



香港聯合交易所
The Stock Exchange of Hong Kong

Our Ref. : LD59585/97/LF/EN/OC/GT/jc

29th August, 1997

To : All Listed Issuers

Dear Sirs,

Re : Application of Proceeds from Capital Raising

Issuers may raise capital by way of placing of new shares, rights issue, or other methods, some of which may require the prior approval of shareholders. In equity capital raising, the proposed application of the proceeds is usually set out in the listing document to shareholders and investors. Investors and shareholders may make investment decisions on this information and shareholders may take the intended use of proceeds into account when granting authorisation for the fund raising exercise.

The Division wishes to remind issuers that any change in the application of proceeds from that originally disclosed in the listing document may constitute information which should be disclosed promptly pursuant to paragraph 2 of the Listing Agreement. In addition, the Division recommends issuers to disclose, where appropriate, the following information in their annual reports for the financial year in which new capital is raised and in subsequent years until the proceeds from capital raising have been substantially applied :-

- 1) details of application of proceeds from capital raising (by major item) and, if any change in the application of proceeds, a comparison with the originally proposed application set out in the listing documents in respect of the capital raising;
- 2) reason for any change in the application of proceeds;
- 3) the amount and treatment of unused proceeds at the end of the financial year; and
- 4) the proposed application of the unused proceeds.

Issuers who raised capital in previous financial years are also encouraged to make similar disclosures in annual reports where the funds raised are applied in current and/or subsequent years.

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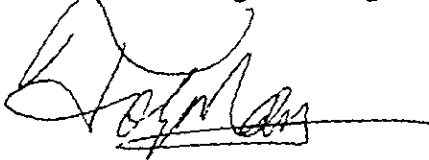
香港聯合交易所有限公司 The Stock Exchange of Hong Kong Limited
上市科 Listing Division

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If you have any queries, please feel free to contact the undersigned at 2840 3079, Estella Ng at 2840 3078 or Keniel Wong at 2840 3008 of the Listing Division.

Yours faithfully,
For and on behalf of
The Stock Exchange of Hong Kong Limited

A handwritten signature in black ink, appearing to read 'Lawrence Fok', written over a horizontal line.

Lawrence Fok
Executive Director
Listing Division