... 5. issuer's total number of shares including a clarification of their types, classes, and the number of shares for each type and class.	



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shares (or stakes as the case may be) pre- and post-offering; ... 17. target's total number of share (or stakes as the case may be); 19. names of the selling shareholders of the target company to be acquired and the stakes/shares sought (collectively and from each selling shareholder);	... 7. the total number of new shares; including a clarification of their types, classes, and the number of shares for each type and class. ... 11. In the event the offered shares are redeemable shares, or if the issuer has redeemable shares: a. The number of redeemable shares. b. The terms and conditions for the redemption of redeemable shares, including the redemption date (if applicable) or the period during which the issuer has the right to exercise the option to redeem the redeemable shares (if applicable). c. the expected impact on the issuer's financial position upon the redemption of redeemable shares. 11. declaration stating that there are no redeemable shares if the issuer does not have redeemable shares. 12. In the event the offered shares are convertible into another type or class of	



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The Current Provisions	Provisions After Proposed Amendment	Clarification
	shares, or if the issuer has shares convertible into another type or class of shares: a. The articles of the issuer's by-law that allow for the conversion of one type or class of shares into another type or class. b. The approvals required to convert each type or class of shares into another type or class, and the conversion procedures for each type or class of shares. c. number of shares of each on-going type or class that are convertible into another type or class, and the types or class of shares into which each on-going type or class can be converted. d. the terms and conditions for the conversion of shares for each on-going type or class that are convertible, including the conditions for automatic conversion of shares or the period after which those shares automatically convert (if applicable). e. the mechanism for calculating the	



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	conversion ratio of shares for each on-going convertible type or class. 13. declaration stating that there are no convertible shares if the issuer does not have convertible shares. ... 18. substantial shareholders of the target (or the owners of the asset as applicable) showing their ownership percentages and number of shares including a clarification of their types, classes, and the number of shares for each type and class (or stakes as the case may be) pre- and post-offering; ... 21. target's total number of share (or stakes as the case may be); including a clarification of their types, classes, and the number of shares for each type and class. 23. names of the selling shareholders of the target company to be acquired and the stakes/shares sought including a clarification of their types and classes (collectively and from each selling shareholder);	



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ANNEX 24 FORM OF LETTER REQUIRED FOR A CAPITALISATION ISSUE The issuer must provide the Authority with an application letter to obtain the Authority's approval on any capitalisation issue and the registration of shares. The letter shall contain the following information on the relevant issue according to the most recent audited annual financial statements: 1. the nominal value of the issuer's listed share capital before and after the issue; 2. the number of shares issued before and after the issue; 3. the ratio of shares to be issued as a result of the issue to the number of shares issued prior to the issue.	ANNEX 24 FORM OF LETTER REQUIRED FOR A CAPITALISATION ISSUE The issuer must provide the Authority with an application letter to obtain the Authority's approval on any capitalisation issue and the registration of shares. The letter shall contain the following information on the relevant issue according to the most recent audited annual financial statements: 1. the nominal value of the issuer's listed share capital before and after the issue; 2. the number of shares issued before and after the issue; including a clarification of their types and classes. 3. the ratio of shares to be issued as a result of the issue to the number of shares issued prior to the issue.	
ANNEX 25 CONTENT OF LETTER REQUIRED FOR CAPITAL REDUCTION The issuer must provide the Authority with a signed and dated application letter to obtain the Authority's approval on any capital reduction. The letter shall contain the following information:	ANNEX 25 CONTENT OF LETTER REQUIRED FOR CAPITAL REDUCTION The issuer must provide the Authority with a signed and dated application letter to obtain the Authority's approval on any capital reduction. The letter shall contain the following information:	



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The Current Provisions	Provisions After Proposed Amendment	Clarification
1. The nominal value of the issuer's listed share capital before and after the capital reduction. 2. The total number of shares of the issuer before and after the capital reduction 3. The ratio of remaining shares of the issuer after the capital reduction to the number of shares of the issuer prior to the capital reduction.	1. The nominal value of the issuer's listed share capital before and after the capital reduction. 2. The total number of shares of the issuer before and after the capital reduction, including a clarification of their types, classes, and the number of shares for each type and class. 3. The ratio of remaining shares of the issuer after the capital reduction to the number of shares of the issuer prior to the capital reduction.	
ANNEX 26 CONTENT OF A PROSPECTUS FOR PARALLEL MARKET OFFERS 1. Cover page This section must include the following information (where applicable): ... 3) capital and number of shares; 4) a summary of the offer including share class and rights; ... 8) shares that have been listed prior to the particular offer by the issuer (if applicable); ... 4. Offer summary This section must include the following information (where applicable): ...	ANNEX 26 CONTENT OF A PROSPECTUS FOR PARALLEL MARKET OFFERS 1. Cover page This section must include the following information (where applicable): ... 3) capital and number of shares; including a clarification of their types, classes, and the number of shares for each type and class. 4) a summary of the offer including shares types, classes and rights; ... 8) shares that have been listed prior to the particular offer by the issuer including their types and class (if applicable); ...	



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3) substantial shareholders showing their ownership percentages and number of shares pre- and post-capital increase ... 5. issuer's total number of shares ... 7. the total number of offered shares; ... 23. shares that have been listed prior to the particular offer by the issuer (if applicable). ... 11. Issuer's background and business nature This section must include the following information: ... 3. the authorised shares of the issuer, the number of shares issued or agreed to be issued, the value paid up, the nominal value and a description of the shares;	4. Offer summary This section must include the following information (where applicable): ... 3. substantial shareholders showing their ownership percentages and number of shares including a clarification of their types, classes, and the number of shares for each type and class pre- and post-capital increase ... 5. issuer's total number of shares including a clarification of their types, classes, and the number of shares for each type and class. ... 7. the total number of offered shares; including a clarification of their types, classes, and the number of shares for each type and class. ... 9. In the event the offered shares are redeemable shares, or if the issuer has redeemable shares: a. The number of redeemable shares. b. The terms and conditions for the redemption of redeemable shares, including the redemption date (if applicable) or the period during which the issuer has the right to exercise the option to redeem the redeemable shares (if applicable).	



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	c. the expected impact on the issuer's financial position upon the redemption of redeemable shares. 10. declaration stating that there are no redeemable shares if the issuer does not have redeemable shares. 11. In the event the offered shares are convertible into another type or class of shares, or if the issuer has shares convertible into another type or class of shares: a. The articles of the issuer's by-law that allow for the conversion of one type or class of shares into another type or class. b. The approvals required to convert each type or class of shares into another type or class, and the conversion procedures for each type or class of shares. c. number of shares of each on-going type or class that are convertible into another type or class, and the types or class of shares into which each on-going type or class can be converted. d. the terms and conditions for the conversion of shares for each on-going type or class that are convertible, including the conditions for automatic conversion of shares or the period after which those shares automatically convert (if applicable).	



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The Current Provisions	Provisions After Proposed Amendment	Clarification
	e. the mechanism for calculating the conversion ratio of shares for each on-going convertible type or class. 12. declaration stating that there are no convertible shares if the issuer does not have convertible shares. ... 27. shares that have been listed prior to the particular offer by the issuer including their types and classes (if applicable). ... 11. Issuer's background and business nature This section must include the following information: ... 3. the authorised shares of the issuer, the number of shares issued or agreed to be issued, including their types and class, the value paid up, the nominal value and a description of the shares; for each type and class.	
ANNEX 26 (A) CONTENT OF A REGISTRATION DOCUMENT First: Conditions for a Public Offer of debt instruments	ANNEX 26 (A) CONTENT OF A REGISTRATION DOCUMENT First: Conditions for a Public Offer of debt instruments	



1. Cover page This section must include the following information (where applicable): ... 3) capital and number of shares; 4) share class and rights; ... 6) shares that have been listed (if any); ... 4. Summary This section must contain the following information (where applicable): ... 3) substantial shareholders showing their ownership percentages and number of shares pre- listing. 4) substantial shareholders who assigned the Capital Market Institution, under the Listing Rules, to sell their shares at their discretion, the number of their shares and the percentage of their ownership before listing and after applying the liquidity requirement fulfilment plan provided to the Exchange pursuant to the Listing Rules ... 6) issuer's total number of shares; ...	1. Cover page This section must include the following information (where applicable): ... 3) capital and number of shares; including a clarification of their types, classes, and the number of shares for each type and class. 4) shares types, classes and rights; ... 6) shares that have been listed including their types and classes (if any); ... 4. Summary This section must contain the following information (where applicable): ... 3) substantial shareholders showing their ownership percentages and number of shares including a clarification of their types, classes, and the number of shares for each type and class pre- listing. 4) substantial shareholders who assigned the Capital Market Institution, under the Listing Rules, to sell their shares at their discretion, the number of their shares including a clarification of their types, classes, and the number of shares and the	
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9) the rights to dividends; 10) voting rights of the new shares. 12) shares that have been listed prior to the particular offer by the issuer (if applicable). ... 10. Issuer's background and business nature This section must include the following information: ... 3) the authorised shares of the issuer, the number of shares issued or agreed to be issued, the value paid up, the nominal value and a description the shares;	percentage of their ownership for each type and class before listing and after applying the liquidity requirement fulfilment plan provided to the Exchange pursuant to the Listing Rules ... 6) issuer's total number of shares; including a clarification of their types, classes, and the number of shares for each type and class. ... 9) In the event the offered shares are redeemable shares, or if the issuer has redeemable shares: a. The number of redeemable shares. b. The terms and conditions for the redemption of redeemable shares, including the redemption date (if applicable) or the period during which the issuer has the right to exercise the option to redeem the redeemable shares (if applicable). c. the expected impact on the issuer's financial position upon the redemption of redeemable shares. 10) declaration stating that there are no redeemable	



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	shares if the issuer does not have redeemable shares. 11) In the event the offered shares are convertible into another type or class of shares, or if the issuer has shares convertible into another type or class of shares: a. The articles of the issuer's by-law that allow for the conversion of one type or class of shares into another type or class. b. The approvals required to convert each type or class of shares into another type or class, and the conversion procedures for each type or class of shares. c. number of shares of each on-going type or class that are convertible into another type or class, and the types or class of shares into which each on-going type or class can be converted. d. the terms and conditions for the conversion of shares for each on-going type or class that are convertible, including the conditions for automatic conversion of shares or the period after which those shares automatically convert (if applicable).	



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	e. the mechanism for calculating the conversion ratio of shares for each on-going convertible type or class. 12) declaration stating that there are no convertible shares if the issuer does not have convertible shares. ... 13) the rights to dividends; for each type and class of shares. 14) voting rights for each type and class of the shares. 16. shares that have been listed prior to the particular offer by the issuer including their types and classes (if applicable). ... 10. Issuer's background and business nature This section must include the following information: ... 3) the authorised shares of the issuer, the number of shares issued or agreed to be issued including their type and class, the value paid up, the nominal value and a description for each type and class shares;	
ANNEX 28 CONTENTS OF SHAREHOLDERS' CIRCULAR FOR A CAPITAL INCREASE OF A COMPANY THE SHARES OF WHICH ARE LISTED ON THE	ANNEX 28 CONTENTS OF SHAREHOLDERS' CIRCULAR FOR A CAPITAL INCREASE OF A COMPANY THE SHARES OF WHICH ARE LISTED ON THE	



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The Current Provisions	Provisions After Proposed Amendment	Clarification
PARALLEL MARKET BY DEBT CONVERSION The shareholders' circular submitted for registration and offering of shares for capital increase by debt conversion of a company the shares of which are listed on the parallel market shall contain the following information: ...	PARALLEL MARKET BY DEBT CONVERSION The shareholders' circular submitted for registration and offering of shares for capital increase by debt conversion of a company the shares of which are listed on the parallel market shall contain the following information: ... 12) In the event the offered shares are redeemable shares, or if the issuer has redeemable shares: a. The number of redeemable shares. b. The terms and conditions for the redemption of redeemable shares, including the redemption date (if applicable) or the period during which the issuer has the right to exercise the option to redeem the redeemable shares (if applicable). c. the expected impact on the issuer's financial position upon the redemption of redeemable shares. 13) declaration stating that there are no redeemable shares if the issuer does not have redeemable shares. 14) In the event the offered shares are convertible into	



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	another type or class of shares, or if the issuer has shares convertible into another type or class of shares: a. The articles of the issuer's by-law that allow for the conversion of one type or class of shares into another type or class. b. The approvals required to convert each type or class of shares into another type or class, and the conversion procedures for each type or class of shares. c. number of shares of each on-going type or class that are convertible into another type or class, and the types or class of shares into which each on-going type or class can be converted. d. the terms and conditions for the conversion of shares for each on-going type or class that are convertible, including the conditions for automatic conversion of shares or the period after which those shares automatically convert (if applicable). e. the mechanism for calculating the conversion ratio of shares for each on-going convertible type or class.	



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	15) declaration stating that there are no convertible shares if the issuer does not have convertible shares.	
ANNEX 29 CONTENTS OF SHAREHOLDERS'S CIRCULAR FOR A CAPITAL INCREASE OF A COMPANY WHICH SHARES ARE LISTED ON THE PARALLEL MARKET TO ACQUIRE A COMPANY OR PURCHASE AN ASSET The shareholders' circular submitted for registration and offering of shares for capital increase of a company the shares of which are listed on the parallel market, to acquire a company or purchase an asset, shall contain the following information: ...	ANNEX 29 CONTENTS OF SHAREHOLDERS'S CIRCULAR FOR A CAPITAL INCREASE OF A COMPANY WHICH SHARES ARE LISTED ON THE PARALLEL MARKET TO ACQUIRE A COMPANY OR PURCHASE AN ASSET The shareholders' circular submitted for registration and offering of shares for capital increase of a company the shares of which are listed on the parallel market, to acquire a company or purchase an asset, shall contain the following information: ... 14. In the event the offered shares are redeemable shares, or if the issuer has redeemable shares: a. The number of redeemable shares. b. The terms and conditions for the redemption of redeemable shares, including the redemption date (if applicable) or the period during which the issuer has the right to exercise the option to	



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	redeem the redeemable shares (if applicable). c. the expected impact on the issuer's financial position upon the redemption of redeemable shares. 15. declaration stating that there are no redeemable shares if the issuer does not have redeemable shares. 16. In the event the offered shares are convertible into another type or class of shares, or if the issuer has shares convertible into another type or class of shares: a. The articles of the issuer's by-law that allow for the conversion of one type or class of shares into another type or class. b. The approvals required to convert each type or class of shares into another type or class, and the conversion procedures for each type or class of shares. c. number of shares of each on-going type or class that are convertible into another type or class, and the types or class of shares into which each on-going type or class can be converted. d. the terms and conditions for the	



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	conversion of shares for each on-going type or class that are convertible, including the conditions for automatic conversion of shares or the period after which those shares automatically convert (if applicable). e. the mechanism for calculating the conversion ratio of shares for each on-going convertible type or class. 17. declaration stating that there are no convertible shares if the issuer does not have convertible shares.	

a) Proposed amendments to the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority compared with the current provisions:

Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority		
The Current Provisions	Provisions After Proposed Amendment	Clarification
Substantial Shareholder: a person holding (5%) or more of the class of shares of the issuer.	Substantial Shareholder: a person holding (5%) or more of the class of shares of the issuer or voting rights.	It has been proposed to expand the definition of a Substantial Shareholder by adding voting rights as an additional criterion for defining a Substantial Shareholder.