

**STRICTLY PRIVATE AND CONFIDENTIAL**

Kapital DX Sdn Bhd [202001022343 (1378663-V)]



**LISTING RULES**

Version 1.0

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## **LISTING RULES**

Version: v 1.0

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### **1. INTRODUCTION**

- 1.1 These Listing Rules (“**Rules**”) is to enable KLDX to ensure that the KLDX Platform operates in a fair, orderly and transparent manner.
- 1.2 These Rules set out the requirements and obligations which apply to the Applicants and Issuers.

### **2. INTERPRETATION AND APPLICATION**

In these Rules, the following words will have the following meaning unless the context requires otherwise:

“ <b>Applicant</b> ”	any entity who applies for admission as an Issuer and for its Token to be issued and listed on the KLDX Platform;
“ <b>Annual Report</b> ”	the report to be issued by the Issuer on an annual basis, to the Tokenholders, which comprises information about the Issuer and its subsidiaries;
“ <b>Business Day</b> ”	a day on which banks are open for general banking business in Malaysia (not being a Saturday, Sunday or public holiday in Malaysia);
“ <b>Board</b> ”	board of directors of the Applicant;
“ <b>CMSA</b> ”	the Capital Markets and Services Act 2007, as may be amended, modified or supplemented from time to time;
“ <b>Digital Assets Guidelines</b> ”	the Guidelines on Digital Assets issued by the SC, effective 28 October 2020, as may from time to time, be amended, replaced or supplemented;
“ <b>Global Certificate</b> ”	the global certificate in respect of the investment notes (or each tranche thereof) to be issued by the Applicant/Issuer;
“ <b>IEO Purpose</b> ”	the purpose for the Proposed IEO;
“ <b>Indemnitee</b> ”	as defined in Rule 3.23;
“ <b>Issuer</b> ”	the party which has issued Tokens which have been admitted and listed and not removed on the KLDX Platform, including the fund management company in the context of fund tokens;
“ <b>KLDX</b> ”	Kapital DX Sdn Bhd;
“ <b>KLDX Account</b> ”	consist of KLDX Cash Account and KLDX Token Account;
“ <b>the blockchain</b> ”	the Ethereum based public blockchain utilised by KLDX on the KLDX Platform;
“ <b>KLDX Cash Account</b> ”	

	the account which reflects the cash balances of the users of the KLDX Platform, being the Participants or Issuers;
<b>“KLDX Nominee”</b>	Kapital DX Nominee Sdn Bhd;
<b>“KLDX Platform”</b>	the multi asset and investment platform operated by KLDX on which the Tokens are listed or admitted;
<b>“KLDX Requirements”</b>	the provisions in these Rules, Platform Terms and Conditions, Privacy Policy and/or any other terms, conditions, guidelines, policies, rules and requirements applicable to the Applicants, Issuers, Participants and/or Tokenholders that has been or will be published by KLDX (including those relating to the trading of the Tokens on the relevant platform) as may from time to time be introduced, amended, modified, supplemented or replaced;
<b>“KLDX Token Account”</b>	the digital wallet which reflects the Tokens holdings of the Participants;
<b>“listed”</b>	admitted to KLDX Platform and not removed from the KLDX Platform, and “listing” will be construed accordingly;
<b>“Ordinary Resolution”</b>	a resolution passed by a simple majority of more than half of such Tokenholders who are entitled to vote;
<b>“Participants”</b>	a person for whom an account has been opened on the KLDX Platform and whose account is valid and subsisting (whether or not suspended);
<b>“Platform Terms and Conditions”</b>	the terms and conditions for use of the KLDX Platform as may from time to time be amended, modified, supplemented or replaced;
<b>“Proposed IEO”</b>	proposed initial exchange offering through the listing and admission of Tokens by the Applicants on the KLDX Platform;
<b>“Rules”</b>	these Rules as may, from time to time, be amended, replaced or supplemented;
<b>“SC”</b>	the Securities Commission Malaysia;
<b>“Security Token”</b>	digital token which is generated to represent assets or an interest in assets which may include equity, investment note, funds or any other assets as determined by KLDX;
<b>“Semi-Annual Report”</b>	the report to be issued by the Issuer on semi-annual basis, to the Tokenholders, which comprises information about the Issuer and its subsidiaries;
<b>“Shares”</b>	new ordinary shares or preference shares of the Applicant;
<b>“Senior Management”</b>	a person, by whatever name called, having the authority and responsibility for the planning, directing or controlling the activities of the Applicant or Issuer, including the chief executive officer, chief financial officer, chief technology officer and chief operating officer.
<b>“Substantial</b>	a person who has an interest or interests in one or more voting Equity Tokens and the total votes attached to such

<b>“Tokenholder”</b>	Equity Tokens being not less than five percent (5%) of the total votes attached to all the voting Equity Tokens;
<b>“Token”</b>	a Security Token which has either been issued or is proposed to be issued for purposes of being listed on the KLDX Platform;
<b>“Token Documents”</b>	in relation to any Tokens, means, where applicable (a) the White Paper, the Pricing Supplement, the subscription document and includes any supplementary of the same; (b) the Constitution of the Applicant or Issuer; and (c) the relevant agreements/documents to be executed by the Applicant or Issuer and the Participants, including the token subscription deed, deed poll and other documents relating to the offering;
<b>“Tokenholders”</b>	a person who is a Participant and has been issued Tokens of an Applicant/Issuer;
<b>“White Paper”</b>	the document issued by the Applicant or Issuer accompanying the Proposed IEO describing, among others, the detailed information of the Applicant, the Proposed IEO and the purpose of the Proposed IEO and where applicable, includes a supplementary White Paper.

### 3. GENERAL

#### *Guiding principles*

- 3.1 The purpose of these Rules is to set out the requirements that must be complied with by all Applicants, Issuers and their respective director(s) and promoter(s), or any other person to whom these Rules are directed. Failure to comply with any of these Rules will amount to a breach in respect of which KLDX may take appropriate actions.
- 3.2 KLDX operates on a disclosure-based regime and premised on the principle that, in general, informed Participants and Tokenholders can protect themselves and recognises that the market is better placed than KLDX to decide on the merits of the transactions.
- 3.3 The Applicant or Issuer have the primary responsibility for the accuracy and completeness of the information disclosed in the listing application, the White Paper and all other supporting documents.
- 3.4 The guiding principles behind these Rules are as follows:
  - (a) Participants and Tokenholders are furnished in a timely manner with all such information that they would reasonably require and reasonably expect to find in order to make an informed assessment of the Applicants or Issuers and the Tokens, the merits of investing in the Tokens and the extent of risk involved in doing so;
  - (b) information disclosed by Applicants and Issuers should be true and accurate, not misleading and does not contain any material omission;

- (c) director(s) and promoter(s) of the Applicants and Issuers carry out their duties with honesty, skill and diligence and maintain the highest standards of corporate governance;
  - (d) the subscription of the Tokens is conducted in a fair and orderly manner; and
  - (e) Applicants and Issuers have in place reasonable standards of quality in respect of its business management and operations in order to promote and maintain market integrity and to ensure the confidence of Participants.
- 3.5 In assessing applications, KLDX will have regard to the guiding principles outlined in Rule 3.4. Nevertheless, compliance with these Rules does not in itself guarantee an approval by KLDX. KLDX retains sole discretion to approve or reject the applications.
- 3.6 Where specific circumstances have not been expressly addressed by any specific Rule, Applicants and Issuers are guided by the spirit, intent and purpose of these Rules.
- 3.7 These Rules shall be read together with any practice notes to be issued by KLDX, the KLDX Requirements and applicable laws and guidelines (including the Digital Asset Guidelines).

***Binding nature of these Rules***

- 3.8 These Rules are prepared and administered by KLDX.
- 3.9 Applicants, Issuers and their respective director(s) and promoter(s) must comply with the KLDX Requirements.
- 3.10 All decisions and requirements of KLDX are conclusive and binding on all Applicants, Issuers and their respective director(s) and promoter(s).
- 3.11 Applicants, Issuers and their respective director(s) and promoter(s) must comply and give effect to decisions, conditions imposed and instructions issued by KLDX.
- 3.12 Where there is any inconsistency between the provisions in these Rules, such inconsistency will be determined by KLDX, and such determination shall be conclusive and binding on the Applicants and Issuers.
- 3.13 In the exercise of its discretion, KLDX may waive or modify compliance with these Rules or part of it. Where there are conditions attached to such waiver or modification, the conditions must be complied with.
- 3.14 Failure to comply with any of the provisions of these Rules will amount to a breach in respect of which KLDX may take appropriate actions.
- 3.15 KLDX may, from time to time, publish or issue practice notes to provide guidance on the interpretation and application of any rule. Such practice note shall be published on the KLDX Platform and will take effect from the date of publication, or such later date as specified by KLDX. Applicants and Issuers should regularly update themselves on such practice notes and shall comply with the same. It is

the responsibility of Applicants and Issuers to regularly check the KLDX Platform for publication of such practice notes. These Rules should be read together with such practice notes.

- 3.16 In addition to these Rules, KLDX may, if it considers necessary, impose such further requirements on any Applicant or Issuer or make any admission subject to any additional terms and conditions.
- 3.17 In order to monitor compliance with these Rules or to otherwise assist KLDX in the operation of the KLDX Platform, KLDX may establish specific committees or appoint relevant persons and may delegate any of its powers under these Rules to any such committee established or person appointed.

***Amendments of these Rules***

- 3.18 KLDX has the discretion to amend these Rules from time to time and such amendments will be binding on the Applicants and Issuers.
- 3.19 KLDX's rights to vary, amend or rescind these Rules may be exercised without the consent of any other person or entity and will take effect after the approval of the SC.
- 3.20 Any amendments to these Rules shall be published on the KLDX Platform and will take effect from the date of publication, or such later date as specified by KLDX.
- 3.21 Other than as specified in Rule 3.20, KLDX is not required to notify any person through any other means on the amendment to these Rules. It is the responsibility of Applicants and Issuers to regularly check the KLDX Platform for any updates or amendments to these Rules.

***Exclusion of liabilities***

- 3.22 The Applicant and Issuer shall ensure the accuracy of any information which is provided to any person, published, or released either by way of announcements or any other means including the White Paper (or supplementary White Paper), as the case may be. KLDX shall not be responsible for the accuracy of such information and the Applicant and Issuer shall indemnify KLDX for any loss and damages arising from the publication or provision of such information. KLDX does not undertake any contractual obligations to any party other than those with whom it has entered into contractual relations.
- 3.23 KLDX shall not be liable for and nor will it be responsible to the Participants or the Tokenholders for the accuracy, completeness or adequacy of (a) any warranties or representations made by an Applicant or Issuer, (b) any statement, information or documents published or released by KLDX on behalf of an Applicant or Issuer; and (c) any announcements made by an Applicant or Issuer through the KLDX Platform.
- 3.24 Without prejudice to any other provision of these Rules, KLDX, and its related corporations and any of their respective directors, officers, senior management, employees, representatives, service providers and agents (collectively "**Indemnitees**") shall have no liability to any Applicant, Issuer, Participant,

Tokenholder as well as their respective directors, shareholder(s) or promoter(s) or to any other person for any act done or omitted to be done in the course of, or in connection with, the performance, discharge or purported discharge of its duties, functions, responsibilities and/or obligations under these Rules (including any direct, indirect, incidental, special, consequential or punitive damages or economic loss or any claims for loss of profits or loss of use) whatsoever or howsoever caused to any Applicant, Issuer, Participant, Tokenholder or any other person for claims for liabilities or damages made against such Applicant, Issuer, Participant, Tokenholder or any other person, regardless of the basis on which the Applicant, Issuer, Participant, Tokenholder or any other person is entitled to claim damages, whether based on contract, tort or any other legal or equitable grounds, including but not limited to the following:

- (a) any breach of or failure to comply with or delay in complying with these Rules by any Indemnitee or any of the Applicants or Issuers, any action taken by, or any omission or inaction of, any Indemnitee or any of the Applicants or Issuers in connection with these Rules or any applicable law;
- (b) the operation, or implementation of these Rules, including without limitation any act or omission to ensure that the market provided by the KLDX Platform is fair, orderly and transparent;
- (c) any claim made by any Applicant, Issuer or person on the basis of these Rules;
- (d) any negligent act or omission or wilful default, misconduct or fraud or unlawful act of an Applicant or Issuer or any negligence act or omission of an Indemnitee;
- (e) any breach of any warranty or representation made by any Applicant or Issuer or any untrue, inaccurate or non-disclosure on the part of an Applicant or Issuer;
- (f) any suspension, interruption or closure of the KLDX Platform;
- (g) the exercise or non-exercise by an Indemnitee of any decision-making power or discretion;
- (h) any determination, decision or ruling of any Indemnitee and/or committees established, or persons appointed by KLDX;
- (i) any failure, error, omission or negligence of any Indemnitee (including the malfunction of the KLDX Platform, the blockchain, KLDX Account and/or Tokens);
- (j) any technical, system, server or connection failure, malfunction, error, omission, interruption, delay in transmission, computer virus or other malicious, destructive or corrupting code, agent program or macros; and



(k) any Participant, Tokenholder, Applicant or Issuer's failure to implement reasonable measures to secure its KLDX Account or the relevant access credentials or any loss of or unauthorised use of any access credentials.

3.25 The exclusion of liability in this Rule 3 shall not apply to such exclusions where it would contravene the provisions in the CMSA 2007 or such other relevant laws and/or guidelines.

***Content of statement, information or document***

3.26 An Applicant or Issuer shall ensure that any application, proposal, statement, information or document presented, submitted or disclosed pursuant to these Rules is true and accurate and will not contain any information or statement which is false or misleading or from which there is a material omission.

***Privacy Policy***

3.27 Any person who provides or has provided personal data to KLDX pursuant to or in connection with these Rules has read and is in compliance with the terms of the Privacy Policy available at the KLDX's website at [www.kldx.com](http://www.kldx.com).

***Dealing of information or documents by KLDX***

3.28 KLDX may, at all times, request for any further information or documentation.

3.29 All information or documentation (including confidential information or documentation) forwarded to or procured by KLDX will become and remain the property of KLDX.

3.30 KLDX may, in its absolute discretion, deal with the information and documentation as it wishes including copying, storing in a retrieval system, transmitting to the public, publishing or disclosing all or any part of the information or documents and forwarding copies to the relevant Government or regulatory authorities or any such persons as KLDX deems fit.

***Providing Information to KLDX***

3.31 The directors, promoter(s), Senior Management, officers, employees, advisers or representatives of the Applicant or Issuer, if so, required by KLDX, shall provide any information, documents and/or explanation as deemed appropriate by KLDX including attendance at meetings.

***Governing Law and Arbitration***

3.32 These Rules shall be governed by and construed in accordance with the laws of Malaysia.

3.33 Any dispute arising out of or in connection with these Rules, including any question regarding its existence, validity or termination, or relating to participation on the KLDX Platform, shall be referred to and finally resolved by arbitration administered by the Asian International Arbitration Centre ("AIAC"), in

accordance with the Arbitration Rules of AIAC, for the time being in force, which rules are deemed to be incorporated by reference in this Rule 3.33. The seat of the arbitration shall be Kuala Lumpur. The Tribunal shall consist of one (1) arbitrator. The language of the arbitration shall be English.

#### **4. ADMISSION CRITERIA FOR APPLICANTS/TOKENS**

##### ***General Criteria***

- 4.1 In order for an Applicant to be eligible to be admitted as an Issuer, it shall satisfy one (1) of the following criteria:
- (a) a public company incorporated in Malaysia (excluding a Malaysian listed company);
  - (b) a private company incorporated in Malaysia (excluding exempt private companies); or
  - (c) a limited liability partnership.

*\*For paragraph (a) above, a subsidiary of a listed company or special purpose vehicle may qualify as an Applicant.*

- 4.2 The Applicant shall have its main business operations carried out in Malaysia.
- 4.3 The Applicant shall not concurrently raise funds on other initial exchange offering platforms, equity crowdfunding or peer-to-peer platforms.
- 4.4 An Applicant, if directed by KLDX, shall give KLDX any information, document or explanation that KLDX requests for in accordance with the instructions or request of KLDX.
- 4.5 KLDX may, in its absolute discretion, approve or reject an application from an Applicant and KLDX is not obliged to give any reason for its decision.
- 4.6 Applicants shall also comply with additional requirements applicable to the Applicant's specific token offering, as set out in **Schedule 1** of these Rules.

##### ***Innovative solution or meaningful digital value proposition or addressing an existing market need /problem***

- 4.7 In an Applicant's application to KLDX, the Applicant shall demonstrate to KLDX that the Applicant's business or IEO Purpose, provides an innovative solution or a meaningful digital value proposition for Malaysia which includes, amongst others:
- (a) providing a solution or addresses an existing market need or problem; or
  - (b) improving the efficiency of an existing process or service undertaken by the Applicant or the industry.

***Minimum Financial Requirements***

- 4.8 An Applicant (other than a limited liability partnership) shall have a minimum paid-up capital of RM500,000.00 and shareholders' funds of RM500,000.00.
- 4.9 An Applicant shall provide (a) audited financial statements for the last one (1) financial year by an accountant who is a member of the Malaysian Institute of Accountants or any other recognised association of accountants; and (b) the latest management accounts.
- 4.10 KLDX may impose additional financial requirements that commensurate with the nature of the Applicant's business.

***Applicant's Board of Directors and Senior Management***

- 4.11 The Board of Directors of the Applicant ("**Board**") shall, at all times, have at least two (2) directors whose principal or only place of residence is in Malaysia.
- 4.12 An Applicant shall submit a fit and proper declaration of its Board members and Senior Management as part of its listing application.
- 4.13 An Applicant shall ensure that its Board members and Senior Management are fit and proper. A person is considered to be fit and proper if the person:
- (a) has not been convicted, whether within or outside Malaysia, of an offence involving fraud or dishonesty or violence or the conviction of which involved a finding that he acted fraudulently or dishonestly;
  - (b) has not been convicted, whether within or outside Malaysia, of an offence under securities laws or any laws relating to capital markets;
  - (c) has not been issued, whether within or outside Malaysia, with any compounds or subject to any administrative action taken by a regulator or law enforcement agency for any offence involving bribery, fraud, dishonesty, mismanagement of a company or violence; has no pending investigations or criminal charge against him in any court of law, whether within or outside Malaysia, for an offence involving bribery, fraud, dishonesty, mismanagement of a company or violence;
  - (d) has not had any civil enforcement action filed against them in any court of law by any regulator or law enforcement agency, whether within or outside Malaysia;
  - (e) is not an undischarged bankrupt or is in the course of being wound up or otherwise dissolved, as the case may be, whether within or outside Malaysia;
  - (f) has no execution against him in respect of a judgment debt, whether within or outside Malaysia;

- (g) has not, whether within or outside Malaysia, entered into a compromise or scheme of arrangement with its creditors, being a compromise or scheme of arrangement that is still in operation;
- (h) is not disqualified to be a director, whether within or outside Malaysia, under the corporation laws or securities laws; and
- (i) has not have any receiver, receiver and manager or an equivalent person appointed, whether within or outside Malaysia, in respect of any of his property.

4.14 The Applicant shall demonstrate the expertise and capability of its management in ensuring that its operations are managed effectively.

***Ownership of Tokens by the Directors and Senior Management***

4.15 For Equity Tokens, the directors and Senior Management shall, in aggregate, own at least fifty percent (50%) of the Tokens in the Applicant, on the date of the issuance of the Tokens, for the initial admission on the KLDX Platform.

***Corporate Governance***

4.16 The Applicant shall have adequate internal control and risk management systems as well as policies in place to ensure a framework of company processes and practices that embed good corporate governance practices, in line with the size and type of business.

4.17 The Applicant shall ensure that the systems and controls (including accounting and management systems) established by it as well as policies in place are adequate to comply with the relevant legal and regulatory requirements in line with the size and type of business.

***Others***

4.18 The Issuer may only raise funds up to twenty (20) times of its shareholders funds, or in the case of an LLP, its capital, subject to a ceiling of RM 100 million within any continuous twelve (12) month period.

4.19 The Applicant must demonstrate that the gross proceeds to be raised from the Proposed IEO would be sufficient to undertake the IEO Purpose as set out in the White Paper.

**5. TYPES OF TOKENS AND TOKEN REQUIREMENTS**

5.1 The types of Tokens which may be listed on the KLDX Platform are as follows:

- (a) Equity Tokens;
- (b) Investment Note Tokens;

- (c) Fund Tokens; or
  - (d) such other tokens as KLDX may approve.
- 5.2 The Tokens, at the point of issuance, shall not be subject to any third-party rights, liens or obligations.
- 5.3 Ownership of the Token must be transferable to another Participant through blockchain technology without any further formality.
- 5.4 KLDX Nominee shall hold the Share(s) or Global Certificate(s) or any other document evidencing the products or assets underlying the Tokens, whichever applicable, as a nominee (i.e. a “bare trustee”) for the Tokenholders.
- 5.5 For Equity Tokens, the entire issued and paid-up share capital of the Applicant shall be tokenised for admission on the KLDX Platform. From the date of the initial admission on the KLDX Platform, the Issuer shall not issue any further Shares except through the KLDX Platform.

## **6. APPLICATION FOR ADMISSION**

### ***Pre-Application Consultation***

- 6.1 Prior to making an application for admission as an Issuer, an Applicant shall conduct a pre-application consultation with KLDX to determine whether the Applicant satisfies the criteria for admission as an Issuer and the Token satisfies the token requirements.
- 6.2 Any guidance provided during the pre-application consultation is non-binding in nature and the decision to approve the application shall be made independently of the pre-application consultation.

### **Application for Admission**

- 6.3 An application for admission shall be made to KLDX by:
- (a) submitting the listing application; and
  - (b) providing the required information and submitting all documents, as set out in **Schedule 3** of these Rules and any other information and/or documents which KLDX may require.
- 6.4 An Applicant shall pay such fees and charges as KLDX may prescribe. KLDX may waive or vary any fees or charges.
- 6.5 KLDX reserves the right to add to, vary or remove any of the fees and charges from time to time, as it deems fit.
- 6.6 KLDX may require the Applicant to submit additional information or documentation and/or request that any information or documentation submitted

by the Applicant be verified in such manner as KLDX may specify and impose any additional conditions on the Applicant that it considers appropriate.

- 6.7 An Applicant shall prior to the issuance of the White Paper to the public, where applicable, promptly inform KLDX, if it becomes aware of:
- (a) any material changes in circumstances that would affect the consideration of KLDX in relation to the Proposed IEO (including any material changes affecting the proposed admission, the Applicant and/or the Tokens);
  - (b) any material changes to the information that was previously made available or provided to KLDX in relation to the Proposed IEO;
  - (c) any new information that may have a material impact on the Proposed IEO;
  - (d) a matter has arisen and information in respect of that matter would have been required by these Rules, the Digital Assets Guidelines or other applicable laws and guidelines to be disclosed in the White Paper, if the matter has arisen at the time the White paper was prepared; and/or
  - (e) the White Paper contains a statement or information that is false or misleading, or from which there is a material omission.
- 6.8 KLDX may, at its discretion, appoint, instruct or direct an Applicant to appoint an adviser or expert, at the expense of such Applicant, to verify any report or information referred to in or which forms part of any application, submitted to KLDX by or on behalf of such Applicant and to submit the results of such verification to KLDX directly.

#### ***White Paper***

- 6.9 In accordance with Rule 6.3 (b), an Applicant shall submit a final copy of the White Paper (setting out the details required in **Schedule 4**), for the issuance to be approved by KLDX.
- 6.10 An Applicant shall ensure that the contents in the White Paper are true and accurate and shall not contain any information or statement which is false or misleading or from which there is a material omission.

#### ***Approval for Admission***

- 6.11 Upon assessing an application, KLDX may, at its sole discretion, either grant or reject the application for admission. In granting its approval, KLDX may impose specific conditions which shall be complied with by the Applicant.
- 6.12 In order to grant its approval, KLDX shall be satisfied, amongst others, that:
- (a) the Applicant meets all requirements that is required to be satisfied by an Applicant;

- (b) the Applicant and the Tokens to be listed on the KLDX Platform complies with the provisions in these Rules, the KLDX Requirements as well as the relevant laws and guidelines; and
  - (c) the admission of the Applicant as an Issuer and the Tokens would not be detrimental to the interests of the Participants or Tokenholders, the integrity of the KLDX Platform, or the reputation of KLDX.
- 6.13 An Issuer must not offer any Tokens to any person before KLDX's approval for the application has been obtained.
- 6.14 Where a White Paper has been issued, but before the admission of the Tokens on the KLDX Platform, the Applicant becomes aware that:
- (a) a matter has arisen and information in respect of that matter would have been required by these Rules or the applicable laws and guidelines to be disclosed in the White Paper if the matter has arisen at the time the White Paper was prepared;
  - (b) there has been a material change affecting a matter disclosed in the White Paper; or
  - (d) the White Paper contains a statement or information that is false or misleading, or from which there is a material omission,
- the Applicant shall immediately notify KLDX and, as soon as practicable, furnish a supplementary White Paper to KLDX for its review and approval for issuance.

***White Paper to be furnished to the SC***

- 6.15 Within five (5) days from (a) the approval of its application for admission; (b) approval for issuance of its White Paper ; (c) or such other date as determined by KLDX, the Applicant shall furnish the White Paper to the SC in the manner and form as may be specified by the SC.

***Terms of the Token Offerings***

- 6.16 The offering period of the Tokens shall be as set out in the White Paper. Immediately upon the expiry of the offering period, there will be a six (6) Business Days cooling-off period where Participants may exercise their right to cancel their subscription and request for the subscription sums for the subscription of the Tokens which has been ear marked in their KLDX Cash Account, to be released and added back to their available balance in their KLDX Cash Account ("**Cooling-off Right**").
- 6.17 Payments for the Tokens by the Participants will be made through KLDX in the manner prescribed by KLDX.
- 6.18 Where the Tokens are fully subscribed, any amount exceeding the target amount raised will be returned to the Participants.

- 6.19 In the event that the minimum subscription level is not fulfilled within the closing period including any extended closing period, the Proposed IEO will be deemed unsuccessful and KLDX will notify the Applicant and release all earmarked monies in the Participants' KLDX Cash Account within five (5) Business Days from the date of the closing of the offer period.
- 6.20 Where the Tokens have been fully subscribed, within five (5) Business Days after the expiry of the cooling-off period:
- (a) the Tokens will be minted by KLDX and allotted to the wallets of the successful Participants; and
  - (b) proceeds from the offering will be released to the Applicant, subject to such terms which have been disclosed in the White Paper and/or any terms which may be imposed by KLDX and less any fees and charges prescribed by KLDX.
- 6.21 For the avoidance of doubt, the Cooling-off Right shall not be made available to the staff, directors and Senior Management of the Applicant.

## **7. MARKETING, PROMOTION AND DISTRIBUTION**

- 7.1 An Applicant shall not offer the Tokens to any person unless the offer, is accompanied by a White Paper that has been furnished to the SC.
- 7.2 An Applicant shall ensure that all information disseminated for marketing or promotion is consistent with the contents of its White Paper and are appropriately displayed in all marketing and promotional materials including on its website.
- 7.3 An Applicant shall not engage any third-party individual(s) or entity, other than KLDX, to endorse or represent the Applicant with the intended purpose of marketing, promoting, distributing, gaining publicity or soliciting funds for its offering.
- 7.4 The Applicant grants KLDX the right to host as well as the licence to use its name, trademark(s) and logo(s) on any marketing materials (whether digital, physical or other form) published by KLDX, on KLDX Platform, subject to the Applicant's review and confirmation on the same prior to publication of the same.



## **8. ONGOING COMPLIANCE**

### ***Continuing obligations post listing on the KLDX Platform***

8.1 An Issuer shall:

- (a) ensure the timeliness, accuracy and completeness of the announcement and such other documents submitted to KLDX or disclosed to the Participants or Tokenholders;
- (b) at all times comply with the requirements of these Rules and any procedures, practice notes, notices, technical specifications, directions, decisions, requirements and conditions imposed by KLDX;
- (c) at all times ensure that the minimum capital requirement as set out under Rule 4.8 are met;
- (d) immediately notify KLDX and SC of any failure to comply with any requirement of these Rules, the KLDX Requirements as well as applicable laws and guidelines;
- (e) ensure that the subsequent member(s) appointed to its Board or senior management team is fit and proper.
- (f) retain all relevant documents and agreements related to the Issuer and Tokens for a period of at least seven (7) years;
- (g) provide to KLDX any information or assistance as KLDX deems necessary;
- (h) pay KLDX such fees and charges as KLDX may prescribe; and
- (i) at all times co-operate with KLDX to ensure that the integrity of the market operated by KLDX is maintained at all times.

### ***Compliance with Terms and Conditions of the Tokens***

8.2 The Issuer shall continue to comply with all the terms and conditions in the Token Documents.

### ***Utilisation of Proceeds***

8.3 An Issuer must provide a status update to KLDX and/or the SC on the status of the utilisation of proceeds for the purposes stated in the White Paper, in such form and manner as KLDX and/or the SC may specify.

8.4 An Issuer must not make any changes to the utilisation of proceeds post the issuance of the Tokens, unless prior approval of the Tokenholders representing seventy-five percent (75%) of the total amount of Tokens held by all Tokenholders present and voting has been obtained.

### ***Moratorium***

- 8.5 Post admission, for Equity Tokens, the directors and Senior Management of the Issuer as at the date of listing must continue to own at least fifty percent (50%) of the total number of Equity Tokens in the Issuer (calculated based on the number of Tokens as at the date of initial listing) until completion of the IEO Purpose.

### ***Reporting on Drawdown***

- 8.6 The Issuer shall make quarterly announcements through the KLDX Platform on its utilisation of the proceeds raised through the Proposed IEO and confirm that the utilisation is in compliance with the disclosed utilisation in the White Paper.

### ***Managing conflict of interest/related-party transaction***

- 8.7 For Equity Tokens, the Issuer shall establish a framework which sets out the policies and procedures to effectively and efficiently manage issues of conflict of interest including potential conflicts of interest and any related-party transactions which may arise in the course of the Issuer's business operations.

### ***Dividends, Distribution Payments and Redemption***

- 8.8 The Issuer shall ensure that payment of the dividends and/or distribution is made in accordance with the token documentation, or the announcements made by the Issuer on the KLDX Platform.
- 8.9 The Issuer shall ensure sufficient funds are available in the Issuer's KLDX Cash Account at least three (3) Business Days before the payment due date for automated payment transfer to the respective Tokenholders for dividends, distribution and/or redemption.
- 8.10 The Issuer shall take all reasonable steps to ensure equal treatment for all Participants in respect of its Tokens.

### ***Communications with KLDX***

- 8.11 The Issuer shall immediately provide to KLDX:
- (a) any information that KLDX considers necessary in order to safeguard the interests of the Participants or Tokenholders and/or ensure the fair and orderly operation of the KLDX Platform; and
  - (b) such other information or clarification that KLDX may reasonably require to determine whether these Rules are being, or have been, complied with.
- 8.12 The Issuer shall inform KLDX immediately upon knowing or becoming aware of any material change which affects the Issuer and/or Tokens, the IEO Purpose and such material change including but not being limited to:
- (a) the character or nature or features of its Tokens (i.e. any matters affecting the rights and interests of the Participants or Tokenholders);

- (b) the general character or nature of the operation of its business or corporate structure; and/or
  - (c) any plans or activities relating to fundraising or sales of the Tokens.
- 8.13 For Equity Tokens, upon receipt of notice from the Substantial Tokenholder, the Issuer shall immediately notify KLDX of the changes in the percentage of Equity Tokens held by the Substantial Tokenholder.
- 8.14 Where KLDX receives any information as set out under Rule 8.12 or where KLDX deems necessary, KLDX may, at its sole discretion:
- (a) suspend the continuing listing/trading of the Tokens;
  - (b) direct the relevant Issuer to publish such information, in such form and within such period as KLDX may consider appropriate; or
  - (c) take such other action as it deems appropriate.
- 8.15 In the event that an Issuer fails to comply with any instructions issued by KLDX under Rule 8.14 promptly, or otherwise within such time limit as specified in such instruction, KLDX may itself publish the information that was the subject of the instruction.

***Disclosure of Material Information***

- 8.16 An Issuer shall announce through the KLDX Platform, in a timely manner, all material information to enable Participants or Tokenholders to make informed investment decisions.
- 8.17 Information is considered material, if it is reasonably expected to:
- (a) materially affect the price, market value or market activity of the Tokens; or
  - (b) materially affect the Participants or Tokenholders decision on whether to invest or trade or continue to invest or trade in the Tokens.

(collectively, referred to as "**Material Information**")

- 8.18 Rule 8.16 does not apply where-
- (a) disclosure of such information would involve a breach of law;
  - (b) the disclosure would prejudice the ability of Issuer to pursue its corporate objectives; or
  - (c) relates to a proposal which has yet to materialise or is in a negotiation phase and a more appropriated moment for disclosure is imminent.

***Withholding of Material Information***

- 8.19 The Issuer may, in exceptional circumstances, temporarily refrain from disclosing Material Information on the KLDX Platform, provided that complete confidentiality

is maintained. Where Material Information is withheld, the Issuer must refrain from delaying the disclosure of such Material Information for an unreasonable period of time since it is unlikely that confidentiality can be maintained beyond a short period of time.

8.20 The exceptional circumstances where disclosure can be withheld are limited and constitute an infrequent exception to the normal requirement of immediate disclosure, such as when the facts are in a state of flux and the Issuer is able to maintain confidentiality of such information.

8.21 During a period where Material Information is withheld in accordance with Rule 8.19 above, the Issuer must ensure it closely monitors the market activity of its Tokens. The Issuer must immediately announce the information withheld on the KLDX Platform if (a) there is unusual market activity of its Tokens; or (b) rumours or reports concerning the information have appeared.

### ***Maintaining Confidentiality***

8.22 Where Material Information is being temporarily withheld, the Issuer must ensure that the strictest confidentiality is maintained, including limiting the number of persons having access to the Material Information and ensuring security of all confidential documents.

8.23 Notwithstanding Rule 8.19 above, in the event that Material Information is or is believed to have been inadvertently disclosed to third parties or where the Material Information has become generally available through the media or otherwise, the listed issuer must immediately announce the information on the KLDX Platform.

### ***Immediate Announcement***

8.24 An Issuer must immediately announce through the KLDX platform the matters as set out in **Schedule 2** of these Rules.

8.25 An Issuer is responsible to ensure that all Material Information is first announced through the KLDX Platform prior to publication or dissemination through other modes.

### ***Periodic Reporting***

8.26 An Issuer must announce through the KLDX Platform the unaudited financial statements for the first half of the financial year within three (3) months after the close of the relevant financial period.

8.27 An Issuer must announce through the KLDX Platform the unaudited financial statements for the full financial statement within three (3) months after the close of the financial year end.

8.28 The unaudited financial statements of the Issuer shall, amongst others, contain the following:

- (a) an income statement and/or statement of comprehensive income;

- (b) a statement of financial position together with a comparative statement for the corresponding period of the immediately preceding financial year;
  - (c) a statement of cash flows together with a comparative statement for the corresponding period of the immediately preceding financial year; and
  - (d) a statement showing all changes in equity, together with a comparative statement for the corresponding period of the immediately preceding financial year.
- 8.29 An Issuer must announce through the KLDX Platform a Semi-Annual Report within three (3) months from the end of the relevant financial period.
- 8.30 An Issuer must announce through the KLDX Platform its Annual Report together with the audited financial statements within six (6) months from the financial year end.
- 8.31 The Semi-Annual Report and the Annual Report shall contain information on the performance of the underlying business or the status of the IEO Purpose, including:
- (a) the total amount of Tokens and its outstanding amount;
  - (b) the status of the utilisation of the proceeds from the Tokens by the Issuer;
  - (c) the status of the completion of the IEO Purpose; and
  - (d) such other information as may be requested by KLDX, from time to time.

***No false, misleading, insufficient and defamatory information***

- 8.32 An Issuer shall ensure that any information it publishes:
- (a) is not false, misleading or deceptive;
  - (b) is factual, complete, true and accurate;
  - (c) contains sufficient information to enable Participants and Tokenholders to make informed investment decisions; and
  - (d) does not contain language that is inflammatory, defamatory or scandalous of another person.
- 8.33 Where an Issuer becomes aware of any material mistake, omission or inaccuracy relating to information provided to KLDX or published on the KLDX Platform, it shall immediately inform KLDX and, where applicable, publish a notice of correction on the KLDX Platform.

## **9. NEW ISSUE OF TOKENS**

### **EQUITY TOKENS**

#### ***General provisions on new issuance of Tokens***

- 9.1 This Rule applies to new issuance of Tokens by the Issuer such as placements, rights issues or bonus issues, where applicable.
- 9.2 An Issuer intending to issue new Tokens shall consult KLDX, prior to making any announcement on the same.
- 9.3 The announcement by the Issuer shall contain the information as set out under **Schedule 5** of these Rules.
- 9.4 An Issuer may only issue new Tokens where:
- (a) the Issuer's Constitution allows the issuance of new Tokens;
  - (b) the Issuer has procured the approval of KLDX;
  - (c) for rights issue, the Issuer issues a subscription document which has included all Material Information including those set out under **Schedule 6** of these Rules;
  - (d) the Issuer complies with the subscription and token allotment process prescribed by KLDX; and
  - (e) the Issuer has procured the approval of the existing Tokenholders, where applicable.
- 9.5 Subject to the Constitution, a Tokenholders' Ordinary Resolution shall be required for the issuance of new Tokens unless the existing Tokenholders had, by Ordinary Resolution, given a general mandate to the directors of the Issuer, either unconditionally or subject to such conditions as may be specified in the resolution, to issue shares.

#### ***Announcement on the KLDX Platform***

- 9.6 The Issuer shall submit the draft announcement to KLDX, if applicable, on the proposed new issuance of Tokens.
- 9.7 Where the Issuer is undertaking an issuance and placement of new Tokens in stages over a period of time, the Issuer shall, upon placement of the Tokens, immediately announce on the KLDX Platform, the number and issue price of the new Tokens.

#### ***Circular***

- 9.8 Where a circular is issued to procure Tokenholders' approval, an Issuer shall submit the circular to KLDX and upon consultation with KLDX, include sufficient

information in the circular which the Tokenholders would reasonably expect to find in a circular of that nature for the purpose of making an informed decision in respect of a new issuance of Tokens.

***Admission of new Tokens***

- 9.9 The Issuer shall submit a listing application in the form as prescribed by KLDX.
- 9.10 The Issuer shall comply with the relevant listing procedures and requirements relating to a new issue of Tokens in these Rules or as may be prescribed by KLDX.

***Additional Requirements relating to Rights Issue***

- 9.11 The Issuer can undertake a non-renounceable rights issue and must make an application to the KLDX.
- 9.12 The Issuer shall separately notify the existing Tokenholders in writing of any announcement made on a proposed rights issue as soon as practicable after such announcement is being made on the KLDX Platform.
- 9.13 The Issuer shall, on the same day of announcing its books closing date for a rights issue, announce all the other important relevant dates relating to such rights issue as may be prescribed by KLDX from time to time.
- 9.14 The Issuer shall undertake due care and diligence when announcing the relevant dates relating to a rights issue. The Issuer shall immediately announce any change to the important relevant dates as announced pursuant to the above and state the reasons for such change.

***Requirements relating to Bonus Issues***

- 9.15 If the Issuer undertakes a bonus issue by way of capitalisation, it shall ensure it has sufficient reserves to cover the capitalisation issue.
- 9.16 The Tokens issued pursuant to the bonus issue shall rank pari passu in all respects with the existing Tokens of the same class upon admission.

**INVESTMENT NOTE TOKENS**

- 9.17 Where the Investment Note Tokens is part of an Issuance Programme, prior to the issuance of new Tokens as part of the Issuance Programme, the Issuer shall consult KLDX, on the announcement of the same.
- 9.18 Following from Rule 9.17 above, an Issuer may only issue new Tokens where, the Issuer:
  - (a) has procured the approval of KLDX for the Pricing Supplement;
  - (b) issues a Pricing Supplement which includes information as set out in **Schedule 4** of these Rules, as the case may be; and
  - (c) complies with the subscription and token allotment process prescribed by KLDX.

## 10. TOKEN DELISTING

### ***Voluntary Token Delisting***

- 10.1 Subject to Rule 10.6 below, in the event that an Issuer wishes to delist its Tokens, such Issuer shall apply to KLDX for approval to announce the intended Token delisting from the KLDX Platform together with adequate justifications for the intended delisting.
- 10.2 In determining whether to grant approval, KLDX may take into account any information that it considers necessary or relevant and impose any further conditions on the Issuer that it considers appropriate.
- 10.3 Upon receipt of the approval under Rule 10.2, the Issuer shall announce the intended delisting to Participants or Tokenholders through the KLDX Platform and set out all relevant Material Information including any conditions imposed by KLDX.
- 10.4 For any proposal for delisting of the Tokens:
- (a) the approval of the Tokenholders representing seventy-five percent (75%) of the total amount of Tokens held by all Tokenholders present and voting must be obtained. A copy of the circular to the Tokenholders shall be submitted to KLDX and upon consultation with KLDX, include sufficient information in the circular which the Tokenholders would reasonably expect to find in a circular of that nature for the purpose of making an informed decision in respect of the delisting of the Tokens;
  - (b) it must involve a scenario where the Tokenholders are offered a token buy-back or other reasonable alternative; and
  - (c) it must comply with any additional conditions imposed by KLDX.
- 10.5 Any delisting of the Tokens can only take place after the requirements of this Rule 10.1 to Rule 10.4 have been fulfilled.
- 10.6 Where the Token delisting takes place, the Participants or Tokenholders will have the delisted Tokens removed from their KLDX Token Account.
- 10.7 The provisions in Rule 10.1 to Rule 10.6 shall not apply to redemption of Investment Note Tokens.

### ***Involuntary Token Delisting***

- 10.8 KLDX may delist the Tokens from the KLDX Platform where:
- (a) the Issuer fails to comply with these Rules; or



- (b) where in the opinion of KLDX, circumstances exist which do not warrant the continued listing of the Issuer.

10.9 Where KLDX decides to delist the Tokens, it must comply with any conditions imposed by KLDX.

10.10 KLDX may suspend the continuing listing/trading of the Tokens and/or delist the Tokens from the KLDX Platform in any one of the following circumstances:

- (a) pursuant to a directive, requirement or condition imposed by the SC;
- (b) upon the maturity or expiry of the Tokens;
- (c) upon the triggering and declaration of an event of default (as set out in the contractual documentation entered into between the Issuer and the Participants or Tokenholders and/or the White Paper);
- (d) upon the commencement of a voluntary winding-up of the Issuer or its major subsidiary in accordance with the Companies Act 2016;
- (e) upon a winding-up order being made against the Issuer or its major subsidiary;
- (f) upon appointment of a receiver or manager over the assets of the Issuer or its major subsidiary; and/or
- (g) in other circumstances as provided under these Rules or as determined by KLDX.

## **11. SUSPENSION AND/OR DELISTING**

11.1 Where KLDX decides that an Issuer has breached these Rules, KLDX may as it considers it appropriate:

- (a) suspend the continuing listing/trading of the relevant Tokens;
- (b) delist the Token from the KLDX Platform; and/or
- (c) impose any restrictions on the Issuer that it deems appropriate.

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**SCHEDULE 1**

**ADDITIONAL ADMISSION REQUIREMENTS APPLICABLE TO SPECIFIC TOKEN OFFERINGS**

NO.	SPECIFIC TOKEN OFFERING	ADDITIONAL REQUIREMENTS
1.	Funds	<ul style="list-style-type: none"><li>• The fund management company shall be licensed or registered with the SC.</li><li>• The venture capital corporation/venture capital management corporation shall be licensed or registered with the SC.</li><li>• The private equity corporation/ private equity management corporation shall be licensed or registered with the SC.</li><li>• The trustee shall be registered with the SC.</li></ul>

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**SCHEDULE 2**  
**DISCLOSURE REQUIREMENTS APPLICABLE TO ISSUERS**

An Issuer shall immediately announce the following. The list below is not exhaustive:

General Disclosure

- (a) any change in the name of the Issuer, registered or business address of the Issuer;
- (b) subject to the prior approval of the Tokenholders representing seventy-five (75%) of the total amount of Tokens held by all Tokenholders present and voting has been obtained, any change to the utilisation of proceeds raised pursuant to the Proposed IEO;
- (c) any decision to call for a meeting of Tokenholders/requires the approval of the Tokenholders. The announcement shall include the date of the Register of Tokenholders which the Issuer requires for purposes of determining whether a Tokenholder will be regarded as a member entitled to attend, speak and vote at the general meeting;
- (d) all resolutions put to a meeting of the Issuer and immediately after such meeting whether or not the resolutions were carried;
- (e) any change in the financial year end of the Issuer;
- (f) any appointment, re-designation or cessation of the composition of the board of directors, the chief executive officer, key management of the Issuer, including the name and particulars of the new replacements;
- (g) any change in the company secretary or external auditors of the Issuer;
- (h) any intention to fix a date for the purpose of determining entitlements to dividends or other distributions ("**Record Date**"), with at least five (5) Business Days of notice (excluding the date of announcement and the Record Date);
- (i) the procurement of a court order restraining proceedings against the Issuer or any of its subsidiaries or major associated companies;
- (j) any scheme of compromise, arrangement, amalgamation or reconstruction;
- (k) appointment of, or any change in, a receiver, manager or such other person of a similar capacity over the Issuer and/or its subsidiaries or any part of the properties of the Issuer and/or its subsidiaries or any petition or order being made (voluntary or not voluntary) relating to the winding-up of the Issuer and/or its subsidiaries;
- (l) any modified opinion or material uncertainty related to going concern in an external auditors' report, giving full details of such modified opinion or material uncertainty related to going concern;

- (m) any change of control in the Issuer;
- (n) any material litigation/arbitration proceedings involving the issuer and any material development arising from such litigation/ arbitration proceedings;
- (o) the redemption or cancellation of any Tokens;

Disclosure particular to Equity Tokens

- (p) upon receipt of the relevant notice from the Tokenholders, any new emergence of a Substantial Tokenholder, any cessation of a Substantial Tokenholder and any change of interests of a Substantial Tokenholder of the Issuer;
- (q) any proposed dividends to be declared and/or actual dividends declared by the Issuer. The announcement shall include the amount per Token; the mode and date of payment as well as the book closing date for the purposes of determining the entitlement of the dividends or distribution;
- (r) any proposed issuances of new Tokens (including details of the number of Tokens, rank, and issue price of such Tokens) by the Issuer;
- (s) any amendment in the constituent documents of the Issuer;
- (t) any proposed joint venture, mergers or acquisitions to be entered into by the Issuer;
- (u) any proposed material or significant disposal of assets by the Issuer;
- (v) any regulatory action, or criminal/civil investigations or proceedings filed against the Issuer, its director(s), promoter(s) and key officers, in any jurisdiction; and
- (w) any material changes in the business model of the Issuer (including a new business line or cessation of an existing business line); and
- (x) any proposed employee share option scheme or share incentive plan, or any changes to such scheme or plan by the issuer of the underlying shares.

Disclosure particular to Investment Note Tokens

- (y) on a continuing listing basis, Issuers are required to comply with all provisions in this **Schedule 2** except for Paragraph (p), Paragraph (q) and Paragraph (x); and
- (z) any proposed distribution by the Issuer. The announcement shall include the amount per Token; the mode and date of payment.

Disclosure particular to Fund Tokens

- (aa) the fund management company must disclose its net tangible assets per Token and how it was calculated at the end of each quarter; and
- (bb) the fund management company must immediately announce via the KLDX Platform

- (i) any changes in the control of the fund management company;
- (ii) any proposed change in the general character or nature of the fund; and
- (iii) any intention to renew, vary or terminate the fund.

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### SCHEDULE 3

#### LISTING APPLICATION DOCUMENTS

In addition to the listing application form and the documents requested therein, an Applicant must submit all the following document(s) and information as part of its listing application:

- (a) final draft of the White Paper containing the required disclosures as set out in **Schedule 4** to these Rules;
- (b) a letter of confirmation and undertaking in the form as prescribed by KLDX duly approved by the board of directors and executed by the Applicant and its promoter(s) as well as a certified true extract of the board of directors' resolution authorising the issuance of the letter of confirmation and undertaking and confirming as follows:
  - (i) all information or documents submitted to KLDX (including information in the listing application form and the White Paper) is true, accurate and complete, not misleading and there is no material omission;
  - (ii) the Applicant and the promoter(s) are in compliance and undertake to comply with these Rules, the KLDX Requirements and all relevant laws and guidelines (including the Digital Asset Guidelines) and any amendments as may be made from time to time, insofar as the same apply to the Applicant, and shall continue to comply with, the same;
  - (iii) the Applicant shall execute the Platform Agreement with KLDX and KLDX Nominee;
  - (iv) in the event of any material change in circumstances that would affect the consideration of KLDX including but not limited to the following, the Applicant and/or the promoter(s) shall immediately inform KLDX of the same:
    - (aa) any material changes in circumstances that would affect the consideration of KLDX in relation to the Proposed IEO;
    - (bb) any material changes to the information that was previously made available or provided to KLDX in relation to the Proposed IEO;
    - (cc) any new information that may have a material impact on the Proposed IEO;
    - (dd) a matter has arisen and information in respect of that matter would have been required by the Digital Assets Guidelines to be disclosed in the White Paper; and
    - (ee) the final draft White Paper does not contain a statement or information that is false or misleading, or from which there is a material omission.
- (c) a letter of confirmation and undertaking in the form as prescribed by KLDX, duly executed by each director of the Applicant, confirming and undertaking that:

- (i) the director is in compliance and undertake to comply with these Rules, the KLDX Requirements and all relevant laws and guidelines (including the Digital Asset Guidelines) and any amendments as may be made from time to time, insofar as the same apply to the director, and shall continue to comply with, the same; and
  - (ii) the director is a “fit and proper person” as referred to in the Digital Asset Guidelines.
- (d) red flag/summary of due diligence reports on an Applicant and/or companies within its Group, the scope of which should be sufficient to verify information, where practicable, in the White Paper.

KLDX may require from an Applicant additional information or documents, and/or take into account any information that it considers necessary or relevant, request that any information provided by the Applicant be verified in such manner as KLDX may specify, and impose any additional conditions on an Applicant that it considers appropriate, including:

- (a) legal opinion(s) from a reputable law firm or lawyer that is acceptable to KLDX confirming that the proposed offering of Tokens is in compliance with all applicable laws and regulations, including the CMSA 2007;
- (b) any other declarations by the Applicant and its director(s) or promoter(s) in the form prescribed by KLDX;
- (c) an Applicant’s management to demonstrate the ability of the Applicant to meet obligations (in particular, payment obligations) to holders of the Tokens; and
- (d) if there is an underlying asset(s) that the Applicant or its business is materially dependent on, KLDX may request for a valuation report to be submitted or disclosed in the White Paper by a valuer determined by KLDX.

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## SCHEDULE 4

### DISCLOSURE REQUIREMENTS FOR THE WHITE PAPER

#### *Introduction*

1. The White Paper must contain all information that that would enable a Participant to make an informed assessment of the Tokens before subscribing to the Tokens.
2. The Applicant is required to adopt the White Paper template prepared by KLDX and the Pricing Supplement, where applicable, as a base in preparing the White Paper and the Pricing Supplement.
3. The White Paper may take the following forms:
  - (a) a stand-alone listing document; or
  - (b) for Investment Note Token, a listing document ("**Base White Paper**") for an issuance programme ("**Issuance Programme**") together with a final terms or pricing supplement document containing the definitive terms for each individual issuance made under the Issuance Programme ("**Pricing Supplement**").
4. KLDX may require additional information or documents to be disclosed in any particular case.

#### **Disclosure for all Tokens**

5. The White Paper for all types of Tokens shall include the following information, where applicable:
  - (a) the following disclaimer statements on the cover page:
    - (i) "The approval of this listing on the KLDX Platform shall not be taken to indicate that KLDX recommends the offering."
    - (ii) "In the event of any non-disclosure, inaccuracy or omission which arises as a result of misrepresentation, fraud or wilful conduct on the part of the Company, its director(s) and senior management as well as adviser(s), KLDX shall not be liable for the same and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the same."
    - (iii) "This White Paper has been prepared in accordance with the Digital Asset Guidelines issued by the Securities Commission of Malaysia ("**SC**"), effective 28 October 2020, for the offering. This White Paper is not a prospectus and has not been registered nor will it be registered as a prospectus under the Capital Market and Services Act 2007 ("**CMSA 2007**").

This White Paper has been prepared in the context of securities token offering under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not and will not be lodged, registered or approved pursuant to or under any applicable securities,



digital tokens or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

- (iv) “The furnishing of this White Paper to the SC should not be taken to indicate that the SC assumes responsibility for the correctness of any statement made in this White Paper.”

“This document is important. Before making any investment in the Tokens being offered, you should consider the information provided in this document carefully and consider whether you understand what is described in this document. You should also consider whether an investment in the Tokens being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser. You are responsible for your own investment choices.”

- (b) brief description of the Applicant’s director(s), Senior Management, key personnel and adviser(s) including name, designation, nationality, address, professional qualifications and related experience;
- (c) the objective or purpose of the offering, including detailed information on the IEO Purpose;
- (d) indicate price of the Tokens and key characteristics of the Tokens;
- (e) the business overview of the Applicant (market analysis, research and development, sales and marketing strategy);
- (f) the targeted amount to be raised and application of the proceeds illustrated in a scheduled timeline for drawdown and utilisation of proceeds;
- (g) any rights, obligations, conditions or functions attached to the Tokens including any specific rights attributed to a Tokenholder;
- (h) if applicable, discussion on the determination of the accounting and the valuation treatments for the digital token including all valuation methodology and reasonable presumptions adopted in such calculation;
- (i) associated challenges and risks as well as mitigating measures thereof;
- (j) information in relation to the distribution of the Tokens and where applicable, the distribution policy of the Applicant;
- (k) where applicable a technical description of the protocol, platform or application of the Tokens, as the case may be, and the associated benefits of the technology;
- (l) audited financial statements of the Applicant (statement of profit and loss, statement of financial position and statement of cash flows);
- (m) the following responsibility statement:

*“The board of directors of our Company have seen and approved this White Paper. They collectively and individually accept full responsibility for the accuracy of all the information and statements contained in this White Paper. Having made all reasonable enquiries, and to the best of their knowledge, information and belief, they*

*confirm that there are no false or misleading statements or other material facts which, if omitted, would make any statement in this White Paper false or misleading.”*

- (n) expected timetable for the Proposed IEO;
- (o) for Equity Tokens, information on the moratorium imposed on the Tokens;
- (p) delisting of Tokens;
- (q) material litigation;
- (r) material contingent liabilities; and
- (s) material related-party transactions.

***Additional Disclosure for Investment Note Tokens***

6. If the Applicant or Issuer establishes an Issuance Programme as described in Paragraph 3(b) above:
  - (a) the Base White Paper must contain the information about the Applicant or Issuer as stipulated in these Rules and in Paragraph 5 above, where applicable and the general terms and conditions attached to the Investment Note Tokens;
  - (b) the Pricing Supplement must contain all of the definitive terms and conditions for the issuance in question and any supplemental information that is required in order for the Base White Paper to be read together with the Pricing Supplement; and
  - (c) both the Base White Paper and the Pricing Supplement must state that the Base White Paper and the Pricing Supplement together constitute the complete listing document for the issuance in question.
7. The Applicant or Issuer must submit the Base White Paper, which shall include a form of the Pricing Supplement, to KLDX for review. Any changes and additions to information disclosed in the Base White Paper may be submitted to KLDX in the form of a supplement to the Base White Paper for review. Any such supplement approved by KLDX for publication forms an integral part of the Base White Paper in question.

***Additional Disclosure for Equity Token***

8. In respect of offerings of Equity Tokens by Applicants, the following additional information is required in the White Paper:
  - (a) its dividend policy, or if it does not have a fixed policy, to state so; and
  - (b) information regarding any shares which any person has, or has the right to be given, an option to subscribe for or purchase

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**SCHEDULE 5**

**CONTENT OF ANNOUNCEMENT FOR NEW ISSUE OF TOKENS FOR EQUITY  
TOKENS**

1. The content of announcement for new issue of Tokens must include the following:
  - (a) the number and type of Tokens to be issued (including the rights, obligations, terms and conditions attached to the Tokens);
  - (b) the ranking of the new Tokens;
  - (c) the issue price of the new Tokens, the basis of determining the issue price and justification for the pricing;
  - (d) minimum level of subscription;
  - (e) changes in the substantial tokenholding structure arising from the new issuance of Tokens (to show effect for each proposal);
  - (f) timeframe for completion of the issuance of new Tokens;
  - (g) the persons to whom the new Tokens will be allotted or issued;
  - (h) a description of the proposed utilisation of the total amount of funds to be raised from the issuance of Tokens including the proposed timeframe for such proposed utilisation, where applicable;
  - (i) the approvals required for the new issue;
  - (j) whether the directors, promoter(s), senior management, key officer or persons connected with them have any interest, direct or indirect, in the issuance;
  - (k) in the case of a bonus issue:
    - (i) the details of the reserves to be capitalised for the bonus issue; and
    - (ii) a statement that the reserves required for capitalisation of the bonus issue complies with Rule 9.16, and
    - (l) any other information which is necessary for Participants or Tokenholders to make an informed investment decision.

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**SCHEDULE 6**

**CONTENT OF SUBSCRIPTION DOCUMENT FOR NEW ISSUE OF TOKENS**

1. All the items listed in **Schedule 5** of these Rules.
2. In addition, the following items shall also be included in the subscription document:
  - (a) risk factors and mitigating measures that would have a material adverse impact on the Issuer's business operations, financial position and results, and the Participants or Tokenholders investments in the Tokens; and
  - (b) latest announced audited financial statements of the Applicant (statement of profit and loss, statement of financial position, statement of cash flows).

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