

HKE_x GUIDANCE LETTER

HKE_x-GL13-09 (October 2009) (Updated in July 2013 and March 2014) – effective for applications submitted on or after 1 October 2013

Subject	Listing Document Covers
Listing Rules and other requirements	Main Board Rules 2.13(2), 9.07 and 11.15 GEM Rules 2.18, 12.15 and 14.27 Paragraph 3 of the Third Schedule to the Companies Ordinance¹
Related Publications	N/A
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Important note: *This letter does not override the Listing Rules and is not a substitute for advice from qualified professional advisers. If there is any conflict or inconsistency between this letter and the Listing Rules, the Listing Rules prevail. You may consult the Listing Division on a confidential basis for an interpretation of the Listing Rules or this letter.*

1. Purpose

- 1.1 This letter provides guidance on the preparation of listing document covers.
- 1.2 The Exchange expects applicants to follow this letter when preparing their listing applications. A listing document that does not follow this guidance may be considered not substantially complete as required under the Listing Rules (*Updated in July 2013*).

2. Applicable Listing Rules and Companies Ordinance¹ (Updated in March 2014)

Listing Rules

- 2.1 Main Board Rule 2.13(2) provides that:

“Without prejudice to any specific requirements of the Exchange Listing Rules as to content or responsibility for the document in question, any announcement or corporate communication required pursuant to the Exchange Listing Rules must be prepared having regard to the following general principles:

- ... (2) *the information contained in the document must be accurate and complete in all material respects and not be misleading or deceptive. In complying with this requirement, the issuer must not, among other things:-*
 - (a) *omit material facts of an unfavorable nature or fail to accord them with appropriate significance;*
 - (b) *present favourable possibilities as certain or as more probable than is likely to be the case;*

¹ Retitled as the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) with effect from March 2014.

- (c) *present projections without sufficient qualification or explanation; or*
- (d) *present risk factors in a misleading way.*”

2.2 Main Board Rule 9.07 provides that:

“The listing document must not be issued until the Exchange has confirmed to the issuer that it has no further comments thereon...”

2.3 Main Board Rule 11.15 provides guidance on illustrations in a listing document as follows:

“A listing document may include illustrations of a pictorial or graphic nature provided that such illustrations are not misleading or likely to mislead in the form and context in which they are included.”

2.4 Corresponding provisions to Main Board Rules 2.13(2), 9.07 and 11.15 are GEM Rules 2.18, 12.15 and 14.27.

Companies Ordinance¹ (Updated in March 2014)

2.5 Paragraph 3 of the Third Schedule to the Companies Ordinance¹ sets out the standard for information in a prospectus as:

“Sufficient particulars and information to enable a reasonable person to form as a result thereof a valid and justifiable opinion of the shares or debentures and the financial condition and profitability of the company at the time of the issue of the prospectus, taking into account the nature of the shares or debentures being offered and the nature of the company, and the nature of the persons likely to consider acquiring them.”

3. Guidance

3.1 The standard for reviewing a listing document cover is the same as for reviewing a listing document. The general rule is that information contained in or conveyed by a listing document cover should be accurate and complete in all material aspects and should not be misleading or deceptive so as to enable a reasonable investor to form a valid and justifiable opinion of an applicant.

3.2 When assessing whether a listing document cover is acceptable, we consider:

- (a) the likely overall impression given by it;
- (b) whether the use of illustrations or examples to highlight an aspect of disclosure in a listing document is appropriate;
- (c) whether the illustrations shown on a listing document cover are properties/employees of an applicant (***Updated in July 2013***);
- (d) whether the graphs and other diagrams are drawn to scale, and what is depicted is a fair representation of the position with all relevant information

provided; and

- (e) an applicant's confirmation whether its logo shown on the listing document cover has been registered, and if not, the legal advisers' view, with basis, on the likelihood that the logo may infringe other parties' intellectual property right (*Updated in July 2013*).

3.3 A non-exhaustive list of matters we ordinarily consider to be unacceptable on the front and/ or back cover of a listing document is:

- (a) products, buildings, premises, trademark, logos that are not the property of an applicant;
- (b) images of a globe or continents, unless an applicant has substantial global or international presence;
- (c) any design that may present the offering's favourable characteristics as certain or more probable than are likely to be the case, e.g. upward arrows on graphical information;
- (d) artistic impressions of buildings which have not yet been completed; and
- (e) any design that gives more prominence to a sponsor/ lead manager than to an applicant, e.g. by using an exceptionally large font size for their names.

3.4 Before noon on the day when a sponsor would like to obtain the Exchange's clearance for bulk-printing a listing document, the applicant or the sponsor should confirm that the listing document covers (both English and Chinese versions) meet the principles set out in this guidance letter (*Updated in July 2013*).

3.5 We will issue a "no comment" letter to authorise the bulk-printing of the listing document covers upon receiving the confirmation in paragraph 3.4 above (*Updated in July 2013*).
