

**Consolidated version of Frequently Asked Questions (FAQs) (Released on 17 September 2010/ Last Updated on 6 January 2017)**  
**Status of “Frequently Asked Questions”**

The following frequently asked questions (FAQs) are designed to help issuers understand and comply with the Listing Rules, particularly in situations not explicitly set out in the Rules or where further clarification may be desirable.

Users of the FAQs should refer to the Rules themselves and, if necessary, seek qualified professional advice. The FAQs are not substitutes for the Rules. If there is any discrepancy between the FAQs and the Rules, the Rules prevail.

In formulating our “answers”, we may have assumed certain underlying facts, selectively summarised the Rules or concentrated on one particular aspect of the question. They are not definitive and do not apply to all cases where the scenario may at first appear similar. In any given case, regard must be had to all the relevant facts and circumstances.

The Listing Division may be consulted on a confidential basis. Contact the Listing Division at the earliest opportunity with any queries.

FAQ series numbers in the table below refer to:

- Series 1 – Rule Amendments relating to Corporate Governance and Listing Criteria Issues
- Series 2 – Minor and Housekeeping Rule Amendments
- Series 3 – Electronic Disclosure
- Series 4 – Web Proof Information Pack (WPIP) **(WITHDRAWN IN JULY 2014)**
- Series 5 – Rule Amendments relating to GEM Review
- Series 6 – HKEX’s framework for depositary receipt (HDRs)
- Series 7 – Rule Requirements relating to Notifiable Transactions, Connected Transactions and Issues of Securities by Listed Issuers
- Series 8 – Rule Amendments relating to the 2008 Combined Consultation
- Series 9 – Rule Requirements relating to Notifiable Transactions, Connected Transactions, Amendments to Articles of Association and Notices of Meeting
- Series 10 – Amendments to Connected Transaction Rules
- Series 11 – Rule Amendments relating to Circulars and Listing Documents of Listed Issuers
- Series 12 – Rule Amendments relating to New Listing Rules for Mineral Companies
- Series 13 – Rule Amendments relating to Mixed Media Offer
- Series 14 – Model Code for Securities Transactions by Directors of Listed Issuers
- Series 15 – Rule amendments relating to property valuation requirements
- Series 16 – Review of the Corporate Governance Code and Associated Listing Rules **(SUPERSEDED BY SERIES 17)**
- Series 17 – Review of the Corporate Governance Code and Associated Listing Rules

- Series 18 – Rule amendments relating to the Environmental, Social and Governance Reporting Guide
- Series 19 – Amendments to the Corporate Governance Code and Corporate Governance Report relating to Board Diversity
- Series 20 – Rule Requirements relating to Notifiable Transactions, Connected Transactions, Mineral Companies Issues of Securities and Corporate Governance Code
- Series 21 – Questions relating to the Corporate Governance Code and Associated Listing Rules
- Series 22 – Rule changes consequential on the statutory backing of the obligation on listed corporations to disclose inside information
- Series 23 – Disclosure of a new applicant’s unaudited net profits after its track record period in a listing document
- Series 24 – Listing Rule changes to complement the Securities and Futures Commission’s New Sponsor Regulation effective on 1 October 2013
- Series 25 – Revised Joint Policy Statement Regarding the Listing of Overseas Companies
- Series 26 – Questions relating to the new Companies Ordinance (“New CO”) and its impact on issuers
- Series 27 – Selection of headline categories and titles for announcements
- Series 28 – Rule Requirements Relating to Connected Transactions
- Series 29 – Shanghai and Shenzhen Connect
- Series 30 – Questions relating to the Risk Management and Internal Control section of the Corporate Governance Code
- Series 31 – Questions relating to the Review of Listing Rules on Disclosure of Financial Information with reference to the New Companies Ordinance and Hong Kong Financial Reporting Standards and Proposed Minor/ Housekeeping Rule Amendments
- 001-2016 – Questions relating to Guidance Letter HKEX-86-16 "Guide on Producing Simplified Listing Documents Relating to Equity Securities for New Applications"
- 002-2016 – Questions relating to Guidance Letter HKEX-86-16 "Guide on Producing Simplified Listing Documents Relating to Equity Securities for New Applications"
- 003-2016 – Questions relating to Guidance Letter HKEX-86-16 "Guide on Producing Simplified Listing Documents Relating to Equity Securities for New Applications"
- 001-2017 – Questions relating to the audit terminology used in the Rules with reference to the HKICPA new and revised Auditor Reporting Standards effective on 15 December 2016
- 002-2017 – Questions relating to the audit terminology used in the Rules with reference to the HKICPA new and revised Auditor Reporting Standards effective on 15 December 2016
- 003-2017 – Questions relating to the audit terminology used in the Rules with reference to the HKICPA new and revised Auditor Reporting Standards effective on 15 December 2016
- 004-2017 – Questions relating to the audit terminology used in the Rules with reference to the HKICPA new and revised Auditor Reporting Standards effective on 15 December 2016

The FAQs here are arranged by Main Board rule numbers. If more than one rule is relevant to a particular FAQ, that FAQ is arranged by the rule which we consider most appropriate.

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
30/03/2004 (01/07/2014)	1.01 14A.12(1)(b), 14A.13(2)	1.01, 20.10(1)(b), 20.11(2)	1	1.	<p>Under the revised Rules, the definitions of “close associate” and “associate” include any trustee by virtue of its capacity as such trustee, of which any director, chief executive or substantial shareholder (being an individual) or any of his family interests is a beneficiary of the trust.</p> <p>Do the definitions of “close associate” and “associate” include a trustee where the beneficiary of the trust is a company controlled by any of these parties?</p>	<p>Yes. For the purpose of the definitions of “close associate” and “associate”, the interest of a director, chief executive or substantial shareholder or any of his family interests includes all beneficial interests directly or indirectly held by any of these parties. This would include the trustee of any trust of which a company beneficially controlled by a director, chief executive or substantial shareholder or any of his family interests is a beneficiary. Similarly, where the substantial shareholder is a corporation, “close associate” and “associate” include the trustee of any trust of which a subsidiary of the substantial shareholder is a beneficiary.</p>
09/05/2008 (1/12/2010)	1.01	N/A	6	A1.	What are depositary receipts?	<p>Depositary receipts (DRs) are securities issued by a depositary representing underlying shares of an issuer which have been placed with the depositary or its nominated custodian. The subject matter of listing is the underlying shares represented by DRs. DRs are purchased by investors (DR holders) in accordance with the terms of the deposit agreement. The depositary is the agent of the issuer and acts as a bridge between the DR holders and the issuer.</p> <p>DRs are issued to investors in the target market (the host market) where they are traded, cleared and settled in host market currency in</p>

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						accordance with host market procedures. One DR will represent a number of underlying shares (or a fraction of a single share), according to the DR ratio. The depositary converts dividends into the host market currency and pays the amounts (net of its own fees) to the DR holders. The depositary also transmits other entitlements and corporate communications from the issuer to the DR holder, and transmits the DR holder's instructions back to the issuer. The rights and obligations of the issuer, the depositary and the DR holders are set out in the deposit agreement.
19/12/2011	1.01	1.01	17	8.	Does "chief executive" in these Rules mean "chief executive officer"? Or does it also refer to chief financial officer, chief operations officer, etc.?	The definition of chief executive is set out in the Rules: "a person who either alone or together with one or more other persons is or will be responsible under the immediate authority of the board of directors for the conduct of the business of a listed issuer".
20/05/2010 (01/07/2014)	1.01, 14.41, 14A.46, 14A.48	1.01, 19.41, 20.44, 20.46	11	11.	Where written shareholder approval has been obtained for a transaction, the amended rule requires an information circular to be despatched within 15 business days after publication of the announcement.  If the stock market is open for only half day due to a typhoon or other reason, is it counted as a business day?	The Listing Rules define a "business day" as any day on which the Exchange is open for the business of securities dealing. Accordingly if, for whatever reason, the Exchange is open for the business of dealing in securities for only half day, it is counted as a business day.

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01/07/2014	1.01, 8.24, 14A.12(1)(b)	1.01, 11.23(11) Notes 2 and 3, 20.10(1)(b)	28	4A.	<p>Listco has appointed Trustee A the trustee of its employee share scheme established for a wide scope of participants including Listco's directors and certain employees who are not connected persons. Since the interests of Listco's directors in the scheme are together less than 30%, Trustee A is not an "associate" of the directors under Rule 14A.12(1)(b) and therefore not a connected person of Listco.</p> <p>(a) Is Trustee A a "close associate" of the directors under Rule 1.01?</p> <p>(b) Will the shares held by Company A on behalf of the beneficiaries of the scheme be regarded as being "in public hands"?</p> <p>(c) Trustee A, acting as the trustee of the scheme, holds more than 10% of Listco's total issued shares. Under the scheme, it is not allowed to exercise the voting rights attaching to shares. Is Trustee A a substantial shareholder of Listco?</p>	<p>(a) Yes. The exclusion for the definition of "associate" under Rule 14A.12(1)(b) does not apply to the definition of "close associate" under Rule 1.01.</p> <p>(b) No, because Trustee A is a close associate of Listco's directors and therefore a core connected person for the purpose of Rule 8.24.</p> <p>(c) No. Trustee A does not fall under the definition of "substantial shareholder" under rule 1.01.</p>
14/11/2014 (04/11/2016)	2.03, 13.36(2)	N/A	29	3.	Rule 13.36(2) states that an issuer may exclude overseas shareholders from a	No. Based on the CSRC Announcement [2016] No. 21 "Filing Requirements for Hong Kong

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					<p>rights issue/open offer if, having made enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, the directors of the issuer consider such exclusion to be necessary or expedient. Can Southbound Shareholders be excluded from participation in rights issues/open offers made by Eligible SEHK Issuers?</p>	<p>Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect" which sets out the procedure for the filing of rights issue/open offer prospectus documents of Eligible SEHK Issuers, the Listing Department does not consider that Eligible SEHK Issuers have grounds to exclude the Southbound Shareholders from participation in the rights issues/open offers.</p> <p>Rule 2.03 sets out the general principle expected to be upheld by issuers, and requires that (i) all holders of listed securities should be treated fairly and equally; and (ii) all new issues of equity securities by a listed issuer should first be offered to the existing shareholders by way of rights unless they have agreed otherwise. This rule seeks to secure for holders of securities equality of treatment. Accordingly, on the basis of Rule 13.36, an Eligible SEHK Issuer failing to make its rights issue/open offer available to the Southbound Shareholders will not be granted an approval for the listing of the rights/open offer shares by the Listing Department under Rule 2A.06.</p>

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14/11/2014 (04/11/2016)	2.03, 13.36(2)	N/A	29	4.	What are the additional considerations for Eligible SEHK Issuers if the securities to be offered or distributed to shareholders in the above corporate actions are not eligible for trading under Shanghai and Shenzhen Connect?	<p>The scope of securities eligible for southbound trading under the Shanghai and Shenzhen Connect (<b>Eligible Securities</b>) is set out in <a href="http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/Eligiblestock.htm">http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/Eligiblestock.htm</a>.</p> <p>Southbound Shareholders may receive different types of securities from SEHK Eligible Issuers as entitlements under pre-emptive issues or distributions (e.g. warrants or convertible securities of the issuers, or shares of other entities):</p> <ul style="list-style-type: none"> <li>• if the entitlement securities are not Eligible Securities but are listed on SEHK, Southbound Shareholders may sell them on SEHK through Shanghai and Shenzhen Connect, but they will not be allowed to buy such securities<sup>1</sup>; and</li> <li>• if the entitlement securities are not listed on SEHK, Southbound Shareholders will not be allowed to buy or sell the securities on SEHK. HKSCC and ChinaClear will determine how to deal with the securities subscribed or received by Southbound Shareholders on an individual case basis<sup>2</sup>.</li> </ul> <p>Issuers are reminded of their obligation to treat all</p>

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						<p>shareholders fairly and equally when they propose to offer or distribute securities to shareholders. They should consider making the following arrangements<sup>2</sup>:</p> <ul style="list-style-type: none"> <li>• providing all shareholders with an option to receive their entitlements in cash rather than securities; and</li> <li>• if the entitlement securities are not to be listed, offering a means for the shareholders to dispose of these securities.</li> </ul> <p>Issuers should also make clear disclosures in their corporate communications about actions their shareholders need to take in respect of the offered/distributed securities.</p> <p><i>Note</i>  1: See Article 77 of SSE Stock Connect Pilot Provisions 《上海證券交易所滬港通試點辦法》, Article 76 of SZSE Stock Connect Implementation Rules 《深圳證券交易所深港通業務實施辦法》, and Article 24 of ChinaClear Stock Connect Implementation Rules</p> <p>2: See the "Guide on distribution of dividends and other entitlements" published on the HKEX website</p>



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22/03/2007 (07/03/2011)	2.07A	16.04A	3	137	Does HKEX have any plans to abolish the requirement to publish a printed copy of annual report and accounts or other financial reports or circulars?	<p>The Electronic Disclosure Project is one major step towards a paperless market. We amended the Listing Rules in the following areas:</p> <ul style="list-style-type: none"> <li>• electronic communication to shareholders; We amended Main Board Rule 2.07A and GEM Rule 16.04A enabling a company to communicate electronically with its shareholders by means of a website if the shareholder concerned has agreed (generally or to the specific corporate communication) (and that agreement has not been revoked) or has <u>been deemed to have done so</u></li> <li>• reduction in the number of hard copies. We reduced the number of hard copies of the documents required. For details, please refer to the HKEX's announcement of 1 August 2008 at: <a href="http://www.hkex.com.hk/eng/newsconsul/hkexnews/2008/080801news.htm">http://www.hkex.com.hk/eng/newsconsul/hkexnews/2008/080801news.htm</a></li> </ul> <p>Furthermore, HKEX will closely work with the Securities &amp; Futures Commission to explore other measures in relation to electronic filing and submission, which is one of the initiatives in the Government's Economic Summit Report. One possibility would be further automation of Disclosure of Interest filings.</p>
14/12/2009	2.07A, 13.51(1),	16.04A, 17.50(1),	9	23.	Listco proposes to send corporate communications to its shareholders	The purpose of Main Board Rule 2.07A is to facilitate issuers' greater use of electronic means

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	Appendix 3 paragraph 5	Appendix 3 paragraph 5			<p>using electronic means. For this purpose, Listco will put in place adequate arrangements that comply with Main Board Rule 2.07A and all applicable laws and regulations. It will also seek shareholder approval for amending its articles of association to allow it to use electronic means to communicate with its shareholders.</p> <p>Listco's proposed amendments to its articles of association will comply with (i) the laws of its place of incorporation and (ii) the Listing Rules except Paragraph 5 of Appendix 3 to the Main Board Rules.</p> <p>Under Paragraph 5 of Appendix 3, an issuer's articles of association must provide that a copy of its director's report or the summary financial report must be delivered or sent by post to the registered address of every member.</p> <p>Would the Exchange consider that the proposed amendment of the articles of association by Listco a breach of Paragraph 5 of Appendix 3 to the Main Board Rules?</p>	<p>to communicate with shareholders to the extent permitted under applicable laws and regulations and their own constitutional documents. For this purpose, Paragraph 5 of Appendix 3 should be read in conjunction with Rule 2.07A.</p> <p>Provided that Listco's proposal has satisfied all the requirements under Rule 2.07A and is permitted under all applicable laws and regulations, the proposed amendments to its articles of association would not be regarded as a breach of Paragraph 5 of Appendix 3.</p>
28/11/2008	2.07A(2A)	16.04A(2A)	8	1.	How should listed issuers manage the	Good shareholders' database management by

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				<i>Issue 1</i>	process of obtaining consent from shareholders and keeping track of their status having regard to the 12-month ban on further deeming of consent?	<p>the listed issuer is the key to keeping track of the mode of communication applicable to each individual shareholder and any unexpired 28-day waiting period or 12-month ban on further deeming.</p> <p>If a listed issuer wishes to seek deemed consent upon a person becoming a shareholder, it will need to manage the fact that the 12-month period will vary from shareholder to shareholder. A listed issuer may wish to seek deemed consent from all relevant shareholders on the same date so that it will be much easier to keep track of the 12-month periods.</p> <p>A listed issuer can at any time encourage and invite shareholders to sign up to electronic communications, e.g. as part of its standard shareholder mailings. It is just that a shareholder cannot be deemed to have consented to any request for consent from the listed issuer sent for the purposes of the deeming procedure less than 12 months after a previous request made to him for the purposes of the deeming procedure in respect of the same class of corporate communications.</p>
28/11/2008	2.07A(2A)	16.04A(2A)	8	2. <i>Issue 1</i>	Where a shareholder disposes of all his shares in a listed issuer and ceases to be a shareholder but subsequently	No. For the sake of certainty and consistency, the shareholder will need to be treated as a new shareholder. He must be sent hard copies of all

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					becomes a shareholder again with the acquisition of some shares, can the listed issuer act upon any consent previously given or deemed?	corporate communications unless and until fresh consent from him is expressly given or deemed.
28/11/2008	2.07A(2A)	16.04A(2A)	8	4. <i>Issue 1</i>	Can a listed issuer, in its request for consent under the deeming procedure, offer electronic means of communication (such as CD or email) in addition to publication on its website?	Yes. Although the deeming procedure can only be invoked to deem consent from a shareholder to website communication, the listed issuer is not precluded, when requesting consent under the deeming procedure, from using the opportunity to solicit express consent from the shareholder to other electronic means (such as receiving the corporate communication on a CD or by email). If no response is received at the end of the 28-day waiting period and provided that all the relevant conditions under the deeming procedure have been satisfied, the shareholder will be deemed to have consented to website communication.
28/11/2008 (13/03/2009)	2.07A(2A), 2.07B	16.04A(2A), 16.04B	8	6. <i>Issue 1</i>	Main Board Rule 2.07B/ GEM Rule 16.04B provides that an issuer that avails itself of that Rule must make adequate arrangements to ascertain in which language its shareholders wish to receive its corporate communications. The Note under Main Board Rule 2.07B/ GEM 16.04B sets out an example of what the Exchange will normally regard as an adequate arrangement.	The Note is merely a non-exhaustive example of how to comply with the Rule. An issuer that wishes to use the deeming procedure under Main Board Rule 2.07A(2A)/ GEM 16.04(2A) may modify the example to suit its own circumstances, so long as the arrangement is adequate for the purpose of Main Board Rule 2.07B/ GEM Rule 16.04B.  If an issuer is not sure whether its arrangement is

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					<p>However, an issuer that avails itself of the deeming procedure under Main Board Rule 2.07A(2A)/ GEM Rule 16.04A(2A) may not be able to follow this example exactly, in particular paragraph (3) under the Note.</p> <p>Can an issuer deviate from the example?</p>	adequate, the issuer should consult the Exchange.
28/11/2008	2.07A(2A)(d)	16.04A(2A)(d)	8	5. <i>Issue 1</i>	<p>New Main Board Rule 2.07A(2A)(d) / GEM Rule 16.04A(2A)(d) require the listed issuer to notify intended recipients of corporate communications made available on its website only of the presence of the corporate communication on the website, the address of the website, the place on the website where it may be accessed and how to access the corporate communication. To whom and how should such a notification be sent?</p>	<p>After a request for consent has been sent for the purposes of the deeming procedure, there will essentially be three classes of shareholders for the purpose of website communication.</p> <ol style="list-style-type: none"> <li>1. Shareholders who reply that they wish to continue to receive a hard copy do not need to be sent a separate notification about website communication as they are to be sent a hard copy.</li> <li>2. Shareholders who do not reply within the 28-day waiting period can be deemed to have consented to website communication provided all other relevant requirements have been complied with. However, they must be sent a hard copy of the notification unless they have provided the listed issuer with an</li> </ol>

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						<p>electronic address for this purpose. If any shareholders reply within the 28 days opting for website communication but do not provide an email address, they will be in the same position as those who did not reply and will likewise have to be sent a hard copy of the notification.</p> <p>3. In cases where shareholders who reply that they wish to be advised electronically when any new corporate communication is available on the listed issuer's website and who have provided an email address for this purpose, the listed issuer will have to send them the notification by email. (Note that this group is not the same as those who may have signed up separately to receive email alerts about non-Listing-Rule related material such as promotional offers.)</p>
22/03/2007 (07/03/2011)	2.07C(1)(a)(i)	16.17(1)(a)	3	3	What are the operational hours of the e-Submission System?	<p>The operational hours of the e-Submission System on a business day will be between 6.00 a.m. and 11.00 p.m.</p> <p>On a non-business day immediately preceding a business day, the e-Submission System will be available between 6.00 p.m. and 8.00 p.m.</p> <p>A submission for publication can be made</p>

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						<p>whenever the e-Submission System is operational. However, the Listing Rules prohibit an issuer from submitting announcements and notices for publication (with certain limited exceptions) outside designated publication windows.</p> <p>The e-Submission publication windows for announcements are set out in the questions in the "Timing of Publication" section.</p>
22/03/2007 (23/12/2011)	2.07C(1)(a)(i)	16.17(1)(a)	3	11	I cannot gain access to the Internet in order to publish a document via the e-Submission System. Can I send the document to HKEX by diskette instead?	<p>In normal circumstances the Listing Rules require an issuer to publish a document using the e-Submission System. Submission to HKEX via diskette (or any other means) will not satisfy an issuer's obligations under the Listing Rules. HKEX will only accept e-mail (or any other means as announced by the Exchange from time to time) in contingency circumstances, such as a failure of both the e-Submission System and back-up system. In these circumstances HKEX will contact all Authorised Persons to inform them of what contingency measures to take.</p> <p>In all other circumstances, an issuer must make every effort to gain access to the e-Submission System in order to publish a document. An issuer should first ensure that its own systems are not at fault and use alternative Internet connections (such as those of agents registered</p>

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						<p>on the e-Submission System) if necessary. It is important for the HKEX to understand from the issuer why a document cannot be submitted electronically via the e-Submission System. HKEX will consider the reasons to determine if it should invoke contingency measures.</p> <p>For details of the contingency measures, you may refer to the Guide on Listed Company Information Dissemination and Related Trading Arrangements in the Event of Interruption to the HKEXnews Website Service or the Information Dissemination System published by the Exchange on the HKEX website at: <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/listadmin/conting_mtl.htm">http://www.hkex.com.hk/eng/rulesreg/listrules/listadmin/conting_mtl.htm</a>.</p>
22/03/2007	2.07C(1)(a)(i)	16.17(1)(a)	3	64	Where the day for submission for publication falls on a business day immediately preceding a day which is not a business day, there is a publication window of between 6.00 p.m. and 8.00 p.m. on the day immediately preceding the next following business day. What is the status of documents submitted during that window for publication?	<p>A document submitted for publication during this window is treated in the same way as if it had been submitted prior to 11.00 p.m. the last preceding business day. Thus:</p> <ul style="list-style-type: none"> <li>• it will be published on the HKEX website immediately upon submission through the e-Submission System; and</li> <li>• if it requires pre-vetting by HKEX, it will need to have been cleared by 7.00 p.m. on the evening of the preceding business day.</li> </ul> <p>(In the absence of any statutory holidays during the week, “preceding business day” and “next</p>



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						business day” referred to above would be Friday and the following Monday respectively.)
22/03/2007 (21/05/2007)	2.07C(1)(a)(i)	16.17(1)(a)	3	122	Are there any restrictions regarding the type of information I can submit for publication on the HKEX website?	<p>Yes. Information should only be submitted for publication on the HKEX website if it is information, communication or other material required to be published under the Exchange Listing Rules or the Takeovers Code, or otherwise as may be permitted by HKEX at its absolute discretion.</p> <p>However, if an issuer currently publishes information available via the HKEX website that is not required by the Listing Rules or Takeovers Code then it can continue to do so by following the instructions given in the answer to question 30.</p>
26/11/2010	2.07C(1)(b)(ii)	16.17(2)(b)	13	12.	Since the rule provides for the posting on the HKEX website and the issuer’s website of the e-application form together with the e-prospectus, can an applicant simply complete the e-application form downloaded from those websites for subscription purposes?	<p>This is not recommended. Using application forms downloaded from websites for subscription purpose increases the risk of invalid applications as irregularities during downloading and reproduction may occur.</p> <p>Generally speaking, issuers tend to accept only public subscriptions that are made on completion of the standard printed applications forms provided by issuers.</p> <p>Alternatively, applicants applying under the public</p>

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						offer tranche may subscribe for securities under the ePO services provided by the issuers which normally involve completion of an online application form.
22/03/2007	2.07C(2)	16.18(1)	3	16	Will my file be checked for viruses while it is being uploaded onto the e-Submission System?	<p>Yes. The e-Submission System has in-built virus detection software and will reject a submission if the document being uploaded contains a virus.</p> <p>However, you should check that a file is virus free before uploading it to the e-Submission System.</p>
26/11/2010	2.07C(2)	16.18(1)	13	25.	How to check whether a document is downloadable for display and printing?	<p>MB Rule 2.07C(2) and GEM Rule 16.18(1) provide that all electronic copies of documents submitted by an issuer through HKEX-EDP to the Exchange for publication must be displayable on and printable from the HKEX website. The issuers must ensure compliance with the Rules in this respect. HKEX also operates a hotline if any member of the public detects any malfunctioning on the HKEX website.</p> <p>Enquires can be sent to the Exchange's IPO Transactions Department by post, phone, fax or email:</p> <p>Address:  IPO Transactions Department  The Stock Exchange of Hong Kong Limited  Hong Kong Exchanges and Clearing Limited</p>

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						<p>11/F One International Finance Centre 1 Harbour View Street, Central Hong Kong</p> <p>General telephone number: 2522 1122 Public Enquiry Number 2840 3895 General fax number: 2295 0590 Email: <a href="mailto:info@hkex.com.hk">info@hkex.com.hk</a></p>
14/03/2014	2.07C(3)	16.18(2)	27	7.	How should an issuer decide on the title of its announcement?	The title of an announcement should give readers a quick understanding of the relevance and importance of the information disclosed in the announcement. Therefore the announcement title should be precise and meaningful. Issuers should avoid using titles that are too generic and do not describe the content of the announcement. Examples of these generic titles include “announcement”, “voluntary announcement” and “other announcement”.
28/11/2008	2.07C(3), 13.25A	16.18(2), 17.27A	8	7. <i>Issue 8</i>	For disclosure in the Next Day Disclosure Return pursuant to Main Board Rule 13.25A / GEM Rule 17.27A, which headline category should a listed issuer use when submitting a Next Day Disclosure Return to report a buyback of shares by the listed issuer?	The listed issuer should choose the new Tier 2 headline category “Share Buyback” under the new Tier 1 headline category “Next Day Disclosure Returns”. Where a disclosure other than a share buyback is made in the Next Day Disclosure Return, the listed issuer should choose the new Tier 2 headline category “Others” under the new Tier 1 headline category “Next Day Disclosure Returns”. A listed issuer reporting in a Next Day Disclosure Return both a

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						share buyback and some other type of change in its issued share capital should choose both "Share Buyback" and "Others".
28/11/2008	2.07C(3), 17.06A	16.18(2), 23.06A	8	8. <i>Issue 8</i>	For an announcement published pursuant to Main Board Rule 17.06A/ GEM Rule 23.06A regarding the granting of an option under a share option scheme, which headline category should a listed issuer use when submitting the announcement for publication?	The listed issuer should choose the Tier 2 headline category "Share Option Scheme" under the heading "Securities/Share Capital" under the Tier 1 headline category "Headline Categories for Announcements and Notices".
22/03/2007	2.07C(3), Appendix 24	16.18(2), App 17	3	22	On what basis should I prioritise headline categories when I have chosen more than one?	The issuer must make a judgement as to relative importance of the different types of information contained within the document to be published and set the priority of the headline categories accordingly.
22/03/2007 (07/03/2011)	2.07C(3), Appendix 24	16.18(2), Appendix 17	3	26	Does HKEX have any guidelines for selecting headline categories?	An issuer should make best efforts to choose headlines that it believes apply to the information submitted for publication. However, if you have any questions on the selection of headline categories you can contact a case officer in the Listing Division. Please use the link below to find the appropriate Listing Division team that is responsible for your company and also the contact number for that team. <a href="http://www.hkex.com.hk/eng/listing/listreq_pro/list">http://www.hkex.com.hk/eng/listing/listreq_pro/list</a>

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						<p><a href="#">contact/advisor.htm</a></p> <p>If you wish to submit information for publication out of office hours and a Listing Division case officer is not available, you should select the headline categories that you think are most appropriate. Following publication of the information on the HKEX website you may alter the headline categories, as necessary, up to 5 calendar days following publication.</p> <p>You may refer to the Guide on Pre-vetting Requirements and Selection of Headline Categories for Announcements published by Exchange on the HKEX website at: <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/guideref/guide_pre_vetting_req.htm">http://www.hkex.com.hk/eng/rulesreg/listrules/guideref/guide_pre_vetting_req.htm</a>. The Guide contains a list of headline categories usually applicable to various types of announcements issued under specific Listing Rules.</p>
22/03/2007 (21/05/2007)	2.07C(3), Appendix 24	16.18(2), Appendix 17	3	27	What are the implications for not including all the relevant headline categories in a submission?	The Listing Rules require that an issuer select all such headlines as may be appropriate from the list of headlines set out in Appendix 24 of the Main Board Listing Rules/ Appendix 17 of the GEM Listing Rules (which is also displayed in the e-Submission System) (Listing Rule MB 2.07C(3) & GEM 16.18(2)). Consequently a failure to include all the relevant Tier 2 headline categories in a submission would technically constitute a

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						breach of the Listing Rules.  HKEX will take appropriate action as necessary if we find that Tier-2 headline categories have been omitted from a submission.
22/03/2007 (02/01/2013)	2.07C(3), Appendix 24	16.18(2), Appendix 17	3	28	Is it sufficient to select only the headline category that is most relevant to the main topic of an announcement?	No. When submitting the announcement via the e-Submission System, the issuer must select all applicable headlines pursuant to the Listing Rules. If the announcement is issued pursuant to multiple Listing Rule requirements, all relevant headlines that are related to those Listing Rule requirements must be selected.  For example, if the issuer submits an announcement in relation to a discloseable transaction, the issuer should select the headline category "Discloseable Transaction". If the transaction constitutes inside information, the issuer should also select the headline category "Inside Information".
22/03/2007 (02/01/2013)	2.07C(3), Appendix 24	16.18(2), Appendix 17	3	30	How can an issuer continue to make "non-regulatory" information available to the public that is currently made available on the HKEX website?	There may be information that an issuer currently publishes on the HKEX website that is not required by the Listing Rules or Takeovers Code. An issuer, for the purposes of transparency and for the benefit of shareholders may wish to continue to make this information publicly available. This information may or may not relate to information that has been already published

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						<p>under the requirements of the Listing Rules or Takeovers Code. Typical examples of such information would include: presentation material in relation to a transaction for market analysts or media and reports issued by special or ad hoc committees of issuers.</p> <p>If an issuer wishes to make non-regulatory information available to the public it should ensure that this information is beneficial and is made available for the purposes of transparency and even dissemination of information.</p> <p>An issuer should submit this information via the e-Submission System as an announcement using the “Announcements &amp; Notices” Tier 1 Headline. The issuer should choose an appropriate Tier 2 headline for this announcement. The Tier 2 headline should match that chosen for any related regulatory information. However, an issuer should clearly differentiate the nature of the non-regulatory information being published in the Title of the submission. If the non-regulatory information to be published does not relate to any previously published regulatory information, then “Other” under the subheading “Miscellaneous” may be chosen as the Tier 2 Headline for the submission.</p> <p>The announcement should not itself include the non-regulatory information but should instead</p>

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						<p>state that the relevant non-regulatory information is available on the issuer's website. The announcement should include a hyperlink to the relevant information on the issuer's website.</p> <p>Please note that if an issuer proposes to publish non-regulatory information that contains inside information, this information should be regarded as regulatory information and should be published in the normal manner according to the requirements of the Listing Rules.</p> <p>HKEX and/or its subsidiaries are not responsible for the contents or any of the information of any websites linked with HKEX's website. The inclusion of any hyperlink in a document published on the HKEX website does not imply endorsement by HKEX and/ or its subsidiaries of the linked sites and HKEX and/ or its subsidiaries are not liable for any loss or damage incurred or suffered arising out of, in connection with or as a result of any access to or interaction with any other websites via HKEX's website.</p>
22/03/2007 (21/05/2007)	2.07C(3), 13.45(3), Appendix 24	16.18, 17.49(3), Appendix 17	3	77	If I submit a preliminary results announcement for publication, would it be sufficient to select only one headline category, e.g. "Final Results"?	In addition to "Final Results", all appropriate headline categories must be selected, such as dividend, closure of books, and change in directors. If the auditors have qualified or modified their audit opinion, the headline category "Qualified and/ or modified audit



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						<p>opinion” must also be selected.</p> <p>Issuers should not include in the preliminary results announcements information of a nature that would require pre-clearance under the Listing Rules.</p>
26/11/2010	2.07C(3), Appendix 24	16.18(2) Appendix 17	13	21.	What headline category should be used for announcements in relation to MMO?	For announcements in relation to MMO, the issuer must select the headline category “Mixed Media Offer” under “New Listing (Listed Issuers/ New Applicants)”.
14/3/2014	2.07C(3), Appendix 24	16.18(2), Appendix 17	27	1.	How should an issuer select headline categories when submitting an announcement for publication on the HKEXnews website?	<p>Rule 2.07C(3) requires an issuer to select all appropriate headlines from the list of headlines set out in Appendix 24 of the Listing Rules. As a general principle, an issuer should select all headlines that are applicable to the content of the announcement. If an announcement relates to more than one subject matter or is issued to satisfy different Rule requirements, all headlines relating to the subject matters and the Rule requirements must be selected. An issuer should not select the headline(s) under “Other” unless all other headlines in Appendix 24 are not applicable to its announcement.</p> <p>Issuers may also refer to the following Exchange’s guidance materials for the selection of headline categories:</p>

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						<ul style="list-style-type: none"> <li>• Guide on pre-vetting requirements and selection of headline categories for announcements available at <a href="http://www.hkex.com.hk/listing/suppmat/guide_pre_vetting_req.htm">http://www.hkex.com.hk/listing/suppmat/guide_pre_vetting_req.htm</a> which sets out the generally applicable headline categories for various types of announcements issued under specific Listing Rules.</li> <li>• The Exchange's letter to issuers of 25 July 2007 available at <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/listletter/documents/20070725.pdf">http://www.hkex.com.hk/eng/rulesreg/listrules/listletter/documents/20070725.pdf</a> which sets out the examples of common errors made by issuers in selecting headlines for certain types of announcements and circulars.</li> </ul>
14/3/2014	2.07C(3), Appendix 24	16.18(2), Appendix 17	27	2.	<p>New headline categories "Other - Business Update", "Other - Trading Update", "Other - Corporate Governance Related Matters", "Other - Litigation", and "Other – Miscellaneous" were introduced in April 2014.</p> <p>Please explain which types of announcements may fall under these headlines.</p>	<p>The new headlines are introduced to give investors more information about the nature of the announcements falling under the headline category "Other". Issuers should select these new "Other" headline categories only if there are no other applicable headlines.</p> <p>The following types of announcements may fall under the new headline categories:</p> <p>(i) Other - Business Update - Updates on business activities of the issuer group, for example, the signing of a</p>

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						<p>business contract, a letter of intent to acquire/dispose of assets or a business cooperation agreement, public tender for acquisition/disposal, status update on a project, etc.</p> <p>(ii) Other - Trading Update</p> <ul style="list-style-type: none"> <li>- Periodic updates of sales and other key performance indicators, for example, sales turnover, key performance indicators such as same store sales, new orders booked, monthly premium income for insurance companies, interim management accounts, etc.</li> </ul> <p>(iii) Other - Corporate Governance Related Matters</p> <ul style="list-style-type: none"> <li>- Report on internal control review, updates of corporate governance matters, for example, change in corporate personnel, etc.</li> </ul> <p>(iv) Other - Litigation</p> <ul style="list-style-type: none"> <li>- Status update on litigation, arbitration or other legal proceedings.</li> </ul> <p>(v) Other - Miscellaneous</p> <ul style="list-style-type: none"> <li>- Issuers should only choose this headline if no other headlines is applicable.</li> </ul>

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14/3/2014	2.07C(3), Appendix 24	16.18(2), Appendix 17	27	3.	Can investors search for announcements published before 1 April 2014 using the new headlines “Other - Business Update”, “Other - Trading Update”, “Other - Corporate Governance Related Matters” and “Other - Litigation”?	<p>No. These new headlines only apply to announcements published by issuers after 1 April 2014.</p> <p>Investors can use the headline “Other (before 1 April 2014)” to search for similar types of announcements published before 1 April 2014.</p>
14/3/2014	2.07C(3), Appendix 24	16.18(2), Appendix 17	27	4.	Why did the Exchange introduce six new headline categories for overseas regulatory announcements? Please give examples for the use of these new headline categories.	<p>Overseas regulatory announcements contain regulatory information released by an issuer or its subsidiary to other stock exchanges. Since overseas regulatory announcements may be published in one language only (either Chinese or English), the new headlines (in both languages) provide readers with information about the nature of the announcement.</p> <p>If an overseas regulatory announcement is to be published in one language only, the issuer should only select these new headline(s) under “Overseas Regulatory Announcement”.</p> <p>The following are examples of announcements that may be published under these new headline categories.</p> <p>(i) Overseas Regulatory Announcement – Corporate Governance Related Matters - Social responsibility report, internal control report and independent directors’</p>

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						<p>review report, etc.</p> <p>(ii) Overseas Regulatory Announcement – Business Update  - Signing of sales contracts or cooperation agreements, periodic update on group reorganization, financial or capital arrangements with subsidiaries, and surplus cash management report, etc.</p> <p>(iii) Overseas Regulatory Announcement – Trading Update  - Financial results summary or reports of the issuer or its subsidiaries, Forms 10-K/10-Q filed with the U.S. Securities and Exchange Commission, interim management statements, and periodic updates on sales performance, etc.</p> <p>(iv) Overseas Regulatory Announcement – Board/Supervisory Board Resolutions  - Resolutions approved by the board of directors or the board of supervisors.</p> <p>(v) Overseas Regulatory Announcement – Issue of Securities and Related Matters  - Listing documents/ notices/ allotment results for listing of bonds or foreign listed shares (e.g. A shares of PRC issuers), overseas debt issuance program updates,</p>

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						<p>periodic announcements on interest payments and credit ratings, and conversion/ repurchase/ cancellation of overseas listed bonds, etc.</p> <p>(vi) Overseas Regulatory Announcement – Other</p> <ul style="list-style-type: none"> <li>- Issuers should only choose this headline for an overseas regulatory announcement if none of the above headlines is applicable.</li> </ul>
14/3/2014	2.07C(3), Appendix 24	16.18(2), Appendix 17	27	5.	<p>Listco A is dually listed in Hong Kong and on a PRC stock exchange. It proposes to release its quarterly results in the PRC market in order to comply with the PRC listing rules.</p> <p>At the time of releasing its quarterly results in the PRC market, Listco A will publish the following two announcements on the HKEXnews website:</p> <ul style="list-style-type: none"> <li>(i) an overseas regulatory announcement (in Chinese only) which contains the quarterly results released in the PRC; and</li> <li>(ii) a separate announcement (in both</li> </ul>	<p>Listco A should select the headline “Overseas Regulatory Announcement – Trading Update” for the announcement (i). For the other announcement (ii), Listco A should select the headline “Quarterly Results” and also the headline “Inside Information”.</p>

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					<p>English and Chinese languages) about inside information which contains key financial figures extracted from the overseas regulatory announcement in (i).</p> <p>Which headline(s) should Listco A select for these two announcements?</p>	
14/3/2014	2.07C(3), Appendix 24	16.18(2), Appendix 17	27	6.	<p>Listco B is dually listed in Hong Kong and the UK. It proposes to release an interim management statement containing financial updates in the UK market.</p> <p>Listco B considers that the interim management statement constitutes inside information. Therefore it will publish the statement in both English and Chinese languages on the HKEXnews website.</p> <p>Which headline(s) should Listco B select for this announcement?</p>	Listco B should select the headlines “Inside Information” and “Overseas Regulatory Announcement - Trading Update” for its interim management statement.
26/11/2010	2.07C(4)(a)	N/A	13	26.	How does the MMO apply to CIS offerors?	For CIS offerors who intend to adopt an MMO, the SFC will impose conditions in its letter of authorization similar to those in the Class Exemption Notice for CO offerors who intend to adopt an MMO (with necessary changes).

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22/03/2007 (25/07/2016)	2.07C(4)(a)	16.18(3)(a)	3	155	What are the publication windows?	<p>A publication window is a period of the day when documents submitted through the e-Submission System are published immediately on the HKEX website. Subject to certain limited types of announcements that can be published at all times during the operational hours of the e-Submission System, the current publication windows applicable to the Announcements and Notices Tier 1 Headline Category are as follows (these publication windows occur on business days unless otherwise specified):</p> <p>On a normal business day:</p> <ul style="list-style-type: none"> <li>• 6.00 a.m. to 8.30 a.m.</li> <li>• 12.00 noon to 12.30 p.m.</li> <li>• 4.30 p.m. to 11.00 p.m.</li> </ul> <p>On the eves of Christmas, New Year and Lunar New Year when there is no afternoon session:</p> <ul style="list-style-type: none"> <li>• 6.00 a.m. to 8.30 a.m.</li> <li>• 12.30 p.m. to 11.00 p.m.</li> </ul> <p>On a non-business day preceding a business day:</p> <ul style="list-style-type: none"> <li>• 6.00 p.m. to 8.00 p.m.</li> </ul> <p>The above times are submission deadlines for publication. A submission will be successful if approved at any time (up to and including the</p>



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						<p>59th second) prior to the deadline.</p> <p>In order to enable HKEX to perform maintenance work on its systems, submissions for publication cannot be made via the e-Submission System at times other than those specified above.</p> <p>As stated in the Exposure Conclusions document, we are continuing to explore ways to reduce the categories of announcements which require our pre-vetting. Such a reduction should also help issuers to meet the submission deadline more easily.</p> <p>Other documents, such as circulars and annual reports can be submitted during the operational hours of the e-Submission System (see question 3) and they will be published directly on the HKEX website. For these documents, we would recommend submission during trading hours so as to avoid the peak publication period.</p>
22/03/2007 (02/01/2013)	2.07C(4)(a)	16.18(3)(a)	3	157	Which categories of announcements and notices can be published during trading hours (including lunchtime)?	<p>All notices and documents which are not announcements (e.g. Annual Reports, Listing Documents, Circulars, Exchange Traded Fund NAV statements etc.) can be published both during and outside of trading hours.</p> <p>The following categories of announcements can be published during trading hours as well as</p>

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						<p>outside trading hours:</p> <ul style="list-style-type: none"> <li>• trading halt or suspension announcements;</li> <li>• announcements that relate to clarification of news reports or unusual price/turnover movements (classified as “standard” or “super”); and</li> <li>• overseas regulatory announcements;</li> </ul> <p>All types of announcements can be published between 12.00 noon and 12.30 p.m. on a normal business day as well as outside trading hours.</p>
22/03/2007 (25/07/2016)	2.07C(4)(a)	16.18(3)(a)	3	158	Can any documents other than announcements be published during trading hours?	<p>Yes. Documents other than announcements (e.g. annual reports, listing documents, circulars and Exchange Traded Fund NAV statements) can be submitted and published on the HKEX website during trading hours. Only announcements (with certain exceptions as set out in the Listing Rules) submitted for publication on the HKEX website cannot be published during trading hours.</p> <p>To avoid peak publication times, which we anticipate to be between 4.30 p.m. to 11 p.m., we would recommend that documents that are not time critical (such as annual reports and circulars) be submitted electronically for publication during trading hours.</p>

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22/03/2007 (25/07/2016)	2.07C(4)(a)	16.18(3)(a)	3	159	Are there special publication periods for the submission of annual reports or circulars for publication on the website?	No. There are special publication windows only for announcements. Documents such as annual reports and circulars can be submitted for publication at all times during the operational hours of e-Submission System; this includes trading hours.  HKEX would recommend the submission of documents other than announcements for publication on the website during trading hours rather than the peak evening publication window (i.e. between 4.30 p.m. and 11 p.m.) when announcements would tend to be published.
22/03/2007 (21/05/2007)	2.07C(4)(b)	16.03	3	50	What announcement, notice or document types can I submit in a single language?	An announcement can be submitted in a single language where permitted by the Listing Rules. The types of announcements where single language publication is usually permitted include overseas regulatory announcements and the trading reports and pre-listing reports of structured product issuers. However, overseas regulatory announcements can also be submitted in both English and Chinese.
22/03/2007	2.07C(4)(b), 13.10B	16.03, 17.12	3	56	Can I submit an Overseas Regulatory Announcement in both English and Chinese for publication?	Yes. An Overseas Regulatory Announcement can be submitted for publication in both English and Chinese and both files should be submitted simultaneously. An Overseas Regulatory Announcement can also be submitted for publication in only one language i.e. either in

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						English or in Chinese.
22/03/2007	2.07C(4)(c), 2.07C(4)(d)	16.18(1)(b), 16.18(1)(c)	3	55	Can I submit the English and Chinese language files in two separate submissions one after the other?	The Listing Rules usually require that, for documents where both English and Chinese versions must be published, both language versions be submitted for publication simultaneously. However Annual Reports or Listing Documents can be published in two separate language submissions, one after the other.
22/03/2007	2.07C(4)(c), 2.07C(4)(d)	16.18(1)(b), 16.18(1)(c)	3	57	Can I submit a bilingual version of a document (e.g. annual report and accounts) for publication or do I have to separate a bilingual document into a purely English and a purely Chinese language version before submitting them for publication?	<p>You can submit a bilingual document for publication and you do not need to separate a bilingual document into a purely English and a purely Chinese language version before submitting them for publication.</p> <p>However, you should submit a copy of a bilingual document under an English title on one submission and the same copy of the bilingual document under a Chinese title on a separate submission. This is to ensure that visitors to both language versions of the HKEX website can access the bilingual document.</p>
26/11/2010 (08/07/2015)	2.07C(6)	16.19(1)	13	23.	What operational standards must an issuer adhere to for posting announcements relating to MMO on its own website?	In addition to the requirements in the Class Exemption Notice requiring how access to the e-prospectus must be provided from the issuer's website (e.g. 9A(3)(f),(g),(h) and 9A(10)), reference is made to No. 36 of the FAQ Series 3

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						document for electronic disclosure regarding certain guiding principles for layout of the issuer's website.  <i>Noted: Updated in July 2015.</i>
22/03/2007 (21/05/2007)	2.07C(6)(a)	16.19(1)	3	34	Can an issuer satisfy the requirement to have its own website by using the services of a third party (e.g. an agent?)	Yes. An issuer can use web hosting and management services of a third party to satisfy the requirement to publish announcements, notices or other documents. The third-party website must be assigned a dedicated location on the Worldwide Web. Also, the issuer remains responsible at all times for the content that it posts on that third party website.
22/03/2007 (07/03/2011)	2.07C(6)(a)	16.19(1)	3	35	Can an issuer have more than one website?	An issuer must nominate one website (and only one) which complies with all the requirements of the Listing Rules with regard to "issuer's own website" and the publication of documents on that website.  An issuer may maintain other websites for other purposes.
22/03/2007 (07/03/2011)	2.07C(6)(a)	16.19(1)	3	36	What operational standards must an issuer adhere to in order to meet the Listing Rule requirement to post announcements on its own website?	Listing Rules MB 2.07C(6)(a) and GEM 16.19(1) require issuers to publish an announcement, notice or other document on a website within certain deadlines.  We do not specify the minimum operational

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						<p>standards that an issuer should apply to a website that publishes information to comply with the above rules. The demands placed upon an issuer's website by visitors will vary greatly depending upon the extent of investor and shareholder interest at any one time.</p> <p>Issuers are expected to take all "reasonable steps" to comply with the Listing Rules. What constitutes "reasonable steps" will depend on the circumstances and the extent to which the issuer can control them.</p> <p>We do not specify the web publication mechanism(s) by which an issuer may comply with the above rules. There are a wide variety of mechanisms that will allow an issuer to comply with the above rules. These mechanisms are often technically complex. Also, the types of mechanisms that are available change rapidly over time. Consequently, there is a high risk that technologically innovative solutions could be inhibited by any guidance issued by us.</p> <p>Instead, we have set out a list of principles that issuers should be mindful of when publishing information on their website to comply with the above rules.</p> <p>The underlying rationale behind these principles is to ensure that the information published on the</p>

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						<p>issuer's website is easily and readily available to all in a manner that is independent from HKEX. This is to ensure at all times, there is an alternative source of information apart from the HKEX website.</p> <p><b>List of guiding principles</b></p> <ul style="list-style-type: none"> <li>• <b>Availability:</b> the website on which an issuer publishes information to comply with these rules must be available at all times (except for downtime required for essential maintenance reasons). An issuer should take all reasonable steps to ensure the availability of its website during normal circumstances and in contingency circumstances.</li> <li>• <b>Ease of access:</b> the information an issuer publishes to comply with these rules must be easily accessible to a visitor to its website. It should be clear to the visitor where the information is located and how he can locate and view the information.</li> <li>• <b>Security:</b> an issuer should take all reasonable steps to ensure that the information it publishes on a website to comply with these rules is secure to prevent any unauthorized tampering with the information once it has been published.</li> <li>• <b>Segregation:</b> an issuer should ensure that the information it publishes on a website to</li> </ul>

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						<p>comply with these rules is clearly segregated from the information of other issuers. An issuer should also take all reasonable steps to segregate information that has been published to comply with these rules from other non-regulatory corporate information of the issuer.</p> <ul style="list-style-type: none"> <li>• <b>Control:</b> an issuer must at all times maintain control of the information it has published to comply with these rules. An issuer must take all reasonable steps to ensure that the information it has published is not in the control of another party.</li> </ul> <p><b>Independence from HKEX publication:</b> an issuer must ensure that the information it publishes to comply with these rules is independent from the copy of the same information published on an HKEX website. An issuer should ensure that the availability of the information on its website does not rely upon the availability of the same information on an HKEX website.</p>



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22/03/2007 (21/05/2007)	2.07C(6)(a)	16.19(1)	3	37	Does an issuer's own website need to be in both English and Chinese?	An issuer should publish on its own website the same information that it has published on the HKEX website. Consequently, if the information published on the HKEX website is in both English and Chinese, both language versions of that information should also be made available on the issuer's own website.
22/03/2007 (21/05/2007)	2.07C(6)(a)	16.19(1)	3	38	Does the document published on the issuer's own website have to be the same as that submitted to HKEX for publication?	Yes. The two documents must be identical. This includes the file format and contents of the document.
22/03/2007 (21/05/2007)	2.07C(6)(a)	16.19(1)	3	39	Does an issuer have to display on its own website the headline categories and titles of the announcement, notice or document as published on the HKEX website?	No. Publication of the announcement, notice or document on an issuer's website will be sufficient to satisfy the requirements of the Listing Rules.
22/03/2007 (07/03/2011)	2.07C(6)(a)	16.19(1)	3	42	When does the deadline for posting a document on the issuer's own website start to run?	The general deadline for publishing a document on the issuer's own website is 1 hour after submission for publication of the document through the e-Submission System. Where, however, a document is submitted after 7.00 p.m., the deadline for publication on the issuer's own website is 8.30 a.m. the following business day (see Listing Rules MB 2.07C(6)(a) and GEM 16.19(1)).
22/03/2007	2.07C(6)(a)	16.19(1)	3	43	How can an issuer ensure even	An issuer should take reasonable steps to ensure

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(21/05/2007)					dissemination of information between both its own website and the HKEX website?	<p>that information has been disseminated evenly between its own website and the HKEX website.</p> <p>An issuer can gain comfort that it has taken all reasonable steps in this regard by publishing information on its website, only after:</p> <ul style="list-style-type: none"> <li>• receiving an acknowledgement from the e-Submission System that its approval of a submission for publication was successful; and</li> <li>• receiving an e-mail from HKEX confirming that its submission has been published on the HKEX website; and/or</li> <li>• visually inspecting the HKEX website to check that its submission has been published there.</li> </ul> <p>An issuer should adopt internal procedures that incorporate such assurances.</p>
22/03/2007 (07/03/2011)	2.07C(6)(a)	16.19(1)	3	44	What are the implications of HKEX's review and monitoring procedures on listed issuers' compliance with the requirement to publish a document on its own website within an hour of publication on the HKEX website (or, where the document has been submitted to HKEX after 7.00 p.m. by no later than 8.30 a.m. the next business day)?	HKEX may from time to time review compliance standards for posting times of documents on issuer's own websites. Listed issuers may be asked by HKEX to provide all relevant data in this regard. Issuers should maintain a log showing the date and time of the posting of their documents on their own websites.

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22/03/2007 (23/12/2011)	2.07C(6)(a)	16.19(1)	3	45	Is an issuer permitted to publish a document on its own website when the same document cannot be published on the HKEX website for technical reasons?	<p>HKEX has back-up systems in place to ensure that there is not a single point of failure for the HKEX website. In the extreme circumstance of double point failure and both the main and back-up HKEX systems fail, HKEX will issue details of the contingency measures that all issuers should take. It is likely that these contingency measures will require that issuers publish documents on their own website to provide an alternative source of this information. HKEX will also publish headlines and titles of announcements and documents on an electronic bulletin board.</p> <p>You may refer to the Guide on Listed Company Information Dissemination and Related Trading Arrangements in the Event of Interruption to the HKEXnews Website Service or the Information Dissemination System published by the Exchange on the HKEX website at: <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/listadmin/conting_mtl.htm">http://www.hkex.com.hk/eng/rulesreg/listrules/listadmin/conting_mtl.htm</a>.</p>
22/03/2007 (07/03/2011)	2.07C(6)(a)	16.19(1)	3	48	What procedures should an issuer follow if it has launched a new website, or the address of its existing website has changed?	<p>HKEX maintains a list of the websites of listed companies. This list can be accessed via the hyperlinks below:</p> <p><a href="http://www.hkexnews.hk/hyperlink/hyperlist.htm">http://www.hkexnews.hk/hyperlink/hyperlist.htm</a>  <a href="http://www.hkgem.com/aboutgem/links/e_hyper1.htm">http://www.hkgem.com/aboutgem/links/e_hyper1.htm</a></p>

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						<p>If there is any change of the issuer's website information (either a launch of new website or change of website address), the e-Submission Administrator at the issuer should change the "Website" field in its "Company Details" page within ESS accordingly. HKEX will use this information to update its lists of websites of listed companies mentioned above.</p> <p>An issuer should ensure, if it changes its website, that all the information it has previously published under Listing Rule obligations continues to remain available for at least 5 years.</p>
22/03/2007 (21/05/2007)	2.07C(6)(b)	16.19(2)	3	40	The Listing Rules require an issuer to ensure that published documents remain available on its website for 5 years. Does this mean an issuer has to upload to its website all the documents that the issuer published within the 5 years previous to the implementation of this new rule?	<p>No. An issuer need only upload documents to its website that have been published after the implementation of the amended Listing Rules on 25 June 2007.</p> <p>Any document which has been uploaded to its website pursuant to a pre-existing Listing Rule (e.g. Listing Rules MB 2.07A(4); GEM 16.04A(4)) must remain on its website for the remainder of the period prescribed under that Rule.</p>
22/03/2007 (21/05/2007)	2.07C(6)(b)	16.19(2)	3	41	If an issuer fails to ensure that published documents remain available on its website for 5 years, does this constitute a breach of the Listing Rules?	Yes and the breach should be rectified without delay. The Listing Rules state (MB 2.07C(6)(b) & GEM 16.19(2)) that an issuer must ensure that any document published on its website pursuant to these rules remains available on a continuous

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						basis for at least 5 years.
02/02/2016 (13/05/2016)	2.13, 11.07	14.08(7), 17.56	N/A	001-2016	Will the Exchange return a listing application if the listing document does not comply with the Guidance Letter HKEX-GL86-16?	<p>The Guidance Letter HKEX-GL86-16 contains:</p> <ul style="list-style-type: none"> <li>(a) general guidance on producing clear and concise listing documents (<b>General Guidance</b>);</li> <li>(b) consolidated and updated version of a number of the Exchange's guidance letters on disclosure in listing documents, mostly included under the title "Simplification Series" (<b>Consolidated Guidance</b>); and</li> <li>(c) online hyperlinks to: (i) sample "Summary of the Constitution of the Company and the Companies Law" sections of listing documents of applicants incorporated in Bermuda, the Cayman Islands and the PRC (<b>Specimen Sections</b>); and (ii) the corresponding sample constitutional documents for the applicants (<b>Sample Constitutional Documents</b>).</li> </ul> <p>The Exchange will not return a listing application merely because it does not follow the General Guidance, the Specimen Sections or the Sample Constitutional Documents, but will remind applicants to do so.</p> <p>Applicants which submit their listing applications</p>

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						after 30 April 2016 should comply with the Consolidated Guidance.
02/02/2016 (26/02/2016)	2.13, 11.07	14.08(7), 17.56	N/A	002-2016	What are the changes in the Consolidated Guidance compared to the guidance letters on disclosure in listing documents, mostly included under the title "Simplification Series"?	<p>The changes in the Consolidated Guidance are limited to:</p> <p>(a) modifying or deleting certain overly specific content guidance which is only relevant in a limited number of cases. For example, the specific content guidance for product returns and warranty, and industry standards (e.g. International Organization for Standardization (ISO)), which does not apply to all listing applicants, has been modified and deleted, respectively. This helps to ensure that the guidance remains high level and principles-based;</p> <p>(b) removing any repetition after consolidating the various guidance letters on disclosure in listing documents, mostly included under the title "Simplification Series"; and</p> <p>(c) updating the guidance based on the Exchange's most recent experience. For example, in respect of listing applicants in the banking and securities sectors, we have updated the content guidance so that the following financial information/ ratios are to be disclosed in the Summary section of a listing document:</p> <ul style="list-style-type: none"> <li>• in respect of the banking sector, net interest spread, net interest margin,</li> </ul>

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						<p>capital adequacy ratio, non-performing loan ratio and loan to deposit ratio; and</p> <ul style="list-style-type: none"> <li>in respect of the securities sector, the amount of securities underwritten, average commission rate, trading volumes, average rate of return, asset under management and balances of margin financing and securities lending.</li> </ul> <p>For marked-up version of the guidance letters included in the Consolidated Guidance, see: <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/liststoptop/guidepsld/psld_index.htm">http://www.hkex.com.hk/eng/rulesreg/listrules/liststoptop/guidepsld/psld_index.htm</a></p>
02/02/2016 (13/05/2016)	2.13, 11.07	14.08(7), 17.56	N/A	003-2016	Will the guidance letters on disclosure in listing documents, mostly included under the title "Simplification Series", not to be used and be withdrawn after the publication of Guidance Letter HKEX-GL86-16 on 2 February 2016?	<p>The following guidance letters on disclosure in listing documents, mostly included under the title "Simplification Series", have been withdrawn:</p> <p>A. HKEX-GL27-12 on "Summary and Highlights" section</p> <p>B. HKEX-GL54-13 on "Risk Factors" section</p> <p>C. HKEX-GL48-13 on "Industry Overview" section</p> <p>D. HKEX-GL49-13 on "History and Development" section</p>

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						<p>E. HKEX-GL-50-13 on “Business” section</p> <p>F. HKEX-GL59-13 on “Financial Information” or “Management discussion and analysis on the historical financial information (MD&amp;A)” section</p> <p>G. HKEX-GL72-14 on “Applicable laws and Regulations” section</p> <p>H. HKEX-GL62-13 on “Directors, Supervisors and Senior Management” section</p> <p>I. HKEX-GL33-12 on “Use of Proceeds” section</p> <p>J. HKEX-GL64-13 on Application Forms and “How to Apply for Hong Kong Offer Shares” section</p> <p>Applicants which submit their listing applications after 30 April 2016 should comply with the Consolidated Guidance.</p>
19/12/2011	3.06	5.25	17	9.	Authorised Representatives will be required to provide their email addresses to the Exchange. Is this requirement applicable to existing Authorised Representatives?	Yes, it does apply to existing Authorised Representatives.



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19/12/2011	3.08	5.01	17	11.	How does the board assess if the INEDs' or NEDs' commitment to the issuer's affairs is sufficient (especially for smaller issuers that have infrequent changes to their business or group structure) when normally they are not required to be involved in the management of the issuer?	The Code recognises that different directors have different roles and functions within the issuer. The time commitment required from a director varies from company to company and from year to year, depending on the company's operations. NEDs' time commitment to the issuer is likely to be less than Eds' because they are not involved in the day-to-day running of the business. According to the revised Code, the issuer should determine how much time it needs from each of its directors and review whether the director is meeting that requirement.
19/12/2011	Note to Rule 3.08	Note to Rule 5.01	17	10.	If issuers do not follow the guides named in the Note ("A Guide on Directors' Duties" issued by the Companies Registry, and the Guidelines for Directors and Guide for Independent Non-executive Directors published by the Hong Kong Institute of Directors), do they breach the Listing Rules?	No. These guides are suggested as resources for directors looking for further guidance on their duties and responsibilities to an issuer.
30/03/2004	3.10(2)	5.05(2)	1	2.	Clarify the requirement of "appropriate professional qualifications".  Clarify the requirement of "appropriate accounting and related financial management expertise"	There are two limbs to this requirement. Under the first limb, "appropriate professional qualifications" normally refers to a professional accounting qualification. For a candidate with other professional qualifications, issuers should also consider whether based on the experience and expertise of the candidate, he can fulfil the requirement under Main Board rule 3.10(2)/ GEM

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						rule 5.05(2).  The note to Main Board rule 3.10(2) / GEM rule 5.05(2) sets out what we would expect such experience to be.
30/03/2004	3.10(2)	5.05(2)	1	3.	Is a professional qualification obtained from an overseas jurisdiction acceptable, such as a PRC or Singapore qualified accountant?	Yes, a professional qualification obtained from a recognised body in an overseas jurisdiction would be acceptable.
30/03/2004	3.10(2)	5.05(2)	1	4.	Can a solicitor be said to have appropriate professional qualifications, or does he need to have the appropriate experience?	A legal qualification is not considered to be the appropriate professional qualification even if the person has obtained some accounting knowledge in the course of his studies. A person with a legal qualification is acceptable if the person has the “appropriate accounting and related financial management expertise” required under the rules. The Exchange may question the factors the board has considered when making the decision to accept a person.
30/03/2004	3.10(2)	5.05(2)	1	5.	Can a person who has served on the audit committee of an issuer for a number of years be considered to have the appropriate experience required under the rules?	Please refer to the note to Main Board rule 3.10(2) / GEM rule 5.05(2) as to what the appropriate expertise means. Prima facie, we would not consider a person whose only experience has been a member of an audit committee to fulfil the criteria set out in the note to the rule.

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30/03/2004	3.10(2)	5.05(2)	1	6.	Is experience with a non-public company acceptable as having the appropriate accounting and related financial management expertise?	Generally no, but the Exchange recognises that experience and scope of duties of a candidate may demonstrate that he is capable of discharging the role required of such person as set out in Main Board rule 3.10(2)/ GEM rule 5.05(2). It is up to the board to evaluate the totality of the individual's experience and education to consider if he is acceptable.
30/03/2004	3.13	5.09	1	7.	If an existing NED meets the independence requirements, can he be re-designated as an INED so as to comply with the requirements effective 31 March 2004? Does an announcement need to be made for the re-designation?	<p>Yes, an existing NED may be re-designated as an INED, but we will consider his present or past relationship with a connected person or the issuer. This will be considered on a case-by case-basis.</p> <p>Where, in order to meet the new requirements, a director needs to comply with any relevant cooling-off period under the Rules, the relevant cooling-off period needs to have ended by the date on which his confirmation of independence is given.</p> <p>An announcement needs to be made for re-designation of a director from NED to INED for transparency.</p>
30/03/2004 (01/07/2014)	3.13	5.09	1	8.	If a non-executive director of an issuer is a legal adviser (say, a partner of a law firm) but for the past 1 year such director has not provided any relevant	Yes, he can act as an INED provided that he or his firm is not providing or has not provided services to parties set out in Main Board rule 3.13(3) / GEM rule 5.09(3) within 1 year before

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					<p>services to the issuer, and also such director fulfils the other guidelines of Main Board rule 3.13 / GEM rule 5.09, does this mean that such non-executive director can be an independent non-executive director of the issuer?</p> <p>If he is accepted as an INED and in future he provides services to the issuer again, will he continue to be considered independent?</p>	<p>his appointment as an INED. If the firm (whether or not it is the director himself) still provides services, then he cannot act as an INED.</p> <p>Once the firm (whether or not he is directly involved) provides any services to the issuer or core connected persons again, he will immediately cease to be considered as independent.</p>
30/03/2004	3.13	5.09	1	9.	<p>An existing INED is a partner of a law/CPA firm and this firm is currently providing legal/accounting services to the issuer or its subsidiaries. Is this existing INED not qualified and does the issuer need to appoint a new one?</p> <p>How is materiality of the interest determined when considering independence? Are there any specific definitions or figures (e.g. %) that can be used as reference?</p>	<p>The individual is not qualified to act as an INED and the issuer needs to appoint a new one. However, he can still act as a non-executive director.</p> <p>Materiality must be assessed from the issuer's as well as the director's perspective. There is no specific figure – materiality needs to be determined on a case-by-case basis.</p>
28/11/2008	3.13	5.09	8	9. <i>Issue 17</i>	Once an independent non-executive director (“INED”) has submitted to the Exchange the initial written confirmation concerning his independence comprising all the information required	Each INED is required to submit to the Exchange, at the same time as the submission of Form B/H in Appendix 5 of the Main Board Rules or Form A/B in Appendix 6 of the GEM Board Rules, a written confirmation regarding his independence

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					by Main Board Rule 3.13 / GEM Rule 5.09, what information must be included in the INED's annual confirmation of independence required to be provided to the listed issuer?	<p>which must contain all the information required by Main Board Rule 3.13(a), (b) and (c) / GEM Rule 5.09(a), (b) and (c).</p> <p>Each INED must provide to the listed issuer an annual confirmation regarding his independence which must contain the information required by Main Board Rule 3.13 (a) and (c)/GEM Rule 5.09 (a) and (c).</p>
30/03/2004	3.21	5.28	1	10.	Can a non-executive director who is a connected person of the issuer be a member of the Audit Committee?	Although the rules do not specifically prohibit this, we consider that members of the audit committee should be independent of connected persons.
30/03/2004	3.21	5.28	1	11.	Can the qualified accountant (also executive director) be appointed as the audit committee's secretary?	We consider that the secretary of the audit committee should not be a person who is involved in the financial reporting function of the issuer.
27/03/2013	3.22 and 3.26	5.29 and 5.35	21	5.	Are board resolutions sufficient for amending the terms of reference of an issuer's audit and remuneration committees? Or are shareholder resolutions required?	The board should decide on and amend the terms of reference of the audit and remuneration committees (and indeed of all other board committees). Shareholder approval is not required.
19/12/2011	3.25	5.34	17	12.	Can the issuer's staff and executive directors be appointed as members of the remuneration committee as long as the committee is chaired by an INED and the majority of its members are	Yes. The Rules do not restrict issuers from appointing their staff or executive directors to act as members of the remuneration committee, as long as a majority of the remuneration committee are INEDs and it is chaired by an INED.

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					INEDs?	
19/12/2011	3.29	5.15	17	2.	If a person acted as the company secretary of Issuer A from 1990 to 2009, then became the company secretary of Issuer B in 2010, when would he have to comply with the 15-hour training requirement?	The person should comply with the new Rule for the financial year beginning on or after 1 January 2017, as his experience as the company secretary of Issuer A should be taken into consideration.
19/12/2011	3.29	5.15	17	13.	Are there any Exchange accredited training courses for the purpose of this Rule?	No. Company secretaries should attend training relevant to their duties and responsibilities that they consider appropriate.  The Hong Kong Institute of Chartered Secretaries provides ECPD courses for company secretaries which would satisfy the requirements of this Rule.
19/12/2011	3.29	5.15	17	13A.	Does an accountant or lawyer acting as an issuer's company secretary fulfil the requirement to attend relevant professional training each year by attending CPD courses on subjects such as litigation and accounting standards?	We intend that the training be broad rather than restrictive. Where legal and accounting courses are relevant to a company secretary's role and duties, they should count towards the 15-hour training requirement.
19/12/2011	3.29	5.15	17	13B.	If a person is the company secretary of an issuer that is dual-listed on the Hong Kong and Shanghai stock exchanges and attends training courses relating to PRC listing requirements and	As the company secretary of a Hong Kong listed company, this person should also undergo training on Hong Kong rules and regulations. However, the Exchange does not prescribe specific types of courses that a company

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					regulations (to comply with Shanghai Stock Exchange requirements), do those courses count towards the 15-hour training requirement?	secretary should attend, as long as they are relevant to his professional duties. If the training courses are of a general nature (e.g. a course on corporate governance), and not specifically on any PRC rules and regulations, then they may count towards the 15-hour training requirement.
19/12/2011	3.29, Appendix 14 (Code Provision A.6.5 and Paragraph I(i))	5.15, Appendix 15 (Code Provision A.6.5 and Paragraph I(i))	17	13C.	Would the seminars organised by the Exchange be considered acceptable training for directors and company secretaries?	Yes, they would normally count towards directors' and company secretaries' training.
26/07/2013 (07/11/2013)	3A.02A(1), 3A.02B(1)	6A.02A(1), 6A.02B(1)	24	5	What is the date of the sponsor's formal appointment referred to in the Listing Rules?	The date of the sponsor's formal appointment shall be the date of the engagement letter, provided that if the Exchange considers that a sponsor has <b>not</b> notified the Exchange in writing of its appointment as soon as practicable as required under Main Board Rule 3A.02A(1)/ GEM Rule 6A.02A(1), it may treat the date of the notification as the date of the sponsor's formal appointment when determining whether the two month requirement under Main Board Rule 3A.02B(1)/ GEM Rule 6A.02B(1) has been met. The Exchange normally expects notification within five business days from the date of the engagement letter.

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26/07/2013 (07/11/2013)	3A.02A(1), 3A.02B(1), 3A.05	6A.02A(1), 6A.02B(1), 6A.05	24	10	If a listing application submitted on or before 30 September 2013 (the "Original Application") lapses and is re-submitted on or after 1 October 2013 (the "Re-Submission"), is the sponsor required to submit notification to the Exchange of its appointment at least two months before the Re-Submission?	<p>The Exchange will not apply the two-month requirement under Main Board Rule 3A.02B(1)/GEM Rule 6A.02B(1) with regard to the Re-Submission if:</p> <ol style="list-style-type: none"> <li>1. The Re-Submission is filed within three months after the Original Application has lapsed (See Note below);</li> <li>2. There is no change in sponsors (including the addition or removal of a sponsor); and the sponsor notifies the Exchange of its appointment in writing under Main Board Rule 3A.02A(1)/GEM Rule 6A.02A(1) with an engagement letter that complies with paragraph 17.11(b) of the Code of Conduct and Main Board Rule 3A.05/GEM Rule 6A.05 as soon as practicable and in any event no later than the Re-submission.</li> </ol> <p>(Note : Under Guidance Letter HKEX-GL7-09, a re-filed application submitted within three months of a lapsed application by an applicant is regarded as a renewal/continuance of its original application.)</p>
26/07/2013 (07/11/2013)	3A.02A(1), 3A.05	6A.02A(1), 6A.05	24	7	For listing applications submitted on or after 1 October 2013, a sponsor must notify the Exchange in writing of its appointment as soon as practicable.	Effective 1 October 2013, sponsors are obliged by paragraph 17.11(b) of the Code of Conduct and Main Board Rule 3A.02A/ GEM Rule 6A.02A to advise the Exchange as soon as practicable of their appointment regardless of whether a listing



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					<p>If a sponsor is appointed before 1 October 2013, say 1 August 2013, should the sponsor notify the Exchange in writing of its appointment as soon as practicable under Main Board Rule 3A.02A(1)/ GEM Rule 6A.02A(1) even though these rule changes are not effective until 1 October 2013? And if the answer is affirmative, whether the terms of engagement should comply with the requirements under Main Board Rule 3A.05/ GEM Rule 6A.05?</p>	<p>application has been submitted.</p> <p>If a sponsor is already appointed or will be appointed before the effective date of the above (i.e. 1 October 2013), it should still submit notification of its appointment to the Exchange as soon as practicable to facilitate processing of the new applicant's listing application when that application is submitted.</p> <p>As a means of notification, a sponsor needs to provide a copy of its engagement letter to the Exchange.</p> <p>Effective 1 October 2013, a sponsor's terms of engagement in relation to a listing application must comply with the requirements of paragraph 17.11(b) of the Code of Conduct and Main Board Rule 3A.05/ GEM Rule 6A.05. In relation to the above notification prior to 1 October 2013, and where a sponsor has already been appointed with terms of appointment that do not comply with these requirements, revised terms that comply with these requirements must be agreed not later than the date the sponsor notifies the Exchange of its appointment.</p> <p>See also Question 5 of Series 24.</p>
26/07/2013	3A.02A(2)	6A.02A(2)	24	8	If a sponsor notified the Exchange of its	Yes. Where a sponsor ceases to act for a new

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(07/11/2013)					appointment prior to 1 October 2013 and ceases to act for the new applicant on or after 1 October 2013, is it required to inform the Exchange in writing, as soon as practicable, of its reasons for ceasing to act ?	applicant on or after 1 October 2013, the Exchange expects the relevant sponsor to submit its reasons for ceasing to act as soon as practicable.
26/07/2013	3A.02B(1)	6A.02B(1)	24	6	When should a sponsor notify the Exchange of its appointment?	A sponsor is required to submit notification of their appointment at least two months before the listing application is submitted.
26/07/2013 (07/11/2013)	3A.02B(2)	6A.02B(2)	24	9	Under the Listing Rules, where more than one sponsor is appointed in respect of a listing application, the listing application can only be submitted not less than two months from the date the last sponsor is formally appointed. Does this requirement apply to a listing application submitted before 1 October 2013?	If a listing application is submitted prior to 1 October 2013, the requirement does not apply.  See also Question 10 of Series 24.
22/03/2007 (21/05/2007)	3A.03	6A.03	3	104	In the case of an announcement to be published by an IPO applicant, why is a sponsor required to provide a confirmation that the announcement has been cleared by HKEX (where such clearance is required under the Listing Rules) or that the document is required to be published by the IPO applicant (where such clearance is not so	Under its undertaking pursuant to Listing Rules MB 3A.03 or GEM 6A.03, the sponsor must use reasonable endeavours to ensure that all information provided to HKEX during the listing application process is true in all material respects and does not omit any material information.  The purpose of the undertaking is to help ensure that the sponsor is aware of its responsibility

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					required)?	under the Listing Rules with regard to the announcement.
28/11/2008 (03/09/2013)	3A.07, Appendix 17 to the Rules	6A.07, Appendix 7K to the Rules	8	13. <i>Issue 4</i>	Will the Exchange accept a new listing application for vetting if the sponsor's statement relating to independence is not submitted together with the advance booking form for listing?	The sponsor must make a statement relating to independence to the Exchange no later than the date on which any documents in connection with the listing application are first submitted to the Exchange.  The Exchange will not accept the listing application for vetting unless the sponsor's statement relating to independence is submitted together with the advance booking form for listing and other documents in connection with the listing application.
28/11/2008 (03/09/2013)	3A.09, Appendix 17 to the Rules	6A.09, Appendix 7K to the Rules	8	14 <i>Issue 4</i>	What should the sponsor do if there is a change in circumstances rendering the sponsor no longer independent after filing the listing application?	Where a sponsor or the new applicant becomes aware of a change in the circumstances set out in the statement of independence under Appendix 17 to the Rules/ Appendix 7K to the GEM Rules during the period the sponsor is engaged by the new applicant, the sponsor and the new applicant must notify the Exchange as soon as possible.
26/05/2010	Chapter 3A, Rule 18.27, Practice Note 21	Chapter 6A, Rule 18A.27, Practice Note 2	12	23.	What is the role of the Sponsor in relation to Mineral Companies?	The obligations of sponsors are set out in Chapter 3A of the Listing Rules. For companies that fall within Chapter 18, Rule 18.27 requires that sponsors ensure that the Competent Person and/ or Competent Evaluator satisfies the requirements of a Competent Person and/or a

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						<p>Competent Evaluator in Chapter 18, including whether the Competent Person and/or Competent Evaluator is independent, professionally qualified, and a member of an RPO.</p> <p>Reference should be made to Paragraphs 5 and 14 of Practice Note 21 (Due Diligence by Sponsors in respect of Initial Listing Applications) which sets out the typical due diligence inquiries a sponsor should undertake for the expert sections of the listing document.</p>
06/02/2015	Chapter 4	Chapter 7	31	3.	What is the effective date of the Rule amendments in Main Board Rules Chapter 4 and GEM Rules Chapter 7?	<p>The amendments to Main Board Rules Chapter 4 and GEM Rules Chapter 7 in relation to disclosure of financial information in the accountants' report will be applicable for accountants' reports in listing documents and circulars relating to listing applications, reverse takeovers, major transactions and very substantial acquisitions where the latest period reported on in the accountants' report ends on or after 31 December 2015.</p> <p>Example 4: A listing applicant must comply with the revised Main Board Rules Chapter 4 (GEM Rules Chapter 7) in its prospectus if it contains a track record period ending on or after 31 December 2015.</p>

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06/02/2015	Chapter 4	Chapter 7	31	4.	Can an issuer/a listing applicant adopt the Rule amendments in relation to Main Board Rules Chapter 4 (GEM Rules Chapter 7) earlier than the effective date?	<p>Early adoption of the Rule amendments is permitted.</p> <p>Example 5: A listing applicant with the latest period reported on in the accountants' report ending on 31 March 2015 in its prospectus can adopt the revised Main Board Rules Chapter 4 (GEM Rules Chapter 7).</p>
30/03/2004	4.04, 4.06, 8.05	N/A	1	15.	Under Rule 4.04 and 4.06, the Exchange has a discretion to accept an accountants' report on an acquired company for a shorter period than 3 financial years immediately preceding the acquisition. Under what circumstances will the Stock Exchange exercise this discretion? Will a shorter accounting period be acceptable where the listing applicant can satisfy the market capitalisation /revenue test under Rule 8.05?	<p>The circumstances under which the Exchange will exercise this discretion are determined on a case-by-case basis.</p> <p>In the case of a new listing, if the applicant can satisfy the requirements, and is listed under the market capitalisation / revenue test and has financial information for 3 financial years, then such information should be disclosed in the prospectus. If the business of the applicant has existed for less than 3 years, the financial information for that shorter period will be acceptable.</p> <p>Similarly, for a transaction (which is not an initial public offering), if the target company has been in existence for a period of less than 3 years, the accountants' report should cover the period since the commencement of business or incorporation of the target company.</p>

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06/02/2015	Rules 4.05(2)(a) and (b), Note 2 to Rule 4.05(2), paragraph 4(2)(a) and (b) of Appendix 16, Note 4.2 of Appendix 16	Rules 7.04(2)(a) and (b), Note 2 to Rule 7.04(2), Rules 18.50B(2)(a) and (b), Note to Rule 18.50B(2)	31	7.	How should an issuer present its ageing analysis of accounts receivable and accounts payable?	<p>A note has been added to the relevant Rules which states: <i>“The ageing analysis should normally be presented on the basis of the date of the relevant invoice or demand note and categorised into time-bands based on analysis used by an issuer’s management to monitor the issuer’s financial position. The basis on which the ageing analysis is presented should be disclosed.”</i></p> <p>For issuers in industries that do not issue invoices to their customers, there may be sales and purchase contracts entered into between the company and its customers which set out the agreed payment schedule. In such cases, the issuer should present the ageing analysis based on the payment schedule set out in the sales and purchase contracts.</p>
28/11/2008	4.29	7.31	7	68.	<p>A listed issuer proposes to place new shares to independent third parties for cash consideration, details of which will be disclosed by way of an announcement as required under Main Board Rule 13.28 / GEM Rule 17.30.</p> <p>Where the listed issuer provides information about the impact of the proposed placing on its financial position, is it required to comply with</p>	<p>Main Board Rule 4.29 / GEM Rule 7.31 sets out the standards of preparation and assurance associated with any disclosure of pro forma financial information (whether mandatory or voluntary) in any documents issued by the listed issuer under the Listing Rules. This requirement would therefore apply to announcements of the listed issuer.</p> <p>In the present case, the “adjusted net asset value” described in scenario (a) is regarded as</p>

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					<p>Main Board Rule 4.29 / GEM Rule 7.31 if the announcement contains the following information?</p> <p>(a) The adjusted net asset value of the listed issuer group calculated based on the net proceeds from the proposed placing and its latest published consolidated net asset value.</p> <p>(b) A qualitative explanation of the effect of the proposed placing on its financial position (for example, the proposed placing would increase the net asset value of the listed issuer group).</p>	<p>pro forma financial information subject to Main Board Rule 4.29 / GEM Rule 7.31.</p> <p>In scenario (b), while a qualitative explanation of the effect of the proposed placing on the listed issuer financial position is not subject to Main Board Rule 4.29 / GEM Rule 7.31, the listed issuer must ensure that information contained in the announcement is accurate and complete in all material respects and not misleading or deceptive under Main Board Rule 2.13 / GEM Rule 17.56.</p>
20/10/2011 (01/04/2015)	Chapter 5	Chapter 8	15	1.	Is an applicant/issuer only required to disclose valuation information relating to its property interests under Chapter 5 of the Main Board Rules/Chapter 8 of the GEM Rules in the listing document/circular?	No. Under the general disclosure obligation in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) and the Listing Rules (for applicant, see Main Board Rule 11.07/GEM Rule 14.08(7); for issuer, see Main Board Rule 14.63(2)(a)/GEM Rule 19.63(2)(a)), a listing document/circular must contain sufficient particulars and information necessary for an investor to make an informed decision.
20/10/2011	5.01(1)	8.01(1)	15	2.	How is the acquisition cost determined if an acquisition is made after the latest consolidated audited accounts?	The acquisition cost should be determined based on the appropriate accounting treatment used by the acquirer in preparing the financial statements.

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20/10/2011	5.01(1)	8.01(1)	15	3.	How should an applicant ascertain the carrying amount of a property interest?	<p>The carrying amount of a property interest must be ascertainable from the books and records of the applicant and consolidated into its balance sheet. Disclosure of a breakdown of property interests in the listing document is not required.</p> <p>The carrying amount of a property interest used to calculate the percentages under which a property valuation is not required should be the amount reported in the consolidated balance sheet of the applicant. It should not be the effective value based on the applicant's percentage holding in the subsidiary (or the entity that is consolidated into the balance sheet). For example, an 80% owned subsidiary of an applicant holds a property interest with a carrying amount of \$200 million. The carrying amount of \$200 million should be used instead of \$160 million.</p>
20/10/2011	5.01(2)	8.01(2)	15	4.	Can an applicant engage in both property activities and non-property activities?	An applicant can engage in both property activities and non-property activities. An applicant should consider each property's use. If a property is for letting or sale, then it would be categorised into property activity. So even where an applicant's core business is not property development or investment, its property interest may still be categorised into property activity.
20/10/2011	5.01(2)	8.01(2)	15	5.	Does "holding (directly or indirectly)"	"Holding (directly or indirectly)" includes property



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					means holding by the applicant or its subsidiaries, or does it also include holding by entities that the applicant has no control of, such as associated companies or jointly controlled entities?	interests that are recognised in the consolidated balance sheet of the applicant. Whether a property interest held by a jointly controlled entity is recognised in the consolidated balance sheet of the applicant depends on the accounting treatment adopted by the applicant.
20/10/2011	5.01(2)	8.01(2)	15	6.	Should retail outlets occupied by an applicant for its operations be categorised into a property activity or a non-property activity?	Retail outlets occupied by an applicant for its operations should be categorised into non-property activity.
20/10/2011	5.01A(a)	8.01A(a)	15	7.	How should an applicant identify properties up to the 10% limit in Main Board Rule 5.01A(a)/GEM Rule 8.01A(a)? If there are two properties with similar carrying amounts crossing the 10% limit at the same time, which property should be valued?	<p>Generally, an applicant should identify the carrying amount of each property interest and add up from the lowest values until the 10% limit is reached. Property valuations will not be required for property interests comprising the lowest 10%. Property valuations will be required for the remaining property interests. Full text of valuation reports will be required to be disclosed in the listing document except where summary disclosure is allowed (see Main Board Rule 5.01B/ GEM Rule 8.01B).</p> <p>Where two properties have similar carrying amounts that would cross the 10% limit, we would leave it to the applicant and its advisers to determine taking into account the general disclosure obligation. For example, an applicant may have 15 properties representing 10.12% of</p>

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						<p>its total assets. The largest and second largest of these 15 properties are a property in Mongolia representing 0.97% of its total assets and a Hong Kong property representing 0.85% of its total assets. The total amount of non-valued properties would be less than the 10% limit if either one of these two properties (each with an amount below 1% threshold) is valued.</p> <p>An applicant may value the 0.85% Hong Kong property instead of the 0.97% Mongolian property on the basis that it would be unduly burdensome.</p>
20/10/2011	5.01B(b)(ii)	8.01B(b)(ii)	15	8.	What is the timing reference point for the statement “except for the property interests in the valuations reports, no single property interest that forms part of its non-property activities has a carrying amount of 15% or more of total assets”?	The timing reference point for the statement is the listing document date.
20/10/2011	5.02	8.02	15	9.	Please clarify whether an issuer must comply with Main Board Rule 5.02A1/GEM Rule 8.02A1 and Main Board Rule 5.02B(ii)/GEM Rule 8.02B(ii) as well as the current Rule that requires a valuation for an acquisition or disposal of a company whose assets consist solely or mainly of property and where any of the percentage ratios of the	<p>The property valuation requirement is triggered when an issuer acquires or disposes of a company whose assets consist solely or mainly of property and where any of the percentage ratios of the transaction is or is above 25% under Main Board Rule 5.02/GEM Rule 8.02.</p> <p>An issuer should then identify each property interest in the company being acquired or</p>

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					transaction is or is above 25%.	disposed of and consider whether the carrying amount is below 1% of the issuer's total assets. Valuation is not required if a property interest is below 1% of the issuer's total assets. The total carrying amount of property interests not valued must not exceed 10% of the issuer's total assets.
20/10/2011	5.10	8.36	15	10.	Please clarify how to determine when information under Main Board Rule 5.10/GEM Rule 8.36 should be disclosed.	<p>An applicant must disclose information on its material property interests. The information must be meaningful for investors to make an informed decision regarding the company. We expect applicants and sponsors to consider materiality taking into account all the relevant facts and circumstances and disclose property valuations and/or relevant information for material property interests.</p> <p>There is no definition of materiality in the Listing Rules. In considering whether a property interest is material or not, applicants and sponsors may consider:</p> <p>(a) whether the property interest (individually or in aggregate) is used for a reportable segment of the applicant. If so, whether it contributes a significant portion of revenue to the applicant;</p> <p>(b) whether there are any encumbrances on the property or use of the property that may, at</p>

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						<p>any time, directly or indirectly impact the operations of the applicant's reportable segment;</p> <p>(c) whether there are any defects relating to the property or its operations that may have major impact on the applicant's business or operations, for example, breach of environmental regulations or title defects; and</p> <p>(d) whether there is re-development potential for the property that may impact the applicant's financial position.</p> <p>These factors are only for guidance and are not an exhaustive list. Applicants and sponsors should carefully consider how the information could influence investors' decision. Materiality judgement can only be properly made taking in account all the facts and circumstances of the applicant.</p>
14/11/2014 (04/11/2016)	Chapter 6	N/A	29	5.	What is the trading suspension arrangement for issuers with A shares and H shares listed on SSE/ SZSE and SEHK?	<p>There will be no change in the general policy for trading suspension of A+H issuers as a result of the implementation of Shanghai and Shenzhen Connect:</p> <p><b>(a) Suspension arrangement</b></p>

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						<p><i>(i) Suspension pending release of inside or material information or clarification to address false market concern</i></p> <p>Where an A+H issuer has any inside information<sup>1</sup> or material information<sup>2</sup> or where there is concern about the possible development of a false market<sup>3</sup>, the issuer's A and H shares will be suspended in both markets to prevent potential or actual market disorder.</p> <p><i>Note</i>  1: See SEHK Listing Rule 13.09  2: See SSE listing rules 2.3 and 2.10/ SZSE listing rule 2.7  3: See SEHK Listing Rule 13.10</p> <p><i>(ii) Suspension due to other reasons (i.e. other than those mentioned in (i) above)</i></p> <p>In other specific circumstances where trading suspension is required in one market, and not the other, under the respective home market rules, the current practice will continue to apply. They include: <b>(See Attachment 1)</b></p>

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						<p><b>(b) Communications with exchanges</b></p> <p>A+H issuers are reminded that they must notify both SEHK and SSE/ SZSE as soon as possible after they become aware of any matter that may require a trading suspension of their shares on SEHK and/or SSE/ SZSE. The issuers should, to the extent practicable, make early contact with SEHK and SSE/ SZSE to allow sufficient time for each exchange to deal with the matter before the markets open.</p> <p><b>(c) Disclosure in announcements</b></p> <p>Where trading is to be suspended in one market only (see paragraph (a)(ii) above), timely disclosure of the suspension details (including the time of suspension and the reason for the suspension) in the other market is necessary to ensure that shares in the other market can continue to be traded in an orderly manner.</p>
14/11/2014 (04/11/2016)	Chapter 6	N/A	29	6.	Once suspended, will trading resumption of an issuer's A and H shares take place at the same time?	<p><b>(a) Resumption arrangement</b></p> <p>(i) Normally, if an issuer's A and H shares are suspended due to inside or material information or false market concern, trading in the shares will resume in both markets at</p>

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						<p>the same time after the issuer has published an appropriate announcement through SEHK and SSE/ SZSE.</p> <p>(ii) Nevertheless, as mentioned in paragraph (a)(ii) under question 5, there may be specific circumstances where trading suspension is required in one market, and not the other, under the respective home market rules. In those circumstances, trading in the issuer's shares may resume in one market when it has satisfied the requirements of that market, but remain suspended in the other market under its rules.</p> <p><b>(b) Communication with exchanges</b></p> <p>The suspended issuer should keep both SEHK and SSE/ SZSE informed of its developments and should allow sufficient time for the exchanges to decide whether and when trading can be resumed.</p> <p><b>(c) Disclosure in announcements</b></p> <p>Where trading is to be resumed in one market only (see paragraph (a)(ii) above), the issuer</p>

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						should publish an announcement setting out the reasons for the continued suspension of its shares in the other market.
22/03/2007 (25/07/2016)	Chapter 6, 13.09, 13.10A, 14.37	Chapter 9, 17.10, 17.11A, 19.37	3	178	What is the trading halt/ suspension policy applicable to Main Board and GEM issuers in respect of publication of announcements containing inside information and/or notifiable transactions?	<p>Trading in the securities of an issuer may be halted or suspended due to publication failure (i.e. to publish an announcement on HKEX websites) where the subject matter of the announcement is information discloseable under Listing Rules MB 13.09/ GEM 17.10 or relates to a notifiable transaction and trading halt or suspension is required under Listing Rules MB 14.37/ GEM 19.37. This is consistent with the principle set out in Chapter 6 of Main Board Rules/ Chapter 9 of GEM Rules on trading halts and suspensions, i.e. that halt or suspension is only required where the HKEXx considers it necessary for the protection of the investor or the maintenance of an orderly market.</p> <p>Where an obligation to issue an announcement containing inside information has arisen for an issuer, it should publish the announcement during the next available publication window. For example, where the issuer has signed an agreement in relation to a notifiable transaction that is inside information after trading hours on a normal business day, and an announcement is published on the HKEX website by 8.30 a.m. of the next business day (i.e. either during the</p>



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						<p>publication windows from 4.30 p.m. to 11.00 p.m. of that business day, or between 6.00 a.m. to 8.30 a.m. of the next business day), no trading halt or suspension would be necessary. Similarly, where an agreement is signed after the morning trading session and an announcement is published on the HKEX website between 12.00 noon to 12.30 p.m. of the same business day, no trading halt or suspension is necessary. In both circumstances where an announcement cannot be published before the next trading session, a halt or suspension in the trading of the issuer's securities would be required until commencement of the trading session (morning or afternoon) after the publication of the announcement. For example, where the announcement is published during the 12.00 noon to 12.30 p.m. publication window of the next business day, the issuer may apply for resumption of trading in its securities at 1.00 p.m.</p> <p>Where an issuer's obligation to publish an announcement relating to inside information is triggered during trading hours (for example, where confidentiality cannot be maintained and an obligation to publish an announcement on inside information arises under Listing Rule MB 13.09/ GEM 17.10 or in the circumstances described in Listing Rules MB 14.37 / GEM 19.37), the issuer should request a halt or</p>

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						<p>suspension in trading of its securities, and publish an announcement as soon as possible during the next publication window. Resumption in trading of the issuer's securities may take place during the commencement of the next trading session after the publication of the announcement.</p> <p>A resumption announcement should clearly set out that an application will be made for resumption in the trading of securities and the expected time of resumption (i.e. at the commencement of the next trading session after the publication of the announcement).</p> <p>Issuers are reminded of their obligations to submit an announcement for clearance by the Exchange before publication where the subject matter of the announcement requires pre-vetting under the Listing Rules. Please refer to the Guide on Pre-vetting requirements and Selection of Headline Categories for Announcements at <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/guide/guide_pre_vetting_req.htm">http://www.hkex.com.hk/eng/rulesreg/listrules/guide/guide_pre_vetting_req.htm</a> which sets out categories of announcements requiring pre-vetting.</p> <p>Issuers are also reminded that they should manage their affairs, particularly with regard to the signing of agreements, to ensure that there will be continuous and informed trading of their</p>

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						<p>securities save in exceptional circumstances. It follows that, as far as practicable, issuers should seek to ensure that complex and lengthy announcements are disseminated as soon as possible during either the lunchtime publication window or outside trading hours to allow investors adequate time to consider the content of such disclosures.</p>
22/03/2007 (02/01/2013)	6.02, 6.03	9.06, 9.07, 9.08	3	139	<p>Has there been any change in the procedure for requesting a trading halt or suspension?</p>	<p>The procedure for requesting a trading halt or suspension has not changed as such. As before, it will be necessary to liaise with the Listing Division of the HKEX and make a written request stating the specific reasons for requesting a trading halt or suspension. If appropriate, the Listing Division of the HKEX will arrange for trading in the issuer's securities to be halted or suspended.</p> <p>The change is with regard to the way in which the trading halt or suspension is notified to the market. Under the pre-existing procedure, a trading halt or suspension is first notified to the market by means of a short notice prepared by HKEX which is published on the HKEX website. Under the new information dissemination model, the market will be notified by means of a trading halt or suspension announcement which is prepared by the issuer and submitted through the e-Submission System for publication on the</p>

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						<p>HKEX website.</p> <p>Where the announcement has already been submitted by the issuer for publication, HKEX will publish this announcement immediately via the HKEX website following a trading halt or suspension. If the issuer has not submitted the announcement for publication before the trading halt or suspension, the issuer must do so as soon as possible after the trading halt or suspension has been effected.</p> <p>The announcement must also be published on the issuer's own website (if any), but does not have to be published in the newspapers.</p>
14/11/2014 (04/11/2016)	Chapter 7, 13.36(2)(a) Note 1	N/A	29	2.	Are there new PRC requirements for Eligible SEHK Issuers to offer or distribute securities to Southbound Shareholders in the above corporate actions?	<p>(a) Rights issues and open offers</p> <p>Yes. The China Securities and Regulatory Commission (<b>CSRC</b>) has issued the Announcement [2016] No. 21 "Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect". The document sets out the requirements for Eligible SEHK Issuers offering securities to their Southbound Shareholders in rights issues / open offers (see also question 3 below).</p>

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						<p>Issuers should also note that under Shanghai and Shenzhen Connect, China Securities Depository and Clearing Corporation Limited (<b>ChinaClear</b>) will provide nominee services for Southbound Shareholders to (i) sell their nil-paid rights on SEHK; and/or (ii) subscribe for their entitlement securities under the rights issues / open offers in accordance with relevant laws and regulations. However, it will not support excess applications by Southbound Shareholders through Shanghai and Shenzhen Connect<sup>1</sup>.</p> <p><i>Note</i></p> <p>1: See Article 23 of ChinaClear's Implementing Rules for Registration, Depository and Clearing Services under Mainland-Hong Kong Stock Connect (<b>ChinaClear Stock Connect Implementing Rules</b>) 中國證券登記結算有限責任公司《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》</p> <p>(b) Bonus issues, scrip dividend schemes and distributions in specie</p> <p>No rules or guidance has been published by the CSRC.</p>

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28/02/2013	7.19(6), 7.23(5)	10.29, 10.39	20	27.	<p>Six months ago, Listco conducted a rights issue of one rights share for every existing share (the "Previous Rights Issue"). It now proposes another rights issue of one rights share for every two existing shares.</p> <p>Listco had obtained independent shareholders' approval for the Previous Rights Issue according to Rule 7.19(6). Does it need to seek independent shareholders' approval for the proposed rights issue?</p>	Yes. This is because the proposed rights issue would increase Listco's issued share capital by more than 50% when aggregated with the Previous Rights Issue.
21/02/2014	7.28, 8.11, 8.13, 10.06 (1)(a)(i); App 1A (paras 15(2)(d), 23(1) and 26); App 1B (paras 22(1) and 24); App 1C (para 34); App 1E (paras 23(1), 26 and 49(2)(d)) ; App 1F	10.45, 11.25, 11.27, 13.07(1); App 1A (paras 23(1) and 26); App 1B (paras 22(1) and 24); App 1C (para 34); App 2A (para 4(3)); App 3 (para	26	7.	Will there be any change in what is meant in the Rules by "fully paid" and "partly paid" shares for Hong Kong-incorporated issuers after the New CO becomes effective?	When the New CO becomes effective, "fully paid" will mean that the shareholder to whom shares are issued has paid the full consideration which was agreed to be paid for those shares, i.e., the issue price (and not that the shareholder has paid the full nominal value of those shares, as is the case under the existing Companies Ordinance ("Existing CO")). "Partly paid" will mean that the full issue price has not been paid.

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	(paras 18(1) and 20); App 2A (para 4(3)); App 3 (para 1(2)); App 5 Forms	1(2); App 5 Forms				
09/05/2008	8.01, 19B.01	N/A	6	B2.	What are the listing requirements for HDR issuers? How do they compare with the requirements for issuers of ordinary shares?	<p>The listing requirements for HDR issuers are essentially the same as for issuers of shares, ie Chapter 8 of the Listing Rules applies to issuers of HDRs as well as to issuers of shares.</p> <p>HDR issuers have to comply with certain additional requirements set out in the new Chapter 19B of the Listing Rules. These additional requirements concern the contents of the deposit agreement and other DR-specific matters.</p>
30/03/2004 (11/11/2016)	8.05(1)(c) / 8.05(2)(c) / 8.05(3)(c)	11.12A(2)	1	16.	Please clarify the meaning of "ownership continuity and control" under Main Board Rule 8.05 and GEM Rule 11.12A(2).	This refers to continuous ownership and control of the voting rights attaching to the shares for the latest financial year of the trading record period up until the time immediately before the offering and/or placing becomes unconditional by: (i) a controlling shareholder as defined under the Listing Rules, or; (ii) where there is no controlling shareholder, the single largest shareholder. The Exchange will consider the facts and circumstances and grant a waiver from strict compliance in appropriate cases.

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30/03/2004	8.05	N/A	1	17.	Under Rule 8.05, incidental income (not arising out of the principal business) and results of associated companies should not be accounted for in arriving at the profit figure. How will the results of a jointly controlled entity which has been accounted for by the proportional consolidation method under International Auditing Standards be treated?	Normally, results of jointly controlled entities will be excluded for the purposes of Rule 8.05, unless the issuer can demonstrate positive control over the entities.
30/03/2004	8.08	11.23(7)	1	19.	For a company with market capitalisation of over HK\$10 billion, will the Exchange grant a waiver so that the public float is reduced to 15%? Can this 15% include any shares not listed in HK?	Main Board Rule 8.08 (GEM Rule 11.23(7)) states that, at the time of listing, at least 25% of the issued share capital must be held by the public, and at least 15% must be listed on the Exchange. Therefore where a waiver is granted to reduce the public float to 15%, all the shares must be listed on the Exchange. However, if the issuer can demonstrate that a sufficient number of shares listed on the Exchange will be in the hands of the public, the Exchange may consider alternative arrangements on a case-by-case basis.
30/03/2004 (30/09/2009)	8.08(1)(b)	11.23(7)	1	20.	Please clarify what the issuer's total issued share capital refers to for the purpose of calculating public float under Rule 8.08(1)(b)?	For the purpose of calculating public float under Main Board Rule 8.08(1)(b), the total issued share capital of an issuer (i.e. denominator) refers to all classes of shares in issue including shares listed on the Exchange and other



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						regulated exchanges and other unlisted shares.
28/11/2008	8.08(2), 8.08(3)	11.23(3)(b)( ii), 11.23(8)	8	15. <i>Issue 6</i>	The requirement for a minimum spread of securities holders at the time of listing will not be applicable to a bonus issue of a new class of securities involving options, warrants or similar rights to subscribe or purchase shares. Such exemption does not apply where there are circumstances to indicate that the shares of the listed issuer may be concentrated in the hands of a few shareholders. What are the circumstances where the Exchange considers that there may be a high concentration of shareholding?	The Exchange would make reference to announcements on high concentrations of shareholding made by listed issuers pursuant to Main Board Rule 13.34(a) / GEM Rule 17.36 or public information, for example, press releases issued by the SFC in this connection during the 5 years preceding the date of the announcement on the proposed bonus issue.
26/07/2013 (30/9/2013)	Chapter 9	Chapter 12	24	11	If a listing application is subject to the old Listing Rules because it was submitted before 1 October 2013, where can the relevant Listing Rules and Guidance Letters be found?	After 1 October 2013, all applicable Listing Rules and Guidance Letters relating to administrative or filing procedures applicable prior to 1 October 2013 can be viewed from the following websites. Main Board – <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/listguid/iporq/mbrule_pv.htm">http://www.hkex.com.hk/eng/rulesreg/listrules/listguid/iporq/mbrule_pv.htm</a> GEM – <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/listguid/iporq/gemrule_pv.htm">http://www.hkex.com.hk/eng/rulesreg/listrules/listguid/iporq/gemrule_pv.htm</a>

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26/07/2013	Chapter 9	Chapter 12	24	14	What is the Exchange's policy on pre-IPO enquires?	<p>The Exchange will only consider pre-IPO enquires which are novel and specific. Sponsors cannot shift their responsibility to ensure that an Application Proof is substantially complete to the Exchange or the Commission by abusing the pre-IPO enquiry process. The pre-IPO enquiry process should not be taken as a means to get a listing document pre-vetted before an application is submitted.</p> <p>Any such enquiries will not be considered. Sponsors and advisors are advised to follow the guidance in the relevant Listing Decisions and Guidance Letters issued by the Exchange from time to time. Pre-IPO enquires on a no-name basis will also not be considered.</p>
26/07/2013	Chapter 9	Chapter 12	24	20	How long would it take for a listing application to be presented to the Listing Committee/ GEM Listing Approval Group for consideration?	<p>Assuming that the Exchange issued two rounds of comments and the sponsor responded within five business days for each round of comment, it would normally take about 40 business days to present an application to the Listing Committee/ GEM Listing Approval Group for its consideration. This timeframe may be shortened depending on the quality of the Application Proof and the sponsor's responses to the regulators' comments.</p> <p>Applicants may submit a timetable on the basis it would take around 25 business days from the</p>

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						<p>date of the listing application to the Listing Committee/ GEM Listing Approval Group hearing.</p> <p>In the case of an applicant which is a mineral company under Chapter 18 of the Listing Rules/ Chapter 18A of the GEM Listing Rules, in addition to the quality of the Application Proof and the sponsor's responses to the regulators' comments, the timeframe will also depend on the quality of the Competent Person's Report. The independent consultants on the panel to assist the Exchange in the review of the Competent Person's Reports have agreed to endeavour to meet the streamlined process timetable as described above but there may be cases where some delay may occur (e.g. due to the quality of the Competent Person's Report).</p>
03/09/2013	Chapter 9, Guidance Letter HKEX-GL6-09A	Chapter 12, Guidance Letter HKEX-GL6-09A	24	29	Where an applicant wants to file a listing application under Guidance Letter HKEX-GL6-09A, can it file the application before the end of the stub period to be included in a final listing document?	An applicant can file a listing application before the end of the stub period to be included in the final listing document, but only after its three-year trading record period (two-year trading record period for GEM applicants) has ended and subject to the conditions under Guidance Letter HKEX-GL6-09A.

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03/09/2013	Chapter 9, Guidance Letter HKEX-GL56-13	Chapter 12, Guidance Letter HKEX-GL56-13	24	30	Whether the amount of sponsor's fees is required to be disclosed in a listing document?	The total amount of sponsor fees paid and payable should be disclosed in the listing document according to the Commission's Consultation Conclusions on the regulation of IPO sponsors.
09/05/2008 (03/09/2013)	9.03	N/A	6	B7.	How long would it take to effect a HDR listing in Hong Kong?	<p>The procedures for applications for listing are set out in Chapter 9 of the Listing Rules. The Listing Rules apply as much to HDR issuers as they do to issuers of shares. Consequently, the time taken to effect a listing of HDRs should be similar to that taken to effect a listing of shares.</p> <p>Any specific questions such as those concerning the issuer's place of incorporation or specific waivers may be dealt with by way of a preliminary hearing prior to filing of a Form A1.</p>
26/07/2013	Note 2 to Rule 9.03(1)(b)	Note to Rule 12.14(4)	24	13	For Returned Applications, will the initial listing fee be refunded?	<p>Where the Exchange returns a listing application to an applicant before it issues its first comment letter, the initial listing fee will be refunded.</p> <p>Where the Exchange has issued its first comment letter to the sponsor, the initial listing fee will be forfeited.</p>
26/07/2013	9.03(2), 9.11(17c), 9.11(18)	12.12, 12.23(6)	24	19	When the Exchange considers that a listing application is ready to be presented to the Listing Committee/ GEM Listing Approval Group for	When a listing application is ready to be presented to the Listing Committee/ GEM Listing Approval Group for consideration, the sponsor will receive a "Notice to hearing" letter from the

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					consideration, how will the sponsor be informed?	Exchange whereby the sponsor and the applicant should timely submit all relevant documents as required under the Listing Rules to enable the Exchange to process listing applications efficiently.
26/07/2013	9.03(3)	12.09(3)	24	26	For Returned Applications, when will the eight weeks moratorium start?	The eight weeks moratorium starts from the date of the return letter.
26/07/2013	9.03(3), 9.11(1), Guidance Letter HKEX-GL55-13	12.09(1), 12.22(1), Guidance Letter HKEX-GL55-13	24	3	What are the “ <i>other relevant documents</i> ”/ “other documents” referred to in the Listing Rules that should be submitted and included in the CD – ROMs at the same time of filing a listing application?	Besides the Application Proof, “other documents” are documents referred in items 3 to 7 of Attachment IM/ IG in Guidance Letter HKEX-GL55-13, where applicable.
26/07/2013	9.08(2), Guidance Letter HKEX-GL57-13	12.10(2), Guidance Letter HKEX-GL57-13	24	17	If there are complaints/ allegations in media reports made against an applicant after its Application Proof/ PHIP is published on the Exchange’s website, can the applicant respond to the complaints/ allegations?	<p>An applicant at its own discretion can publish a statement on the Exchange’s website stating that no reliance should be placed on any media reports relating to its published Application Proof/ PHIP as permitted under the Listing Rules. This statement does not need to be pre- vet but a copy should be submitted to the Exchange before its publication.</p> <p>A template of the statement has been included in Guidance Letter HKEX-GL57-13. However, other statements that do not comply with the Listing Rules will require the Exchange’s pre-vetting and approval before its publication.</p>

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07/11/2013	9.10A, 9.11 Guidance Letter HKEX-GL55-13	12.22 to 12.26 Guidance Letter HKEX-GL55-13	24	3A	If an applicant submitted a listing application on or before 30 September 2013 (the "Original Application") and re-submits a new application on or after 1 October 2013, what documentary requirements is the applicant required to comply with under the new sponsor regulation which became effective on 1 October 2013?	<p>This depends on whether the applicant re-submits within three months after the Original Application has lapsed (see Note below). If an applicant re-submits a new application <b>more than</b> three months after the Original Application has lapsed, the applicant is required to comply fully with the documentary requirements under the Listing Rules and HKEX-GL55-13 effective on 1 October 2013.</p> <p>If an applicant re-submits a new application <b>within</b> three months after the Original Application has lapsed, the applicant is required to comply with the following documentary requirements:</p> <p>(i) the documentary requirements under the Listing Rules and checklists in effect at the time of its original application (subject to Guidance Letter HKEX-GL7-09, which provides that all the Application Documents previously submitted to the Exchange will remain valid and applicable, unless there have been material changes in them). The Listing Rules and checklists in effect before 1 October 2013 can be found in the following websites:</p> <p>MainBoard–  <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/">http://www.hkex.com.hk/eng/rulesreg/listrules/</a></p>

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						<p><a href="http://www.hkex.com.hk/eng/rulesreg/listrules/istguid/iporg/mbrule_pv.htm">istguid/iporg/mbrule_pv.htm</a></p> <p>GEM–  <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/istguid/iporg/gemrule_pv.htm">http://www.hkex.com.hk/eng/rulesreg/listrules/istguid/iporg/gemrule_pv.htm</a></p> <p>Checklists  <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/istipo/quidelines_bfact.htm">http://www.hkex.com.hk/eng/rulesreg/listrules/istipo/quidelines_bfact.htm</a></p> <p>(ii) the following documents to be provided to the Exchange upon re-submission of the listing application (Rule references below are to the Listing Rules effective on 1 October 2013):</p> <ul style="list-style-type: none"> <li>• a sponsor's undertaking and statement of independence (Main Board: Rule 9.11(1)/Appendix 17; GEM: Rule 12.23(2)/Appendix 7K);</li> <li>• a written confirmation signed by each director/supervisor that the information in the Application Proof is accurate and complete in all material respects and is not misleading or deceptive (Main Board: 9.11(3a); GEM: 12.23(2a));</li> <li>• a confirmation from the Reporting Accountants that no significant adjustment is expected to be made to the draft Accountants' Report (Guidance Letter</li> </ul>

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						<p>HKEX-GL58-13); and</p> <ul style="list-style-type: none"> <li>• a confirmation from each of the experts (excluding the Reporting Accountants) that no material change is expected to be made to the relevant expert opinion (Guidance Letter HKEX-GL60-13); and</li> </ul> <p>(iii)a sponsor's declaration (Main Board: Rule 9.11(32)/ Appendix 19; GEM: Rule 12.24(1)/ Appendix 7G) to be provided on or before the listing document date (if the listing application is re-submitted after the listing document date, on or before the business day immediately before dealings in the shares commence).</p> <p>(Note: Under Guidance Letter HKEX-GL7-09, a re-filed application submitted within three months of a lapsed application by an applicant is regarded as a renewal/continuance of its original application.)</p>
28/11/2008 (03/09/2013)	9.11(3b), 9.11(38), Form B/H/I in Appendix 5	12.23(2b), 12.26(9), Form A/B/C in Appendix 6	8	16. <i>Issue 17</i>	Why is it necessary for each director/supervisor of a new applicant to submit two undertakings to the Exchange regarding the accuracy of his personal details?	The first undertaking (see Main Board Rule 9.11(3b) / GEM Rule 12.23(2b)) is intended to cover the listing application stage and to help maintain the level of accuracy and completeness of the information regarding directors/ supervisors in the hearing proof of the listing document that will be tabled to the Listing Committee for consideration. This practice takes into account that the second undertaking, in the form set out in



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						Form B/H/I in Appendix 5 of the Main Board Rules or Form A/B/C in Appendix 6 of the GEM Rules, will be required to be filed only after the final listing document is issued to the public and before the listing date.
08/05/2015	9.11(38), Appendix 1A Paragraph 41(1), Appendix 5 Form B/H/I Paragraph 2	12.26(9), Appendix 1A Paragraph 41(1), Appendix 6 Form A/B/C Paragraph 2	1	20A	<p>A director of a listing applicant is subject to an investigation, hearing, proceeding or judicial proceeding in respect of which disclosure is prohibited by law.</p> <p>How does the director ensure that the listing document complies with the requirement in Appendix 1A Paragraph 41(1) regarding disclosure of all “other information which shareholders should be aware pertaining to the ability or integrity of such director”?</p>	<p>The director should assess whether the relevant investigation, hearing, proceeding or judicial proceeding relates to his ability or integrity.</p> <p>If yes, the director is encouraged to seek the consent from the relevant regulator or authority to confidentially disclose details of the investigation, hearing, proceeding or judicial proceeding to the Exchange for assessment of his suitability.</p> <p>If the director is unable to obtain the relevant consent, or the Exchange determines (following confidential disclosure by the director) that the investigation, hearing, proceeding or judicial proceeding gives rise to material concerns regarding his ability or integrity, the listing document will not be able to comply with Appendix 1A Paragraph 41(1) and he should resign from the listing applicant.</p> <p>Note, if the director’s position in the listing applicant is so material that his resignation will result in the listing applicant not being able to comply with the Listing Rules (e.g. the</p>

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						management continuity requirement), the listing applicant should not submit its listing application to the Exchange until the investigation, hearing, proceeding or judicial proceeding has been resolved.
02/05/2008	Chapter 9A	N/A	5	34.	Will there be a listing ceremony for transferring to the Main Board from GEM?	A listing ceremony can be arranged on the issuer's request as cases of a new Main Board IPO.
02/05/2008	Chapter 9A general	9.24	5	14.	Does the new streamlined transfer process replace the previous de-listing/re-listing regime?	Although the de-listing/re-listing regime will not be formally abolished, the Exchange will encourage issuers to use the new streamlined regime. As there will be substantial savings in time and cost, instances of using the previous mode of transfer are expected to be rare.
02/05/2008	Chapter 9A general	N/A	5	15.	Can a new Main Board stock code be chosen/ bought?	Yes, the Exchange will apply the same principles as in a standard IPO process, with special and normal pool numbers.
02/05/2008	9A.02	9.24	5	16.	Is shareholders' approval required for transfer of listing?	The Listing Rules do not impose a shareholders' approval requirement for transfer of listing, but there may be such a requirement under the issuer's constitutive documents, or under applicable company law in the jurisdiction of incorporation of the transfer applicant.
02/05/2008 (01/07/2014)	9A.02, Appendix 1A Paragraph	9.24, Appendix 1A	5	18.	Will a transfer applicant have to be released from all financial assistance provided by core connected persons	Normally the Main Board requirement for financial independence will be strictly applied as in a Main Board IPO application.

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	27A	Paragraph 27A			before transferring to the Main Board?	<p>However, the Exchange is aware that release of financial assistance from core connected persons may be disruptive to the GEM company's normal business and may not be in the interest of shareholders as a whole.</p> <p>Transfer applicants should note that the revised GEM Listing Rules require GEM IPO listing applicants to comply with the same independence requirement as Main Board IPO listing applicants.</p>
02/05/2008	9A.02, 8.09A	9.24	5	21.	How is market capitalisation calculated for an issuer transferring to the Main Board, for the purpose of satisfying the Rule 8.09A market capitalisation requirement?	<p>Strictly speaking, market capitalisation will be calculated using the share price on the date of listing on the Main Board.</p> <p>In practice, the Exchange will require the issuer to submit a market cap computation based on share price on the latest practicable date which is usually a few days before the Main Board listing date.</p>

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02/05/2008	9A.02(2)	N/A	5	17.	When measuring for the duration of listing on GEM, will the Exchange measure from the first date of listing on GEM to (1) the date of the application for a transfer, or (2) intended date of listing on the Main Board?	A GEM issuer applying for transfer must have been listed on GEM for a minimum period of one year and has also published its first full-year audited financial statements subsequent to its first date of listing, when it files the formal application (i.e. Form J in Appendix 5 of the Main Board Listing Rules) to transfer to the Main Board.
02/05/2008	9A.02(2)	N/A	5	19.	Please use an example to illustrate the earliest possible transfer application date.	If a GEM issuer has a December financial year end and it is listed on GEM during 2008, it will have fulfilled the requirement of rule 9A.02(2) when the annual report for the financial year 2009 has been published and distributed to its shareholders, which is expected to be within the first three months of 2010.
02/05/2008 (02/01/2013)	9A.02(3)	N/A	5	20.	What will constitute a “serious breach” that may hinder a transfer application?	<p>What constitutes a serious breach depends on the facts and circumstances. The Exchange will normally have regard to (among others) the following factors:</p> <ul style="list-style-type: none"> <li>the nature of the breach, including the impact on the orderliness and reputation of the market and any prejudice or risk of prejudice to investors (for example, cases involving a failure to obtain prior shareholder approval for connected transactions or a failure to make disclosure under Rule 13.09(1) or 13.09(2)(a));</li> </ul>

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						<ul style="list-style-type: none"> <li>• the duration and frequency of the breach;</li> <li>• whether the breach revealed serious or systemic weaknesses in the listed company's procedures;</li> <li>• the extent to which the breach departs from current market practice; and</li> <li>• evidence that the breach was deliberate or reckless.</li> </ul>
02/05/2008	9A.02(3)	N/A	5	22.	How can an issuer find out if it can fulfill the "good behaviour" requirement before filing a transfer application from the Division, i.e. that it has not been the subject of any disciplinary investigation in relation to a serious breach or potential serious breach in the past 12 months before the transfer application?	<p>Prior to making a formal transfer application, a GEM issuer, who otherwise meets the transfer requirements, may contact the Listing Division to obtain their written confirmation on whether the GEM issuer has been the subject of any disciplinary investigation by the Exchange in relation to a serious breach or potential serious breach of any GEM Listing Rules or Exchange Listing Rules in the past 12 months.</p> <p>Based on the information available to the Exchange up to the date of the confirmation letter, the Listing Division will confirm whether the transfer applicant has been the subject of any disciplinary investigation by the Exchange in relation to a serious breach or potential serious breach of any GEM Listing Rules or Exchange Listing Rules in the past 12 months from <u>the date</u></p>

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						<p><u>of the confirmation letter</u>. The Exchange may alter its view set out in the confirmation letter should additional information arise subsequent to the issuance of the confirmation letter. Where such information comes to light within two months of the confirmation letter the Exchange will, normally, write to notify the GEM issuer of the change in circumstances. Please note that the Exchange is not obliged to provide further notification.</p> <p>The transfer applicant should note that in order to qualify for the transfer of listing of its securities from GEM to the Main Board, it must not be the subject of any disciplinary investigation by the Exchange in relation to a serious breach or potential serious breach of any GEM Listing Rules or Exchange Listing Rules during the 12 months <u>preceding the transfer application and until the commencement of dealings in its securities</u>.</p>
02/05/2008	9A.03	N/A	5	23.	Can fund-raising be conducted during the transfer process from GEM to the Main Board?	<p>The Exchange does not intend to impose any general prohibition on fund-raising at or close to the time of transfer provided all relevant provisions of the Listing Rules are fulfilled for both corporate actions.</p> <p>We note that, in practice, there may be additional execution complexities and/or potential conflicts</p>

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						with the time tables for running multiple corporate actions concurrently, and issuers should plan carefully in this regard.
26/07/2013	9A.03(2)	N/A	24	12	Are the GEM transfer applications subject to the Listing Rule changes to complement the Commission's new sponsor regulation?	The Listing Rule changes to complement the Commission's new sponsor regulation do not apply to GEM transfer applications because there is no requirement for a sponsor or listing document.
02/05/2008 (02/07/2010)	9A.04	N/A	5	24.	What about transfer of infrastructure, investment and Mineral Companies from GEM to Main Board? What are the additional requirements?	<p>The general principle is that the GEM transferee will have to satisfy all the disclosure requirements applicable to such companies as if in a fresh IPO application for the Main Board, because such information may not have been provided whilst listed on GEM.</p> <p>For relevant Listing Rules requirements, please see chapters 18, 21 and Rule 8.05B as applicable. The additional information must be circulated to the shareholders in writing.</p>
02/05/2008	9A.06(3)	N/A	5	25.	Will a transfer applicant be required to comply only with the listing requirements set out in the checklist?	A transfer applicant is required to comply with all applicable Main Board listing requirements. The checklist is provided as an aid only and does not form part of the Listing Rules. It is the transfer applicant's responsibility to satisfy the Exchange as to fulfillment of all applicable requirements.
02/05/2008	9A.08	9.26	5	26.	Will the initial transfer announcement as	The initial announcement will be relatively simple

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					required by GEM Rule 9.26 and the main transfer announcement as required by Main Board Rule 9A.08 be pre-vetted by the Division?	<p>and informing the market of the transfer application only. There is no requirement in the Listing Rules that this announcement will have to be pre-vetted by the Exchange.</p> <p>The second announcement is expected to contain substantive details about the transfer and a draft of this must be submitted to the Exchange at the time of submission of the transfer application. This announcement should be cleared by the Exchange before it is published.</p>
02/05/2008 (02/01/2013)	9A.08	9.26	5	27.	Will trading halt or suspension be required pending the announcement or at any time during the transfer process?	<p>GEM transfer applicants are required to observe the trading halt or suspension policy and the general disclosure obligations under the GEM Rules as long as they are still listed on the GEM Board.</p> <p>A GEM transfer applicant must assess whether the information relating to the transfer process would require disclosure under Rule 17.10, having considered its particular circumstances. A trading halt or suspension would be necessary in any of the circumstances described in Rules 17.11A(1) to (3) where an announcement cannot be made.</p>
02/05/2008	9A.10-11	N/A	5	28.	What are the procedures for migration to the Main Board of GEM-listed warrants, options or convertible	Where GEM-listed equity securities are migrated to the Main Board, any GEM-listed warrants, options or convertible instruments will normally



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					instruments?	be transferred simultaneously to the Main Board. The Exchange will apply the spirit of Main Board Listing Rules 15.05 and 16.02 under which, barring exceptional circumstances, these instruments can be listed on the Main Board only if the underlying securities are listed there or on another recognized market. Where this will cause practical problems, the Exchange may exercise its discretion to allow the warrants or convertible instrument to remain listed on GEM until expiry.
02/05/2008	9A.11	N/A	5	29.	If there is an issue of new shares at the time of or shortly before the transfer of listing, will there be any parallel trading arrangements (i.e. with existing shares traded on GEM and newly issued shares traded on the Main Board)?	The company should seek guidance from the Listing Division in such circumstances. In general, where listed either on GEM or the Main Board, its securities will not be traded on both platforms at the same time. There should be a clear-cut date for cessation of trading on GEM and commencement of trading on the Main Board and there will not be parallel trading on both boards.  Separately, issuers should note that the Exchange has issued a press release dated 22 April 2008 that parallel trading will be abolished from 2 November 2008.
02/05/2008	9A.12(2)	N/A	5	30.	If shareholders' approvals have been obtained for continuing connected transactions within a certain period, and the transfer from GEM to Main Board	The GEM issuer should seek guidance from the Listing Division in such circumstances. In generally, where there has not been any change of facts or circumstances since the original

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					occur during the period, would shareholders' approval be needed again for the Main Board?	shareholders' approval was granted, there is no need to refresh or obtain again the same shareholders' approval at a meeting merely because of the transfer to the Main Board. The effect of the shareholders' approval shall continue for the purpose of continuing obligations until its original expiry date since grant.
28/11/2008	10.06(1)(b)	13.08 Note 2	8	17. <i>Issue 7</i>	<p>A listed issuer will send an Explanatory Statement to its shareholders for seeking their approval of a general mandate for share repurchases at the forthcoming annual general meeting.</p> <p>Main Board Rule 10.06(1)(b) / Note 2 to GEM Rule 13.08 requires the listed issuer to confirm, among other things, that neither the Explanatory Statement issued under the Rule or the proposed share repurchase has any "unusual features". What does the term "unusual features" mean?</p>	Main Board Rules 10.05 and 10.06 / GEM Rules 13.03 to 13.14 set out the restrictions and notification requirements on share repurchases by listed issuers, including the specific disclosure requirements for an Explanatory Statement. The listed issuer's directors should determine whether the Explanatory Statement or the proposed share repurchase has unusual features having regard to the specific requirements under the Rules, the listed issuer's own circumstances, and features of share repurchase proposals which by virtue of their very frequent occurrence can be regarded as common or usual features of such proposals. The listed issuer should consult the Exchange in advance if it is in any doubt as to whether or not any matters are unusual.
02/05/2008	10.07, 10.08	N/A	5	31.	Will there be restrictions on disposal or issuance of shares during the transfer process?	<p>The Exchange has not imposed any general prohibition on these activities except where these would lead to market disruption or unfairness.</p> <p>Issuers should note that the moratoria on</p>

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						disposal of existing shares (10.07(1)(a)-(b) and issue of new shares (10.08) will be disapplied under Rule 10.07(4) and 10.08(5).
28/02/2013	10.07(1), Notes 2 and 3 to 10.07	13.16A, 13.18, 13.19	20	28.	If the controlling shareholder of a newly listed issuer pledges his shares in the issuer as security for a bank loan in the manner described in Note 2 to the Rule, can the bank dispose of the pledged shares during the first 6 months after listing of the issuer?	Yes. Under Note 3 to Rule 10.07, the controlling shareholder must undertake to the issuer and the Exchange that he would notify the issuer immediately upon receipt of any indications from the bank about disposal of the pledged shares. The issuer must publish an announcement to disclose the matter as soon as possible after it has been notified by the controlling shareholder.
02/05/2008	10.08(5)	17.29	5	32.	Please elaborate on the moratorium on new share issues by a listing transfer applicant.	A GEM-listed company is restricted under GEM Listing Rule 17.29 from issuing new securities within 6 months of listing. As there is a one full financial year waiting period before a GEM company can apply for transfer, this 6-month moratorium will invariably have expired by the time it qualifies for a Main Board listing. After being successfully transferred, Rule 10.08(5) disapplies the equivalent moratorium. This means that after transferring to the Main Board, the company is free to issue new securities immediately.
26/11/2010	11.13	14.24	13	24	Is it necessary to revise the printed application forms for shares/debentures/authorised CISs upon issue	If there is a change to the prospectus warranting the issue of an addendum or replacing e-prospectus, it is a question of law whether the

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					of an addendum or replacement e-prospectus?	<p>original printed application forms for the relevant securities accompanying the original prospectus would continue to be valid.</p> <p>In this connection, Offerors are advised to seek to professional advice as to:</p> <p>(a) the need to revise the original application forms and/or;</p> <p>(b) how to deal with completed application forms submitted to the Offerors under the terms of the prospectus. This may include considerations of extending the offer period and/or granting a right of withdraw to applicants who have submitted in applications based on the information in the original prospectus; and</p> <p>the need for putting in place appropriate arrangements to ensure that the issue and marketing of securities is conducted in a fair and orderly manner.</p>
21/06/2013 (24/01/2014)	11.17 11.18  Guidance Letter HKEX-GL27-12 -	14.29 14.30	23	1	Under Guidance Letters HKEX-GL27-12 and HKEX-GL41-12, a new applicant is required to disclose in its listing document: - an update on its operations and financial position since the latest	To provide investors with more updated information, the Exchange normally expects a qualitative or quantitative disclosure with commentary on the new applicant's updated financial information after the track record period be disclosed in the listing document. This is

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	<p>Guidance on disclosure in listing documents for IPO cases – the “Summary and Highlights” section</p> <p>Guidance Letter HKEX-GL41-12- Guidance on disclosure requirements for IPO cases – Disclosure of material change in financial, operational and/ or trading position after trading record period</p> <p>Listing</p>				<p>audited financial period/ year, including but not limited to qualitative or quantitative information with commentary on its latest financial performance and profitability, and significant non-recurrent items in income statements; and</p> <ul style="list-style-type: none"> <li>- qualitative or quantitative disclosure with commentary on how the adverse changes affect the financial, operational and/ or trading position after the track record period.</li> </ul> <p>Whether a new applicant, as part of the disclosure required under Guidance Letters HKEX-GL27-12 and HKEX-GL41-12, can disclose its unaudited net profits/ losses before or after tax after the track record period in its listing document?</p>	<p>especially when the new applicant shows a deteriorating trend in its revenue or profit. In this regard, the Exchange has previously accepted qualitative or quantitative disclosure with commentary on financial information/ operating data such as revenue, gross profit/ loss, gross profit/ loss margin, average selling price and sale volume. However, disclosure of such information will also depend on the facts and circumstances of each case and new applicants are advised to early consult the Exchange.</p> <p>Where a new applicant discloses its unaudited net profit/ loss figure or financial figures which can explicitly or implicitly result in an investor ascertaining the applicant’s estimated level of profits/ losses since the latest audited period end (e.g. disclosure of both revenue figure and net profit margin percentage), this will constitute a profit forecast/ estimate under the Listing Rules and should be subject to relevant rule requirements:</p> <ul style="list-style-type: none"> <li>• Main Board Rule 11.17/GEM Rule 14.29 – The profit forecast/ estimate should be reviewed and reported on by the reporting accountants and the sponsor, and their reports must be set out in the listing documents.</li> <li>• Main Board Rule 11.18/GEM Rule 14.30 –</li> </ul>

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	<p>Decision HKEX-LD50-1 on whether a waiver should be granted to Company A to permit it to include in its prospectus a profit estimate of the unaudited financial information of the Group covering a period not coterminous with Company A's financial year-end</p> <p>Guidance Letter HKEX-GL1-06 and Listing Decision HKEX-LD54-</p>					<p>Any profit forecast/ estimate appearing in a listing document should cover a period which (i) is coterminous with the new applicant's financial year end; or (ii) ends at a half year-end (or a quarter year-end in the case of a GEM applicant). In the latter case, the new applicant must undertake that the interim report (or quarterly report as the case may be) for that period will be audited.</p> <p>If a new applicant discloses its unaudited net profits/ losses before or after tax after the track record period covering a period other than a six or 12-month period (or quarter period in the case of GEM applicant) set out in Main Board Rule 11.18/GEM Rule 14.30, e.g. for a four-month period, it must apply for a waiver from the Exchange.</p> <p>The Exchange will consider the waiver application and may, based on the applicant's facts and circumstances, impose conditions including but not limited to the following:</p> <p>(i) the applicant must have the profit forecast/ estimate reviewed and reported on by (a) the reporting accountants under Auditing Guideline 3.341 "Accountants' Report on Profit Forecasts"; and (b) the sponsor, which is</p>

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	<p>4 on whether and how unaudited interim financial information should be included in the prospectus of a new applicant when it had published such information that covered a more recent interim period than that required by the Listing Rules in accordance with the requirements of another exchange on which its shares were</p>					<p>in line with the requirements under Main Board Rule 11.17/ GEM Rule 14.29;</p> <p>(ii) the applicant must publish an audited report on the relevant financial period of the profit forecast/ estimate as disclosed in the listing document after the applicant's listing; and</p> <p>(iii) the applicant must disclose details of the waiver application in its listing document.</p> <p>If the new applicant's unaudited financial information after the track record period is already published in a jurisdiction outside Hong Kong, the applicant can refer to Listing Decisions HKEX-LD54-4 (where the applicant itself is listed on another exchange) or HKEX-LD54-5 (where the applicant's subsidiary is listed on another exchange) for detailed guidance. These Listing Decisions require, amongst others, that the published unaudited interim financial information be included in the listing document of the new applicant together with a review report by an independent auditor in accordance with International/Hong Kong Standards on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" or International/Hong Kong Standard on Review Engagements 2400 "Engagements to Review Financial Statements".</p>

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	<p>listed</p> <p>Listing Decision HKEX-LD54-5 on whether and how unaudited interim financial information of a new applicant's subsidiary should be included in the applicant's prospectus when the subsidiary had published such information in accordance with the requirements of another exchange on</p>					<p>If you have any questions on the above, please early consult the Listing Division.</p>



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	which its shares were listed					
26/07/2013	12.01A	16.01A	24	1	Where there are revisions to an Application Proof, is an applicant required to publish the subsequent proofs of listing documents on the Exchange's website?	An applicant is only required to publish its Application Proof, which is the draft listing document submitted with a listing application form, on the Exchange's website. Unless the listing application lapses, no other proofs are required to be published on the Exchange's website except for the applicant's PHIP or the final document. (see also Question 4 of Series 24 regarding the transitional arrangements)
22/03/2007 (07/03/2011)	12.08	16.13	3	65	Will IPO allotment results continue to be published in newspapers?	<p>Main Board Listing Rule 12.08 (GEM Listing Rule 16.13) requires issuers to publish "an announcement of the results of the offer" and "the basis of allotment of the securities". This information should be published on the HKEX website via the e-Submission System. There is no longer a requirement in the Main Board or GEM Listing Rules to publish the information required by Listing Rule 12.08 (GEM Listing Rule 16.13) in full as a paid advertisement in newspapers except where the issuer does not maintain its own website.</p> <p>The information described by Listing Rule 12.08 (GEM Listing Rule 16.13) does not extend to publication of a full list of the allotment of securities to each and every applicant ("full IPO</p>

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						<p>allotment results”). As a matter of market practice, to help ensure that the commencement of trading will take place in an orderly fashion, some issuers choose to publish a full list of successful applicants in newspapers. Other applicants choose to make use of internet or telephone based systems to provide an avenue for communication of the outcome of applications.</p> <p>Implementation of Electronic Disclosure will not change the options available to applicants and we expect some applicants will opt for publication of a full IPO allotment result announcement in the newspapers.</p>
26/11/2010 (08/07/2015)	12.11A	16.04D	13	1.	What is a Mixed Media Offer or MMO?	<p>Mixed Media Offer or MMO is an offer process where an issuer or a collective investment scheme (CIS) issuer distributes paper application forms for public offers of certain securities* so long as the prospectus is available on the HKEX website or the issuer/CIS issuer’s websites.</p> <p>The Class Exemption Notice (attached in Appendix B of the Conclusion Paper, and Appendix 1 to the Guidance Letter HKEX-GL81-15) sets out the conditions an offeror must comply with in a Mixed Media Offer. The SFC will impose similar conditions on CIS issuers who intend to conduct a Mixed Media Offer with</p>

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						<p>regards to interests in SFC-authorized CISs that are / or will be listed on the Exchange.</p> <p>**“Securities” refer to shares of or debentures in a company and SFC-authorized CISs.</p> <p><i>Noted: Updated in July 2015</i></p>
26/11/2010	12.11A	16.04D	13	2.	Who may conduct an MMO?	<p>Any offeror intending to conduct a public offer of:</p> <p>(a) shares of a company (including an investment company under Chapter 21 of the Main Board Rules) listed or to be listed on the Exchange;</p> <p>(b) debentures of a company listed or to be listed on the Exchange; and</p> <p>(c) interests in CISs listed or to be listed on the Exchange and authorized by the SFC under section 104 of the Securities and Futures Ordinance (SFO).</p>
26/11/2010	12.11A	16.04D	13	3.	What existing practice does the MMO aim to change?	<p>The market has developed a practice of printing large quantities of printed prospectuses copies for distribution at points where printed application forms are distributed, even though e-prospectuses are available online. Many of these copies are not taken up and end up as trash.</p>

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						Under an MMO option, an offeror who complies with the conditions of the Class Exemption Notice ( <b>see section B of FAQ series 13</b> ), or obtains a waiver from the SFC, may distribute printed application forms even though each application form is not accompanied by a printed prospectus.
26/11/2010 (08/07/2015)	12.11A	16.04D	13	4.	How to ensure investors who have no access to the internet can access the prospectus before they apply for subscription under an MMO?	<p>Question 7 of FAQ series 13 sets out where investors can get a copy of the printed prospectus.</p> <p>Investors will continue to obtain a free copy of the printed prospectus from specified locations (e.g. at designated branches of receiving banks or the principal place of business of the sponsors) upon request. Also, at least three copies of the printed prospectus will be available for inspection at every location where the paper application forms are distributed.</p> <p><i>Noted: Updated in July 2015</i></p>
26/11/2010	12.11A	16.04D	13	5.	What is the difference between MMO and ePO?	Both the MMO and ePO Guidelines aim to facilitate wider use and acceptance of electronic listing documents. The MMO proposal aims to facilitate distribution of electronic listing documents whilst applications continue to be accepted in paper form. The ePO Guidelines published by the SFC in April 2003 aim to

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						<p>facilitate electronic submission of applications during a public offer but do not deal with whether the prospectus is otherwise required to be distributed in printed or electronic form.</p> <p>Under the ePO Guidelines, the internet (or other electronic means) is used to display or provide access to prospectuses, application forms and/or to collect applications or application instructions from the public (applicants) during an initial public offering or a follow-on public offering.</p> <p>The MMO involves allowing a printed application form for the relevant securities to be issued without being accompanied by printed prospectus if certain conditions are met.</p> <p>MMO and ePO complement each other and are not mutually exclusive.</p>
26/11/2010 (08/07/2015)	12.11A	16.04D	13	6.	<p>(a) How and when an investor may request a printed prospectus?</p> <p>(b) How quickly will a printed prospectus be made available to an investor upon request?</p> <p>(a) What is the quality of such printed prospectus?</p>	<p>(a) Any member of the public may, during the offer period during normal business hours, obtain a printed prospectus, free of charge, at any location specified in the announcements notifying the public of the adoption of an MMO.</p> <p>(b) A printed prospectus must be made available to a member of the public upon request within four business hours.</p>

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						<p>(c) The printed prospectus that is provided may be a stapled copy from a photocopy machine which is in black and white, grey-scale or colour. Where it is a black and white or grey-scale prospectus, the sponsor must be satisfied that it provides equivalent information to investors as a colour prospectus.</p> <p><i>Note: Updated in July 2015</i></p>
26/11/2010 (08/07/2015)	12.11A	16.04D	13	7.	Can investors still get a copy of paper prospectus?	<p>Yes, investors can get a copy of printed prospectus free of charge upon request. Copies will be available at:</p> <p>(a) the depository counter of Hong Kong Securities Clearing Company Limited;</p> <p>(b) the offices of the company's Hong Kong share registrar, sponsor or co-ordinator offices; and</p> <p>(c) certain designated branches of the receiving or placing banks. Further, at least three printed prospectuses will be available "for inspection" at every location where printed application forms are available.</p> <p>These locations will be stated in the prospectus</p>

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						<p>and announcements to inform the market of the proposed Mixed Media Offer as well as application forms.</p> <p>We expect issuers and their sponsors/listing agents to assess the possible demand for printed prospectuses, including locations at which they are most frequently and likely to be collected. Companies should put in place appropriate procedures to enable them to gauge demand, for instance, a pre-order or booking system where investors can register their request for a copy of the printed prospectus.</p> <p>Consistent with existing practice, it is the responsibility of the companies' sponsors to comply with the Exchange Listing Rules and the CFA Code of Conduct by ensuring that there are sufficient copies of prospectuses available to the public to satisfy public demand.</p> <p><i>Note: Updated in July 2015</i></p>
26/11/2010 (08/07/2015)	12.11A	16.04D	13	8.	Where can the investors find out about the website addresses where they can get access to a copy of electronic prospectus?	The application form and the issuer's announcement (made during the five-business day period before the start of the offer period) will set out details of where investors can access the electronic prospectus on the HKEX website and another website (usually its own website).

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						<i>Noted: Updated in July 2015</i>
26/11/2010	12.11A	16.04D	13	9.	Can investors rely on information on the company's (issuer's) website when deciding whether to invest in the company's shares?	No, investors should ensure they only rely on information contained in the prospectus.  The issuer's website may contain information outside prospectus. However, we would expect companies to clearly delineate between prospectus information and non-prospectus information. Web pages containing the electronic prospectus must not contain any promotional information about the issuer and the offer.
26/11/2010 (08/07/2015)	12.11A	16.04D	13	10.	Is the printed prospectus identical to the electronic prospectus?	Yes, the electronic prospectus must be identical to the printed prospectus other than colour (see Question 6(c) of FAQ Series 13 on production on black and white, grey-scale or colour copies). It should not be password protected and should be reasonably tamper-resistant.  <i>Note: Updated in July 2015</i>
26/11/2010	12.11A	16.04D	13	11.	Why does the MMO not provide for a mechanism by which a request for obtaining printed prospectuses should be made?	It is the offeror's responsibility, after taking appropriate advice from its sponsor/listing agent) to assess the possible demand for printed prospectuses, including locations at which they are most frequently and likely to be collected.  It is up to the offerors and their sponsors how or what procedures/mechanism they wish to



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						<p>implement to best determine the likely demand for their printed prospectuses.</p> <p>Please see responses to Question 7 of FAQ series 13. We do not consider it appropriate for the regulators to impose any requirements on how an investor must make a request for a printed prospectus, say by setting requirements for the time and mode for making such request, will only increase the barrier for obtaining a printed prospectus. This may not work to the benefit of prospective investors.</p> <p>Accordingly, the MMO envisages that an investor who wishes to get a printed prospectus is only required to go to the specified locations, e.g. designated branches of receiving banks, for a printed prospectus.</p>
26/11/2010 (08/07/2015)	12.11A	16.04D	13	13.	If the electronic prospectus is not available on the issuer's website but is still available on HKEX's website, must the MMO be suspended?	<p>The offeror need not suspend the Mixed Media Offer if the electronic prospectus is only available on the HKEX website but not the issuer's website. It need only suspend the Mixed Media Offer if the prospectus is not available on both the HKEX website and the issuer's website for 4 consecutive hours or more.</p> <p>If during the offer period, the electronic prospectus is not available on the issuer's website, the offeror need not suspend the Mixed</p>

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						<p>Media Offer if,</p> <ul style="list-style-type: none"> <li>(a) the electronic prospectus is available on the HKEX website between 6:00 am to 12:00 midnight from Monday to Friday, except public holidays; and</li> <li>(b) if the prospectus is also not available on the HKEX website, the period of the electronic prospectus being unavailable on both the websites is less than 4 hours.</li> </ul> <p>In the event the electronic prospectus is not available on both the HKEX and the company's websites for 4 consecutive hours or more between the hours of 6 am to 12 midnight Mondays to Fridays (except public holidays), the offeror can continue the offer process provided that it can comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) <b>(CO)</b> requirement that when an offeror issues a printed application form, it must issue the application form with a printed prospectus.</p> <p><i>Note: Updated in July 2015</i></p>
26/11/2010 (08/07/2015)	12.11A	16.04D	13	14.	How should the offeror deal with the suspension of Mixed Media Offer during the offer period?	When an offeror need to suspend a Mixed Media Offer during the offer period, it must publish a suspension announcement on the HKEX website as soon as possible. The offeror is encouraged to consult the SEHK and/or the SFC as soon as

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						<p>possible on how best to conduct the remaining offer process. The offer can only carry on if it can comply with the CO requirement that when an offeror issue a printed application form, it must issue the application form with a printed prospectus.</p> <p><i>Note: Updated in July 2015</i></p>
26/11/2010 (08/07/2015)	12.11A	16.04D	13	16.	Where are the conditions set out in the Class Exemption Notice?	<p>The class exemption is effected by Section 9A of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap.32L) (<b>Class Exemption Notice</b>) which came into effect on 1 February 2011. A copy of the Class Exemption Notice is set out in Appendix B to the Conclusions Paper and Appendix 1 to Guidance Letter HKEX-GL81-15.</p> <p><i>Note: Updated in July 2015</i></p>
26/11/2010	12.11A	16.04D	13	17.	Does an offeror need to apply to the SFC or the Exchange to conduct an MMO?	<p>No but a CO offeror must comply with the conditions in the Class Exemption Notice.</p> <p>A CIS offeror may inform the SFC of its intent to conduct an MMO and conduct the MMO by complying with similar conditions imposed by the SFC in its letter of authorisation.</p>
26/11/2010	12.11A	16.04D	13	18.	Can the issuer's website contain information other than prospectus	An issuer's website may contain information other than prospectus information, including

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					information?	<p>promotional information about the issuer or the public offer. The issuer's website should clearly delineate in its website what information on its website is contained in the prospectus and what is not.</p> <p>Please refer to the responses to Question 9 of FAQ series 13.</p>
26/11/2010	12.11A	16.04D	13	19.	How is the notice requirement satisfied when the e-prospectus is accessed from the company's (issuer's) website?	<p>The notice should be given just before access to the prospectus is granted. For instance, a plain clear "pop up" notice on a separate webpage of the issuer's website stating that the relevant securities are offered solely on the information in the e-prospectus accessible by a click on the webpage satisfies this requirement.</p> <p>There are other ways to display the notice. In case of doubt, early consultation with the SFC or the Exchange is recommended.</p>
26/11/2010 (08/07/2015)	12.11A	16.04D	13	20.	How many printed prospectus copies must be made available to the public to satisfy the public demand requirement?	<p>The SFC and the Exchange do not set any the minimum number of copies of printed prospectus that must be made available to satisfy public demand.</p> <p>The CO and CIS offerors and their sponsors or listing agent should make a best estimate of the demand for printed form prospectus based on the facts and circumstances of the case.</p>

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						<p>As a best practice recommendation, issuers and sponsors can consider stating in the notification announcement (made during the five-business day period before the start of the offer period) of an MMO details about how a member of the public may pre-register with the sponsor to obtain a printed prospectus during the offer period (e.g. by way of a hotline service) and where a copy may be obtained.</p> <p><i>Note: Updated in July 2015</i></p>
26/11/2010	12.11A(1), 25.19B(1)	16.04D, 29.21B	13	22	Must announcements relating to the implementation and/or suspension of an MMO be vetted by the Exchange?	No.
22/03/2007 (02/01/2013)	13.09, 13.10	17.10, 17.11	3	31	<p>Included in the Headline Categories are:</p> <ul style="list-style-type: none"> <li>--Clarification of News or Reports – Standard or Super,</li> <li>- Clarification of News or Reports – Qualified</li> <li>-Unusual Price/Turnover Movements – Standard or Super</li> <li>- Unusual Price/Turnover Movements – Qualified</li> </ul> <p>What does “standard”, “super” and “qualified” mean?</p>	<p>1. “Standard” announcements are:</p> <p>(a) announcements made at the request of the HKEX under Listing Rules MB 13.10(2) / GEM 17.11(2) in response to unusual movements in price or trading volume or the possible development of a false market in its securities, and in the announcement the issuer only provides negative confirmations required under Listing Rules MB 13.10(2) / GEM 17.11(2). The</p>

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						<p>wording of these announcements should follow Note 1 to Listing Rules MB 13.10(2) / GEM 17.11(2); and</p> <p>(b) announcements made in response to media news and reports, announcements made to deny media news or reports, i.e. straight denial.</p> <p>For example, an issuer issues a denial in response to news articles simply stating that the rumour is untrue and has no substance. There would be no other information in the announcement.</p> <p>2. “Super” announcements are announcements which are similar to the standard announcements except for modifications made:</p> <p>(a) announcements made at the request of the HKEX under Listing Rules MB 13.10 / GEM 17.11 in response to unusual movements in price or trading volume or the possible development of a false market in its securities, and in the announcement the issuer only refers to its previously published information; and</p> <p>(b) announcements made in response</p>

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						<p>to media news and reports, where the issuer clarifies that only its previously published information should be relied on.</p> <p>For example, an issuer issues a denial in response to certain news articles on a transaction or material business development. The issuer denies the content of the articles and states that there is no material development and refers to previously published information such as a circular or announcement of the issuer.</p> <p>3. “Qualified” announcements are:</p> <p>(a) announcements made at the request of the HKEX under Listing Rules MB 13.10(1) / GEM 17.11(1) in response to unusual movements in price or trading volume, disclosing information under the issuer’s general disclosure obligation to which such movements are or may be attributable. These announcements may also, in certain circumstances, be issued pursuant to both Listing Rules MB 13.10(1) / GEM 17.11(1) <u>and</u> Listing Rules MB 13.09 / GEM</p>

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						<p>17.10 where they contain information necessary to avoid a false market or inside information which needs to be disclosed under the Inside Information Provisions; and</p> <p>announcements made in response to media news and reports, where the information underlying the media news or report is inside information, indicating that the media news or reports is largely accurate and requiring disclosure under Listing Rules MB 13.09 / GEM 17.10.</p>
22/03/2007 (02/01/2013)	13.09, 13.10A, 14.37	17.10, 17.11A, 19.37	3	144	What are the procedures issuers should follow prior to the morning pre-opening trading session or the afternoon trading session in reviewing the publication status of its announcement and considering whether notifying the HKEX that a trading suspension may be required?	<p>The assessment of whether a trading halt or suspension will be required is based on the trading halt or suspension policy having regard to the two factors: nature of announcement and publication of the announcement on the HKEX website.</p> <p>Trading halt or suspension arising from publication failures will be required where the subject matter of the announcement is information necessary to avoid a false market in the issuer's securities or is inside information which needs to be disclosed under the Inside Information Provisions (Listing Rules MB 13.09/ GEM 17.10) or relates to a notifiable transaction and a trading halt or suspension is required</p>



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						<p>under Listing Rules MB 14.37/ GEM 19.37. For pre-vetted announcements, this determination will be agreed with the Listing Division of the HKEX before clearance of the announcement. For post-vetted announcement, the issuer will make the assessment. In either case this assessment should be also generally reflected in the headline categories selected by the issuers.</p> <p>An issuer should take reasonable steps to gain comfort that publication of its announcement on the HKEX website has been successful. Such steps may include noting receipt of e-mail confirmation from HKEX and checking the HKEX website directly.</p> <p>Where, for whatever reason the publication of the announcement on the HKEX website is delayed (by reference to the trading halt or suspension policy above), the issuer should contact the Listing Division of the HKEX immediately and where appropriate, request a trading halt or suspension.</p>
30/04/2013	13.09(1), 13.10, 37.47(b)  Paragraph 3 of Practice	17.10(1), 17.11, 30.40(b), 31.04(2) 31.05	22	1	What is a “false market”?	The term “false market” refers to a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery. This may arise, for example, where:

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	<p>Note 11</p> <p>Paragraph 2(1)(b) of Appendices 7C, 7D, 7E and 7H</p> <p>Paragraph 24 of Appendix 7C</p> <p>Paragraph 26 of Appendix 7H</p>					<p>(a) an issuer has made a false or misleading announcement;</p> <p>(b) there is other false or misleading information, including a false rumour, circulating in the market;</p> <p>(c) an issuer has inside information that needs to be disclosed under the Inside Information Provisions but it has not announced the information (e.g. the issuer signed a material contract during trading hours but has not announced the information); or</p> <p>(d) a segment of the market is trading on the basis of inside information that is not available to the market as a whole.</p> <p>Where a media or analyst report appears to contain information from a credible source (whether that information is accurate or not) and:</p> <p>(a) there is a material change in the market price or trading volume of the issuer's securities which appears to be referable to the report (in the sense that it is not readily explicable by any other event or circumstance); or</p> <p>(b) if the market is not trading at the time but</p>

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						<p>the report is of a character that when the market starts trading, it is likely to have a material effect on the market price or trading volume of the issuer's securities,</p> <p>the issuer must announce information necessary to avoid a false market in its listed securities.</p>
30/04/2013	13.09(1), 37.47(b)  Paragraph 2(1)(b) of Appendices 7C, 7D, 7E and 7H	17.10(1), 30.40(b), 31.04(2)	22	2	Does an issuer need to “consult” the Exchange before announcing the information necessary to avoid a false market in its securities?	<p>No, it can proceed to disclose the information which requires disclosure under these provisions.</p> <p>However, it must contact the Exchange as soon as reasonably practicable if it believes that there is likely to be a false market in its listed securities (see the note to these provisions).</p>
28/11/2008 (02/01/2013)	13.09(2), 13.10B	17.10(2), 17.12	7	69.	<p>Listco Z is a PRC issuer whose H shares are listed on the Main Board. It proposes to issue new A shares in the PRC and apply for a listing on a PRC stock exchange.</p> <p>Listco Z will issue a prospectus in connection with the issue of A shares pursuant to the laws and regulation in the PRC and the requirements of the PRC stock exchange. In this regard, Listco Z will publish an announcement under the Main Board Rule 13.09(2)(a) /</p>	<p>In addition to the disclosure obligation under Main Board Rule 13.09(2)(a) / GEM Rule 17.10(2)(a), Listco Z should also comply with Main Board Rule 13.10B / GEM Rule 17.12 to release the A-share prospectus to the market in Hong Kong through the HKEX website (in the form of an “overseas regulatory announcement”) at the same time as it is released in other market(s).</p>

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					GEM Rule 17.10(2)(a) to promptly disclose information which is identified as inside information during preparation of the A share prospectus or as a consequence of other development. Will Listco Z still need to publish the A-share prospectus on the HKEX website for the purposes of the Listing Rules?	
30/04/2013	13.10(2)  Paragraph 24(2) of Appendix 7C  Paragraph 26(2) of Appendix 7H	17.11(2), 31.05(2)	22	3	What is the meaning of the term “such enquiry with respect to the issuer as may be reasonable in the circumstances”? What sort of enquiry is an issuer required to make in response to the Exchange’s enquiries?  When will an issuer be expected to contact its controlling shareholders when they are not directors or officers of the issuer?	The facts and circumstances giving rise to each enquiry are different. Therefore, what enquiry is reasonable depends on the circumstances, and there are no hard and fast rules. The test is one of reasonableness.  To facilitate compliance, it is crucial that an issuer implements and maintains adequate and effective internal control systems and procedures to ensure material information concerning the issuer and its business would be promptly identified, assessed and escalated to the Board for consideration and action from a Rule compliance perspective. This would require a timely and structured flow to the Board of information arising from the development or occurrence of events and circumstances so that the Board can decide whether disclosure is necessary.
30/04/2013	13.10(2)	17.11(2),	22	4	An issuer has inside information which	Whether an announcement is required to be

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	Paragraph 24(2) of Appendix 7C  Paragraph 26(2) of Appendix 7H	31.05(2)			is exempted from disclosure under one or more of the safe harbours in the Inside Information Provisions. If there are market rumours which are unrelated to this information, but have resulted in unusual trading movements, does the issuer need to publish a standard announcement?  If the standard announcement states that there is no inside information that needs to be disclosed under the Inside Information Provisions, but the issuer subsequently discloses the information, say a month later, will this result in market uncertainty?	issued under these provisions depends on the facts and circumstances of the matter. It is only if and when requested by the Exchange that an announcement needs to be issued.  Information that is exempted from disclosure under the Inside Information Provisions does not fall within the term “any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance” contained in the standard announcement. Therefore, a standard announcement issued under those circumstances will not be inaccurate.  To avoid market uncertainty arising from the subsequent disclosure of the inside information previously exempted from disclosure, the issuer can clarify in the disclosure announcement that the information was exempted from disclosure when the standard announcement was issued.
30/03/2004 (30/09/2009)	13.13, 13.14, 13.16	17.15, 17.16, 17.18	1	22.	Clarify whether the interest earned or the total advance should be the numerator for the consideration test for the purpose of Main Board rules 13.13, 13.14 and 13.16 (GEM rules 17.15, 17.16 and 17.18).	For the purpose of the total assets test and consideration test, the numerator should be the total advances (not the interest earned) plus any monetary advantage accruing to the entity or affiliated company.
30/03/2004 (30/09/2009)	13.13, 13.16	17.15, 17.18	1	23.	An issuer has previously made an announcement on an advance to an	Provided that there is no increase in the advance previously disclosed, the issuer is not required to

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					entity or affiliated company in accordance with the pre-existing Practice Note 19 to the Main Board Rules or the new Main Board rule 13.13 (GEM rule 17.15). Does it have to make another announcement due to a change in market capitalisation?	<p>make another announcement as a result of a change in market capitalisation.</p> <p>If there have been further increases in the advance, the issuer will have to comply with the general disclosure obligation based on the market capitalisation as at the date of making additional advance to an entity or affiliated company.</p>
30/03/2004 (30/09/2009)	13.14	17.16	1	25.	Clarify when the general disclosure obligation under Main Board rule 13.14 / GEM rule 17.16 will be triggered for advances to an entity or affiliated company that have been announced in accordance with Main Board rule 13.13 / GEM rule 17.15.	<p>Where there is any further increase in the advance previously announced in accordance with Main Board rule 13.13 / GEM rule 17.15, the issuer has to adopt the following 2-stage approach:</p> <ul style="list-style-type: none"> <li>• Firstly, the issuer must re-assess whether the increased balance has triggered the 8% threshold with reference to the latest financial figures and market capitalisation. If not, the issuer is not required to make another announcement.</li> <li>• If it has, the issuer must consider whether the increment since the last announcement was made exceeds the 3% threshold for any of the size tests. If the 3% threshold is exceeded, the issuer will have to comply with the further disclosure requirement under Main Board rule 13.14/ GEM rule 17.16.</li> </ul>

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28/11/2008 (02/01/2013)	13.25A, 13.25B, 13.09	17.27A, 17.27B, 17.10	8	18. <i>Issue 8</i>	When should Monthly Returns and Next Day Disclosure Returns be submitted?	<p>Monthly Returns can be submitted at any time during the operational hours of Electronic Submission System (“ESS”), that is: (i) on any business day: from 6:00 a.m. to 11:00 p.m.; and (ii) on a non-business day immediately before a business day: from 6:00 p.m. to 8:00 p.m.. The deadline for their submission is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the fifth business day after the end of the calendar month.</p> <p>Next Day Disclosure Returns must be submitted by “not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session” (i.e. by 8:30 a.m.) on the business day after the relevant event. They can also be submitted at any time during the operational hours of ESS, subject to compliance with Main Board Rule 13.09 / GEM Rule 17.10.</p> <p>Where the event that triggers submission of the Next Day Disclosure Return is also subject to Main Board Rule 13.09 / GEM Rule 17.10, and the issuer cannot publish the announcement under Main Board Rule 13.09 / GEM Rule 17.10, a trading halt or suspension would be required. However, the issuer still must submit the Next</p>

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						Day Disclosure Return by the 8:30 a.m. deadline under Main Board Rule 13.25A/ GEM Rule 17.27A. Where a trading halt or suspension may be required, the issuer should contact the Exchange before submitting the Next Day Disclosure Return.
28/11/2008	13.25A, 13.25B	17.27A, 17.27B	8	19. <i>Issue 8</i>	How exactly does one submit a Monthly Return and Next Day Disclosure Return?	Listed issuers can download from the ESS website a template in MS Word format of each of the various Monthly Returns and Next Day Disclosure Returns for completion offline. The completed form, in either PDF or MS Word format, should then be submitted via ESS as an attachment.
28/11/2008	13.25A, 13.25B see also: 2.07C(4)(b)	17.27A, 17.27B see also: 16.03	8	20. <i>Issue 8</i>	Will listed issuers be required to submit both English and Chinese versions of Next Day Disclosure Returns and Monthly Returns?	Yes. A listed issuer must submit both an English and a Chinese version of the Next Day Disclosure Return and Monthly Return through ESS.
28/11/2008	13.25A, 13.25B	17.27A, 17.27B	8	21. <i>Issue 8</i>	Can a listed issuer submit its Monthly Returns or Next Day Disclosure Returns by means other than ESS, such as email, fax or mail?	No. A listed issuer must submit its Monthly Returns and Next Day Disclosure Returns through ESS.
28/11/2008	13.25A, 13.25B	17.27A, 17.27B	8	23. <i>Issue 8</i>	In 2007, Listco A issued some convertible bonds which might potentially result in substantial dilution of the issued share capital of Listco A. The Exchange had imposed a condition to the granting of listing	Provided that Listco A has complied with the disclosure requirements under Main Board Rules 13.25A and 13.25B or GEM Rules 17.27A and 17.27B, it will be regarded as having fulfilled the Condition and separate Conversion Announcements will no longer be required.



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					<p>approval of the underlying shares (the "Condition") that Listco A must publish a monthly announcement in relation to any conversion of the convertible bonds and a further announcement in certain specific circumstances (collectively, the "Conversion Announcements").</p> <p>As Listco A will be required to make disclosure relating to changes in issued share capital (including any conversion of the convertible bonds) in its Next Day Disclosure Return and Monthly Return according to Main Board Rules 13.25A and 13.25B or GEM Rules 17.27A and 17.27B, will Listco A still need to issue the Conversion Announcements?</p>	
28/11/2008 (11/03/2011)	13.25A(2)(a)(vii)	17.27A(2)(a)(vii)	8	24. <i>Issue 8</i>	The issuer publishes a Next Day Disclosure Return upon a repurchase or redemption of shares in January. The repurchased or redeemed shares are cancelled in February. Must the issuer publish a Next Day Disclosure Return upon cancellation of the shares?	<p>On a share repurchase or redemption, the issuer must submit and publish a Next Day Disclosure Return by "not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session" (i.e. by 8:30 a.m.) on the business day after the repurchase or redemption, even if the shares have not yet been cancelled. It is not necessary to publish another Next Day Disclosure Return when the shares are cancelled.</p> <p>However, the opening balance of the subsequent</p>

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						Next Day Disclosure Return will be the closing balance of the last Next Day Disclosure Return or Monthly Return (whichever is later) and any cancellation of shares since then should be included in the opening balance of the subsequent Next Day Disclosure Return as separate lines (together with the date(s) of cancellation). These cancelled shares should also be taken into account in arriving at the closing balance of that subsequent Next Day Disclosure Return.
28/11/2008	13.25B	17.27B	8	25. <i>Issue 8</i>	<p>Before 1 January 2009, there were four types of Monthly Return forms, namely, Form-1 for listed companies, Form-2 for debt securities, Form-3 for derivatives warrants and equity linked instruments and Form-4 for unit trusts/mutual funds (including exchange traded funds).</p> <p>What is the situation from 1 January 2009 onwards?</p>	Form 1 will be replaced by the new Monthly Return for Equity Issuers. Forms 2 and 3 will be abolished as the new regime will not apply to issuers of structured products and debt. Form 4 will be replaced by the new "Monthly Return for Collective Investment Scheme listed under Chapter 20 of the Exchange Listing Rules (other than listed open-ended Collective Investment Scheme) on Movements in Units" and new "Monthly Return On Movement of Open-ended Collective Investment Scheme listed under Chapter 20 of the Exchange Listing Rules" (as the case may be).
28/11/2008 (13/03/2009)	13.25B	17.27B	8	26. <i>Issue 8</i>	Is section I of the Monthly Return (Movement in Authorised Share Capital) applicable to PRC issuers which do not have authorised share capital? Are they	<p>Section I of the Monthly Return is not applicable to PRC issuers.</p> <p>Each issuer is required to disclose in its Monthly</p>

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					required to disclose movements in domestic shares/ A shares in section II of their Monthly Return (Movements in Issued Share Capital)?	Return the movement in its equity securities, debt securities and any other securitised instruments during the month. PRC issuers are therefore required to disclose the movements in their H shares as well as any other classes of shares (e.g. domestic shares and A shares) in section II.
28/11/2008	13.25B	17.27B	8	27. <i>Issue 8</i>	Will listed issuers still be required to submit the Monthly Returns each month even if there are no changes of the reported figures from the previous month?	Yes, a listed issuer must submit a Monthly Return even if there have not been any changes since the previous Monthly Return.
28/11/2008 (02/01/2013)	13.28	17.30	7	70.	A listed issuer proposes to enter into an agreement with an independent third party under which the independent third party will provide advisory services to the issuer and the consideration will be satisfied by issuing new shares of the issuer to the third party. Is such issue subject to the disclosure requirements under Main Board Rule 13.28 / GEM Rule 17.30?	The requirements under Main Board Rule 13.28 / GEM Rule 17.30 only apply to an issue of securities for cash.  In the circumstances described, if the proposed issue of new shares constitutes inside information which requires disclosure under the Inside Information Provisions, the listed issuer must also simultaneously announce the information under Main Board Rule 13.09(2)(a) / GEM Rule 17.10(2)(a).
28/11/2008	13.28  see also: 13.25A, 13.25B	17.30  see also: 17.27A, 17.27B	8	29. <i>Issue 9</i>	A listed issuer proposes a placing of warrants for cash consideration under a general mandate. The listed issuer will issue an announcement for such proposed placing pursuant to Main	The disclosure obligation under Main Board Rule 13.28 / GEM Rule 17.30 arises at the time when the listed issuer agrees to issue securities for cash. In the present case, the listed issuer must comply with the Rule as soon as it enters into the

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					Board Rule 13.28 / GEM Rule 17.30. The warrants carry rights to subscribe new shares in the listed issuer. Is the listed issuer required to comply with Main Board Rule 13.28 / GEM Rule 17.30 upon exercise of the warrants where the listed issuer will receive subscription monies for the new shares?	agreement for placing the warrants. The Rule does not apply upon exercise of the subscription rights of the warrants by the warrant holders. Nevertheless, the listed issuer is reminded of the disclosure obligations under Main Board Rules 13.25A and 13.25B / GEM Rules 17.27A and 17.27B.
28/11/2008	13.28, 17.06A  see also: 13.25A, 13.25B	17.30, 23.06A  see also: 17.27A, 17.27B	8	28. <i>Issue 9</i>	A listed issuer has adopted a share option scheme pursuant to Chapter 17 of the Main Board Rules/ Chapter 23 of the GEM Rules.  Is the listed issuer required to comply with Main Board Rule 13.28/ GEM Rule 17.30 in the following circumstances: (i) the granting of an option by the listed issuer under the share option scheme; and (ii) a person exercising the option granted to him under the share option scheme?	Main Board Rule 13.28 / GEM Rule 17.30 sets out specific disclosure requirements for fund raising exercises of listed issuers through issues of securities. Whilst the policy intent of the Rule is not to apply to any grant of options or issue of securities pursuant to a share option scheme which complies with Chapter 17 of the Main Board Rules/ Chapter 23 of the GEM Rules, the actual wording might be interpreted otherwise. We will address this ambiguity in the Rules at the next opportunity.  In the circumstances described, the listed issuer should observe the announcement requirement under Main Board Rule 17.06A / GEM Rule 23.06A and the disclosure obligations under Main Board Rules 13.25A and 13.25B / GEM Rules 17.27A and 17.27B.
28/11/2008	13.28(12)	17.30(12)	8	30. <i>Issue 9</i>	A listed issuer proposes a placing of new shares for cash consideration using	The information to be disclosed by the listed issuer under this Rule should demonstrate that

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					<p>its general mandate.</p> <p>Main Board Rule 13.28(12) / GEM Rule 17.30(12) requires the listed issuer to disclose details of the general mandate in the announcement. What are the details that need to be disclosed?</p>	<p>the general mandate is sufficient to cover the number of new shares to be issued under the placing. It should contain information such as: (i) the date of the general meeting approving the general mandate; (ii) the number of shares that the listed issuer is authorised to allot or issue under such general mandate; and (iii) the unutilised portion of the general mandate immediately prior to the proposed placing.</p>
21/02/2014	13.28(2), App 16 (para 11(3))	17.30(2), 18.32(3)	26	1.	How should issuers whose shares have no nominal value comply with the disclosure requirements for nominal values under the Rules?	These issuers should disclose in the relevant announcements or annual reports that their shares have no nominal value.
28/11/2008	13.29	17.30A	8	31. <i>Issue 9</i>	If a listed issuer proposes to place new shares under a general mandate at a discount of 20% or more to the benchmarked price, can it satisfy Main Board Rule 13.29/ GEM Rule 17.30A by incorporating the information required under Main Board Rule 13.29 / GEM 17.30A in its announcement published pursuant to Main Board Rule 13.28/ GEM Rule 17.30?	<p>Yes, or alternatively it may issue a separate announcement to disclose the information required under Main Board Rule 13.28/ GEM Rule 17.30. In either case, the required information must be announced within the timeframe prescribed under Main Board Rule 13.29/ GEM Rule 17.30A.</p> <p>The listed issuer is reminded that, under Main Board Rule 13.36(5) / GEM Rule 17.42B, it cannot issue new shares for cash under a general mandate at a discount of 20% or more to the benchmarked price set out in Main Board Rule 13.36(5) / GEM Rule 17.42B unless it can satisfy the Exchange that it is in a serious</p>

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						financial position or there are exceptional circumstances. In the present case, the listed issuer must obtain the Exchange's consent before it enters into the proposed placing and publishes the relevant announcement.
28/11/2008	13.32(1)	11.23(7)	7	71.	<p>A listed issuer proposes a rights issue of shares which will be fully underwritten by its controlling shareholder. Based on the size of the proposed rights issue, it is possible that if no qualifying shareholders take up their entitlement of rights shares, the controlling shareholder's interest in the listed issuer would increase to the extent that the public float of the listed issuer would fall below the minimum percentage required under the Listing Rules.</p> <p>Will the listed issuer be permitted to proceed with the rights issue?</p>	<p>It is the responsibility of the listed issuer to ensure compliance with its continuing obligations under the Listing Rules from time to time, particularly when it proposes any corporate actions.</p> <p>In the circumstances described, the listed issuer must demonstrate to the Exchange's satisfaction that there are adequate arrangements in place to ensure that the proposed rights issue, if it proceeds, would not result in a breach of the public float requirement set out in the Listing Rules. An example of an acceptable arrangement would be for a conditional placing agreement to be entered into by the controlling shareholder to place down a sufficient amount of its shares in the listed issuer to independent third parties in order to maintain the public float at or above the minimum prescribed percentage set out in the Listing Rules.</p>
14/11/2014 (04/11/2016)	13.36	N/A	29	1.	When Eligible SEHK Issuers propose pre-emptive issues (including rights issues, open offers, bonus issues and	Yes.

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					scrip dividend schemes) or distributions in specie to shareholders, should they offer or distribute entitlement securities to Mainland investors holding eligible securities through Shanghai and Shenzhen Connect ("Southbound Shareholders")?	
28/11/2008	13.36, 28.05	17.39 to 17.42B, 34.05	7	72.	<p>A listed issuer has some outstanding convertible bonds that are convertible into new shares of the issuer according to the terms of such bonds. These convertible bonds were issued by the listed issuer two years ago using the general mandate then available.</p> <p>Prior to the maturity date of the convertible bonds, the listed issuer and the holders of the convertible bonds propose to extend the maturity date and the conversion period of the bonds for one year and other terms of the bonds will remain unchanged. Is such proposal subject to the requirements relating to pre-emptive rights under Main Board Rule 13.36/ GEM Rules 17.39 to 17.42B?</p>	Yes. In the circumstances described, the proposed extension of the maturity date and the conversion period of the convertible bonds is effectively a new arrangement with the bond holders that involves issue of new shares of the listed issuer. The listed issuer must obtain shareholders' approval of such proposal at general meeting under Main Board Rule 13.36(1)/ GEM Rule 17.39 unless it has an existing general mandate that is sufficient to cover all new shares that may be issued upon conversion of the outstanding convertible notes during the extended period. The listed issuer is also reminded that under Main Board Rule 28.05/ GEM Rule 34.05, any alterations in the terms of convertible debt securities after issue must be approved by the Exchange except where the alterations take effect automatically under the existing terms of such convertible debt securities.
30/03/2004	13.36(2)(a)	17.41(1)	1	28.	Clarify whether an overseas legal opinion is required in the event that a	Note 1 to Main Board rule 13.36(2)(a)/ GEM rule 17.41(1) states that the issuer must make enquiry

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					proposed bonus issue of issue of warrants will exclude overseas shareholders.	regarding the legal restrictions under the laws of the relevant jurisdiction. It is up to the issuer to decide whether or not it should seek a legal opinion to support its analysis of compliance with the Rules.
30/03/2004	13.36(2)(a)	17.41(1)	1	29.	Is the requirement under Main Board rule 13.36(2)(a) / GEM rule 17.41(1) only applicable to pre-emptive issues such as rights issues/open offers?	It applies to any allotment, issue or grant of securities pursuant to an offer made to all shareholders where overseas shareholders are excluded on practical grounds.
30/03/2004	13.36(2)(b)	17.41(2)	1	30.	Is there any limit on the number of refreshments of the general mandate during a year? How is the "one year" determined – from refreshment of the general mandate or with reference to annual general meetings?	There is no limit on the number of refreshments of the general mandate by Main Board and GEM issuers during a year. However, independent shareholders' approval is required for the second and subsequent refreshments during the year.  The period of "one year" is a rolling one year period normally determined with reference to annual general meetings when a new mandate for the year is obtained.
28/11/2008 (01/04/2015)	13.36(2)(b)	17.41(2)	7	61.	A listed issuer proposes a resolution to seek shareholders' approval for a bonus issue of shares to its existing shareholders pursuant to its articles of association at the forthcoming annual general meeting.  Can the listed issuer take into account such bonus issue when determining the	No, because the bonus shares are not yet issued at the time when the listed issuer seeks shareholders' approval for the new general mandate. Pursuant to Main Board Rule 13.36(2)(b)/ GEM Rule 17.41(2), the maximum number of shares that may be issued under the general mandate is " <u>20% of the number of issued shares of the issuer as at the date of the resolution granting the general mandate... plus</u>



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					maximum number of shares that are allowed to be issued under a new general mandate proposed at the same general meeting?	the number of such securities repurchased by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the <u>number of issued shares of the issuer as at the date of the resolution granting the repurchase mandate</u> )...”.
28/11/2008	13.36(2)(b)	17.41(2)	7	62.	<p>A listed issuer proposes to issue convertible notes which are convertible into new shares of the issuer. According to the terms of the convertible notes, the conversion price will be determined based on the closing price of the shares of the listed issuer on the trading day immediately before the conversion.</p> <p>The listed issuer notes that based on the recent closing prices of its shares trading on the Exchange, the total number of new shares that may be issued upon conversion of the convertible notes would not exceed the number of new shares that can be issued under the existing general mandate.</p> <p>Is it acceptable if the listed issuer uses its general mandate for such issue?</p>	<p>In the circumstances described, the number of conversion shares estimated by the listed issuer based on recent closing prices of its shares cannot reflect the actual number of conversion shares that may be issued by the listed issuer according to the terms of the convertible notes. This is because the conversion price, and therefore the actual number of conversion shares, will only be determined upon the conversion of the notes.</p> <p>The listed issuer must demonstrate that its existing general mandate is sufficient to cover the number of new shares that may be issued upon full conversion of the convertible notes based on the terms of the notes. In particular, it should take into account the lowest possible conversion price, i.e. the maximum number of new shares that may be issued. In the present case, if the maximum number of conversion shares exceeds the number of new shares that can be issued under the general mandate, the listed issuer must seek a specific mandate from its shareholders for</p>

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						issuing the conversion shares as required under Main Board Rule 13.36(1)/ GEM Rule 17.39 before it issues the convertible notes.
28/11/2008	13.36(4)(a)	17.42A	8	32. <i>Issue</i> 14	When a listed issuer refreshes the General Property Acquisition Mandate at a general meeting, does the controlling shareholder have to abstain from voting as in the case of refreshing a general mandate under Main Board Rule 13.36(4)(a)?	Main Board Rule 13.36(4)(a)/ GEM Rule 17.42A is not applicable to the refreshment of the General Property Acquisition Mandate.
30/03/2004	13.36(4)(e)	17.42A(5)	1	31.	Please explain the top-up arrangement under refreshment of general mandate.	<p>Under the new rules, an issuer wishing to top-up the unused portion of their previous general mandate, based on the enlarged issued share capital, needs only to obtain shareholders' approval. They can top up to the number of shares so that, in percentage terms, the unused part of the general mandate before and after the pre-emptive issue of securities is the same.</p> <p><u>Example:</u>  <b>Existing issued share capital :</b> 100,000 shares  <b>General mandate (20%) before placing:</b> 20,000 shares (20%)  <b>Placing of 5,000 shares under the general mandate:</b> 5,000 shares  <b>Issued share capital after placing:</b> 105,000 shares  <b>Unused general mandate:</b> 15,000 shares (15%)</p>

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						<p>of 100,000 shares)  <b>New shares issued under a 1 for 2 rights issue:</b> 52,500 shares  <b>Issued share capital after right issue:</b> 157,500 shares</p> <p>Shareholders' approval will be required to top-up the general mandate from 15,000 to 23,625 shares (15% of 157,500 shares). Independent shareholders' approval will be required for an additional mandate for 7,875 shares (i.e. 5% of 157,500 shares).</p>
28/11/2008	13.36(5)	17.42B	7	63.	<p>A listed issuer proposes to enter into an agreement with one of its creditors under which the listed issuer agree to issue new shares for the repayment of a loan due to the creditor.</p> <p>The listed issuer intends to issue the new shares under a general mandate. Is such issue subject to the restriction on pricing of the new shares to be issued under general mandate set out Main Board Rule 13.36(5) / GEM Rule 17.42B?</p>	<p>Yes. The proposal is in substance an issue of new shares for cash consideration. The listed issuer must ensure that the issue price of such new shares complies with the requirement of Main Board Rule 13.36(5)/ GEM Rule 17.42B before it enters into the agreement.</p>
19/12/2011	Note to Rule 13.39(4)	Note to Rule 17.47(4)	17	14.	<p>Are there any examples of procedural and administrative matters?</p>	<p>Procedural and administrative matters include, for example, adjourning a meeting by resolution to:</p> <p>(a) ensure orderly conduct of the meeting. (e.g.</p>

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						<p>if the meeting facilities to house the number of members attending has become inadequate); or</p> <p>(b) maintain the orderliness of the meeting, e.g. if it becomes impossible to ascertain the views of the members, or there is disorder or threat of disorder from members or if there is a disturbance caused by members or the uninvited public; or</p> <p>(c) respond to an emergency such as a fire, a serious accident or hoisting of tropical cyclone warning signal No. 8 during a meeting; or</p> <p>(d) announce results at the end of the annual general meeting.</p>
28/11/2008 (01/07/2014)	13.39(6)(a) and (c), 14A.41	17.47(6)(a) and (c),20.39	7	42.	Should the independent board committee established under Main Board Rules 13.39(6)(a) and 14A.41/ GEM Rules 17.47(6)(a) and 20.39 comprise all independent non-executive directors of the listed issuer?	The independent board committee should comprise all independent non-executive directors of the listed issuer, who have no material interest in the relevant transaction.
22/03/2007 (07/03/2011)	13.43	17.48	3	12	What is the procedure regarding the notification of board meetings?	Issuers are required to inform HKEX and publish an announcement through the e-Submission System at least seven clear business days in advance of the date fixed for any board meeting at which the declaration, recommendation or payment of a dividend is expected to be decided or at which any announcement of the profits or

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						losses for any year, half-year or other period is to be approved for publication. The announcement does not require publication in the newspapers. It must be published on the HKEX website and on the issuer's own website.
14/12/2009	13.43	17.48	9	25.	Listco has published an announcement on the board meeting date to approve its annual results 7 clear business days before the board meeting.  If Listco subsequently decides to postpone the board meeting to a later date, is it required to give another 7-day notice?	Subject to its articles of association, Listco need not give another 7-day notice. However, it should as soon as practicable announce the postponement of board meeting and the revised board meeting date.
19/12/2011	13.44	17.48A	17	15B.	Is it acceptable for an issuer to simply comply with this new Rule without amending its memorandum and articles of association (to remove the exception for a director voting on a resolution in which he has a less than 5% interest) until further substantial changes are required to be made to the documents?	Yes, an issuer does not need to amend its constitutional document as a result of this Rule amendment.
19/12/2011	13.44 and Note 1 to Appendix 3	17.48A and Note 5 to Appendix 3	17	15.	If a director is a shareholder of the issuer, should he abstain from voting when the board considers dividend payments?	No. If the director's interest is the same as all shareholders, as in the case of approving dividend payments, then he need not abstain from voting.

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19/12/2011	13.44 and Note 1 to Appendix 3	17.48A and Note 5 to Appendix 3	17	15A.	If a director has a material interest in a board resolution approving a transaction concerning another company, but does not have any beneficial interest in the shares of that company, should he abstain from voting on the relevant resolution?	Yes. As long as the director has a material interest in the transaction, he should abstain from voting, even if he has no beneficial interest in the shares of the other company.
22/03/2007 (25/07/2016)	13.45	17.49	3	72	How soon after a Board Meeting is held to approve preliminary announcements of financial results and/or dividends do the results have to be published?	<p>Under Listing Rules MB 13.45/ GEM 17.49, an issuer must publish any preliminary results announcement immediately after approval by the Board. Preliminary results that have been approved at a board meeting in the morning of a business day should be submitted for publication via the e-Submission System during the lunchtime publication window between 12.00 noon and 12.30 p.m. on a normal business day, or between 12.30 p.m. and 11.00 p.m. on the eves of Christmas, New Year and the Lunar New Year when there is no afternoon session.</p> <p>Where the listed issuer expects that it would not be in a position to publish the preliminary results announcement during the lunchtime publication window on a normal business day, it should consider holding the board meeting in the afternoon so that the preliminary results announcement may be published after 4.30 p.m. on that business day, or failing that, between 6.00 a.m. and 8.30 a.m. on the following</p>

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						<p>business day at the latest.</p> <p>The directors have the direct responsibility to ensure that the information is kept strictly confidential until it is announced.</p>
22/03/2007 (01/05/2015)	13.45	17.49	3	73	How soon after the holding of the board meeting approving preliminary results can a press conference be held?	<p>Under the Listing Rules, the release of information by way of a formal announcement via the HKEX website is regarded as the formal channel of communication with the investing public. Listed issuers should manage the release of their financial results in accordance with these principles and requirements. Under Note 1 to Listing Rules MB 13.45/ GEM 17.49, issuers' directors have the direct responsibility to ensure that the information is kept strictly confidential until it is announced. The preliminary results announcement needs first to have been published on the HKEX website before a press conference/ analyst meeting can be held and one has to allow reasonable time from the time of submission for the announcement to be uploaded and published on the HKEX website. The listed issuer should also have proper procedures in place to ensure that this is the case.</p> <p>Listed issuers should take all reasonable steps to keep the preliminary results confidential before it is announced. What would amount to all reasonable steps would depend on the particular</p>

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						<p>circumstances prevailing. As general guidance we recommend that listed issuers take steps, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>• measures to ensure the timely delivery of the announcement to HKEX upon market close and immediately after the board meeting;</li> <li>• planned timetable that would allow reasonable processing time for HKEX to upload the announcement prior to press conference/analyst meetings; and</li> <li>• measures that would safeguard the accuracy and content of the announcement (including virus free soft copies files).</li> </ul> <p>Preliminary results announcements must be published, without delay, during time periods permitted on a business day by Listing Rules MB 2.07C(4)(a) and GEM 16.18(3)(a).</p>
22/03/2007 (25/07/2016)	13.45	17.49	3	76	After 4.30p.m. on a normal business day, can a press conference be held even though the preliminary results announcement has not yet been published?	<p>No. Note 1 to Listing Rule MB 13.45/ GEM 17.49 sets out specific requirements for listed issuers after board meetings for approval of results and dividends:  <i>"...The directors are reminded that it is their direct responsibility to ensure that such information is kept strictly confidential until it is announced."</i></p> <p>Under the Listing Rules, the release of</p>



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						information by way of a formal announcement via the HKEX website is regarded as the formal channel of communication with the investing public. Listed issuers should manage the release of their financial results in accordance with these principles and requirements. Listed issuers should therefore release formal announcements before the dissemination of financial results at the press conference / analyst meeting.
11/09/2015	13.48, 13.49(1), 13.49(6), 14.66 to 14.69, 11.03 & 11.04, 11.16 to 11.19, 14.61 & 14.62, 4.25 to 4.29	18.49, 18.53, 18.66, 18.78, 18.79, 19.66 to 19.69, 14.03 & 14.06, 14.29 to 14.31, 19.61 & 19.62, 7.27 to 7.31	31	13	<p>What are the disclosure requirements under Section 436 of the New Companies Ordinance for a Hong Kong incorporated issuer publishing its:</p> <p>(a) annual / interim results announcement;</p> <p>(b) interim report, quarterly results announcement / financial report, circulars or listing documents?</p>	<p>(a) Section 436(3) of the New Companies Ordinance requires the issuer to include a statement indicating that the statement of comprehensive income for a full financial year and/or the statement of financial position at a financial year end (the “Statements”) presented in the account are not statutory financial statements under the New Companies Ordinance. The issuer must also disclose whether (i) an auditor’s report had been prepared; and (ii) the auditors gave a qualified or modified audit opinion on the Statements.</p> <p>(b) The issuer must also comply with the above disclosure requirements if the financial reports, circulars or listing documents contain the Statements.</p> <p>For details, please refer to Accounting Bulletin 6</p>

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						<p>“Guidance on the Requirements of Section 436 of the Hong Kong Companies Ordinance Cap.622” issued by Hong Kong Institute of Certified Public Accountants at:  <a href="http://app1.hkicpa.org.hk/ebook/HKSA_Members_Handbook_Master/volumell/ab6.pdf">http://app1.hkicpa.org.hk/ebook/HKSA_Members_Handbook_Master/volumell/ab6.pdf</a></p> <p>(Added in September 2015)</p>
30/03/2004	13.51(1)	17.50(1)	1	32.	<p>An issuer proposes to amend its bye-laws which will be approved at the forthcoming annual general meeting to be held after 31 March 2004.</p> <p>If the notice of the annual general meeting sets out the resolutions for amendments of the bye-laws, does the issuer need to publish a separate announcement on the amendments?</p>	<p>If an issuer has already included details of the resolution to amend its bye-laws or other constitutive document in the notice of annual general meeting, it is not required to publish a separate announcement on the amendments of the bye-laws.</p>
28/11/2008	13.51(1)	17.50(1)	8	35. <i>Issue 7</i>	<p>A listed issuer proposes to seek shareholders’ approval for certain amendments to its articles of association.</p> <p>Main Board Rule 13.51(1) / GEM Rule 17.50(1) requires the listed issuer to submit a confirmation from its legal advisers that the proposed amendments comply with the requirements of the</p>	<p>With respect to the listed issuer’s confirmation that there is nothing unusual about the proposed amendments to its articles of association, it is up to the listed issuer to decide whether an enquiry with its legal advisers needs to be made to assist the directors to determine whether there is anything unusual about the proposed amendments to the articles of association. In assessing the question of what is unusual, the directors should have regard to whether the</p>

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					<p>Exchange Listing Rules and the laws of the place where it is incorporated or otherwise established.</p> <p>The Rule also requires the listed issuer to confirm that there is nothing unusual about the proposed amendments for a company listed in Hong Kong. Is the listed issuer required to obtain a legal opinion in this regard?</p>	<p>proposed amendments are customary or a common feature of the articles of association of companies listed in Hong Kong.</p>
14/12/2009	13.51(1)	17.50(1)	9	24.	<p>Under Main Board Rule 13.51(1)/ GEM Rule 17.50(1), an issuer proposing to amend its articles of association must submit to the Exchange a letter to the issuer from its legal advisers confirming that the proposed amendments comply with the Listing Rules and the laws of the place of incorporation of the issuer.</p> <p>Listco will amend its articles of association and proposes the following arrangements:</p> <ul style="list-style-type: none"> <li>- Can Listco appoint one legal adviser to opine on the compliance with Listing Rules and another legal adviser to opine on the compliance with the laws of the place of incorporation of the issuer?</li> <li>- Can the confirmation letter be issued by Listco's in-house legal counsel?</li> </ul>	<p>Yes. The arrangements are acceptable as long as Listco considers the persons have the professional qualifications and experience to provide the confirmation letter.</p>

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19/12/2011	13.51(2)	17.50(2)	17	16.	In the case of the resignation, retirement or removal of a director, supervisor or chief executive, will an issuer also be required to make the disclosures set out in (a) to (x) of Rule 13.51(2)/GEM Rule 17.50(2)?	No, it is not intended that when a director, supervisor or chief executive resigns, retires or is removed that the announcement should contain the items listed under (a) to (x) of Rule 13.51(2)/GEM Rule 17.50(2).
28/11/2008	13.51(2), Form B/H in Appendix 5	17.50(2), Form A/B in Appendix 6	8	36. <i>Issue 17</i>	Is a director of a listed issuer required to execute a new declaration and undertaking ("DU Form(s)") in the case of a re-designation of directorship from executive director to non-executive director or vice-versa?	<p>No. Where a director is or is proposed to be re-designated, the listed issuer is not required to procure the re-designated director to lodge with the Exchange a declaration and undertaking in the form set out in Form B/H in Appendix 5 of the Main Board Rules or Form A/B in Appendix 6 of the GEM Rules.</p> <p>However, in accordance with Main Board Rule 13.51(2) or GEM Rule 17.50(2), an issuer must inform the Exchange of the re-designation of a director immediately after such re-designation takes effect, and the issuer must simultaneously make arrangements to ensure that an announcement of the re-designation of the director is published in accordance with Main Board Rule 2.07C or Chapter 16 of the GEM Rules as soon as practicable.</p>
28/11/2008	13.51(2)(c)	17.50(2)(c)	8	37. <i>Issue 13</i>	Please clarify the requirement of "professional qualification".	Professional qualification under Main Board Rule 13.51(2)(c) / GEM Rule 17.50(2)(c) refers to a qualification in respect of a professional

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						discipline, for example law, accounting, engineering, architecture, surveying or medicine. It also includes any professional title and membership of a professional body.
06/06/2006 (30/09/2009)	13.51(2)(x)	17.50(2)(x)	2	2.	If there is no information to be disclosed pursuant to the requirements under certain paragraphs, say (h) to (w), in Main Board Rule 13.51(2)/GEM Rule 17.50(2), is a negative statement required for each sub-paragraph including a recital of the language of the sub-paragraph in full or, alternatively, is it acceptable for the negative statement to be made by quoting the rule reference without a detailed description of each of the requirements therein?	Subject to the comment below, compliance with the requirements of Main Board Rule 13.51(2)/GEM Rule 17.50(2), could be achieved by either approach. We think the alternative offers a more elegant and focused form of disclosure. Under either approach separate disclosure should always be made pursuant to Main Board Rule 13.51(2)(w) /GEM Rule 17.50(2)(w) to confirm, in the announcement, whether or not there are any other matters that need to be brought to the attention of holders of securities of the listed issuer.
06/02/2015	13.51(7)	17.50(6)	31	11.	If the board of directors of an issuer decides in its board meeting held on 31 March 2015 to revise its financial statements for the financial year ended 30 June 2014, will the issuer need to publish an announcement under the headline category "Revision of Published Financial Statements and Reports"?	As the relevant Rule amendments take effect on 1 April 2015, the new headline category "Revision of Published Financial Statements and Reports" will be available from the same date.  The issuer needs to publish an announcement as soon as practicable after the directors decide to revise the financial statements. The announcement should state the fact and provide reason(s) leading to the revision of the published financial statements and the financial impact.

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						The issuer must select the new headline category if it publishes its announcement concerning the revision of published financial statements and reports on or after 1 April 2015.
06/06/2006 (30/09/2009)	13.51A	17.52A	2	3.	Does the new rule apply to financial reports with glossy covers published by a listed issuer pursuant to the Main Board Listing Rules/GEM Listing Rules? If yes, is it acceptable for the listed issuer to disclose its stock code in the corporate or shareholder information section instead of the cover pages of the documents?	Financial reports are considered documents subject to Main Board Rule 13.51A/ GEM Rule 17.52A (the "Rule"). However, the Exchange would accept that the purpose of the Rule would be satisfied, in the circumstances described, provided that the stock code is displayed prominently in the corporate or shareholder information section of the document. This application of the Rule represents a modification to the strict wording of the Rule for which consent from the Securities and Futures Commission has been obtained under Main Board Rule 2.04/GEM Rule 2.07.
19/12/2011	13.51D	17.50C	17	17.	Can issuers publish on their websites the procedures for director election in a single language (i.e. English or Chinese only)?	No, they must be published in both English and Chinese.
27/03/2013	13.51D	17.50C	21	6.	If the procedures for shareholders to propose a person for election as a director are set out in an issuer's constitutional documents (which are already required to be published on its website and the Exchange's website),	We would expect the issuer to publish the procedures separately on its website. This is because, first, the constitutional documents are usually very lengthy and investors may find it difficult to locate the procedures (especially if they are unaware that these procedures are set

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					does the issuer need to separately publish these procedures on its website?	out in the constitutional documents). Second, publishing the procedures on the issuer's website should not be onerous and doing so will enhance transparency.
22/03/2007 (07/03/2011)	13.52, 13.52A, 13.52B	17.53, 17.53A, 17.53B	3	170	Will the submissions for publication I make through the e-Submission System be vetted by HKEX prior to publication?	<p>No. If an announcement requires pre-vetting by the Listing Division, an issuer must not submit that announcement for publication until clearance, by way of the usual indication that the Exchange has “no further comments”, has been obtained.</p> <p>If an issuer wishes to submit an announcement or document for vetting the issuer should log onto the e-Submission System as a “Listing Related Matter” user. The announcement or document can then be submitted to HKEX’s Listing Division and vetted if necessary. Announcements or documents submitted as a “Listing Related Matter” user are not published by the e-Submission System.</p> <p>It is the issuer’s responsibility to decide whether an announcement or document should be submitted for publication or submitted for vetting through the e-Submission System. An issuer can consult HKEX’s published “Guide on pre-vetting requirements and selection of headline categories for announcements” (<a href="http://www.hkex.com.hk/eng/rulesreg/listrules/gui">http://www.hkex.com.hk/eng/rulesreg/listrules/gui</a>)</p>

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						<a href="#">dref/guide_pre_vetting_req.htm</a> ) for guidance on this matter.
28/11/2008	13.52(2)	17.53(2)	8	38. <i>Issue 7</i>	Main Board Rule 13.52(2) / GEM Rule 17.53(2) sets out the types of announcements that require pre-vetting. As for other types of announcements, can a listed issuer submit a draft to the Exchange for review before publication?	The Exchange will not accede to a listed issuer's request to pre-vet its announcement save in exceptional circumstances. Nevertheless the issuer is encouraged to consult the Exchange on any Rule compliance issues in relation to the announcement and/or the subject matter before it publishes the announcement.
28/11/2008	13.52(2)	17.53(2)	8	39. <i>Issue 7</i>	Where a listed issuer publishes an announcement under the Rules that is not subject to the pre-vetting requirement under Main Board Rule 13.52(2) / GEM Rule 17.53(2), will the Exchange require the listed issuer to submit any documents (for example Listing Rule compliance checklists) for the purpose of post-vetting the announcement?	<p>If the announcement is made in respect of a share / discloseable transaction required under Main Board Rules 14.34 and 14.35 / GEM Rules 19.34 and 19.35, the listed issuer must complete the "Size Tests Checklist" and submit it to the Listing Division not later than the publication of the announcement.</p> <p>The Exchange may require the listed issuer to submit information and/or documents in respect of an announcement published by the issuer to demonstrate its compliance with the Rules. In such cases, the Exchange will inform the listed issuer of the specific information and/or documents required. A checklist for disclosure requirements applicable to a particular type of announcement may need to be submitted by the listed issuer upon request by the Exchange in individual cases.</p>



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28/11/2008	13.52A	17.53A	8	40. <i>Issue 7</i>	Under what circumstances will the Exchange exercise the right under Main Board Rule 13.52A / GEM Rule 17.53A to request review of announcements, circulars or other documents before their publication?	The Exchange will only exercise this power in exceptional circumstances. This is generally the case where the Exchange has an interest in reviewing certain disclosure in a listed issuer's announcement, for example the Exchange has required the listed issuer to make certain specific disclosure in its announcement and such disclosure is necessary to ensure a fair, orderly and efficient market. In such cases, the Exchange will communicate to the listed issuer its direction to review the announcement prior to publication and the reasons for its decision.
14/11/2014	13.52B	N/A	29	7.	When an A+H issuer proposes a corporate action (e.g. distribution of dividends or other entitlements), does it need to disclose the timetables for both A and H shareholders in the same announcement?	Yes. The issuers should ensure clear communications to all shareholders if they propose different timetables (e.g. ex-entitlement date, record date and payment date) for their distributions to shareholders in the two markets.
31/12/2009	13.56	17.60	8	40A. <i>Issue 1</i>	How will an investor who holds his shares in the issuer through the Central Clearing and Settlement System ("CCASS"), i.e. he holds his shares in the name of HKSCC Nominees Limited and his name does not appear on the issuer's register of members, ("CCASS investor"), receive corporate communications from the issuer?	"CCASS investor" includes: (i) a person or company whose shares are held through a broker or custodian; and (ii) a beneficial shareholder whose shares are held in CCASS directly.  Main Board Rule 13.56 and GEM Rule 17.60 require an issuer, as soon as practicable following a request to Hong Kong Securities Clearing Company Limited ("HKSCC") and at the

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						<p>expense of the issuer, to send copies of any corporate communications to any person or company whose listed securities are held in CCASS either directly as a beneficial shareholder or through a broker or custodian, and who has notified the issuer from time to time through HKSCC, that he or it wishes to receive corporate communications.</p> <p>Therefore, whenever an issuer publishes a corporate communication, it can send to all these CCASS investors a notification of the publication of a corporate communication on its website together with a request form. If a CCASS investor wishes to receive a hard copy of the corporate communication, the CCASS investor should complete and return the request form to the share registrar or other agent of the issuer (the postage for which will be borne by the issuer). The issuer will then send the CCASS investor a hard copy free of charge.</p> <p>We would expect issuers to have in place an arrangement to anticipate the preference of CCASS investors that requested a hard copy in response to a previous notification. This arrangement should ensure, on a best efforts basis, that these CCASS investors are in future sent hard copies of corporate communications without having to complete and return a request</p>

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						<p>form for every corporate communication unless they have at one time ceased to have holdings in that particular issuer.</p> <p>Arrangements which a CCASS investor may have with his or its broker should not be affected.</p>
30/03/2004	13.68	17.90	1	33.	A director has a service contract without a fixed term which is terminable by either party by giving notice of 6 months. Is shareholders approval necessary as the contract may be for a term that may exceed 3 years?	The purpose of the rule is to ensure that the issuer is not unduly burdened by service contracts that are for an inordinate length or which require heavy compensation or lengthy notice for early termination. Such contingent liabilities may be significant, in which case, shareholders' approval must be obtained for these service contracts. In this case, we consider that there is no significant commitment on the issuer as there is no specific term and only six months notice is required. Therefore, the contract does not need to be approved by shareholders.
30/03/2004	13.68	17.90	1	34.	Is shareholders' approval required for a director's service contract with a fixed term of 3 years, but requiring a notice of 6 months before termination after the fixed term? The contract does not mention the compensation for early termination of the fixed term. It expressly states however that, if the contract is terminated when the remaining term is more than 1 year, a	<p>Yes, shareholders' approval is required because the service contract is of a fixed term of 3 years and a notice of 6 months is required for termination after the fixed term and accordingly, the service contract may endure for more than 3 years.</p> <p>In addition, the service contract will be subject to shareholders' approval because it expressly provides for a scenario where more than 1 year's</p>

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					compensation in dollars for the remaining term will be needed. Will this contract require shareholders' approval?	remuneration will be payable in order to terminate the contract.
30/03/2004	13.68	17.90	1	35.	Is an "employment contract" with a director the same as a director's "service contract" and should it be treated as a notifiable transaction?	<p>We would expect an "employment contract" with a director to contain the terms upon which he is to provide his services to issuer.</p> <p>We consider that as the director is also an employee, an employment contract should be subject to the same disclosure and shareholders' approval requirements as for service contracts if it falls within the situation described in Main Board rule 13.68/ GEM rule 17.90. Directors' employment contracts are not subject to the requirements of notifiable transactions.</p>
30/03/2004 (02/07/2010)	13.70	17.46B	1	36.	<p>After despatch of the notice of a general meeting, an issuer receives a notice from a shareholder to propose a person for election as a director at the general meeting.</p> <p>Clarify the disclosure requirements for the announcement or supplementary circular in respect of the nomination.</p>	<p>Issuers must publish details of the candidate as required under Main Board rule 13.51(2)/ GEM rule 17.50(2) in an announcement or supplementary circular.</p> <p>The issuer must also assess whether or not it is necessary to adjourn the meeting of the election to give shareholders at least 10 business days to consider the relevant information disclosed in the announcement or supplementary circular.</p>
30/03/2004	13.74	17.46A	1	37.	Regarding disclosure of biographical details of directors to be elected at a	Main Board rule 13.74/ GEM rule 17.46A states that disclosure of the details must be made in the

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					<p>general meeting, is it sufficient for such information to be disclosed in the annual report if the election is to be proposed at an Annual General Meeting, or is it necessary to include details in the notice, or should another circular be sent to shareholders?</p>	<p>notice or accompanying circular.</p> <p>For appointments at the AGM, if the annual report is the accompanying circular, then reference to the annual report is acceptable as long as there is no doubt as to where the information can be found and to which director reference is being made and the disclosure requirements of Main Board rule 13.51(2)/ GEM rule 17.50(2) have been complied with. It is not necessary to send another circular if details are included in the annual report.</p> <p>However, for appointments at times other than at the AGM, reference to the annual report is not acceptable. Certain shareholders as at the date when disclosure is made under Main Board rule 13.51(2)/ GEM rule 17.50(2) may not have been so when the circular or notice of AGM was sent. Also, there may have been changes in the information previously published which will need to be updated. Therefore incorporation of information by reference to other documents is not acceptable.</p>
19/12/2011	13.88	17.100	17	18.	<p>Is an issuer required to seek shareholder approval for the appointment of a new auditor if the existing auditor resigns before the end of his term of office?</p>	<p>Shareholder approval is not required for the appointment of an auditor to fill a casual vacancy during the year. However, the issuer must seek shareholder approval for the formal appointment of the auditor at the next annual general meeting.</p>

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21/02/2014	13.90	17.102	26	17.	How will Hong Kong-incorporated issuers satisfy the Rules regarding disclosure of their memorandum and articles of association?	For Hong Kong-incorporated issuers, reference to “memorandum and articles of association” in the Rules will be deemed to refer solely to their articles of association because provisions of the memorandum of association will be automatically deemed under the New CO to be regarded as provisions of the issuer’s articles of association.
21/02/2014	13.90	17.102	26	18.	Will Hong Kong-incorporated issuers (prospective or existing) need to amend and reprint their articles of association in order to incorporate the contents of their memorandum of association for the purposes of the Exchange’s disclosure requirements?	There will be no need for Hong Kong-incorporated issuers to amend or reprint their articles of association for the purposes of the Exchange’s disclosure requirements.
19/12/2011	13.90	17.102	17	19.	Can issuers publish their constitutional documents in a single language (i.e. English or Chinese only)?	No, the constitutional documents must be published in both English and Chinese.
19/12/2011	13.90	17.102	17	19A.	If we translate our constitutional document, would both languages be of equal effect?	For translation of constitutional documents, you should specify which of the two languages (Chinese or English) prevail in case of discrepancies or inconsistencies.
19/12/2011	13.90	17.102	17	19B.	Do issuers have to publish their constitutional documents by way of an announcement? Which announcement	Issuers do not need to publish their constitutional documents by way of an announcement. They may select the current Tier One Headline

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					headline(s) should they use?	Category – Constitutional Documents when submitting their documents for publication on the HKEXnews website.
19/12/2011	13.90	17.102	17	19C.	If an issuer has amended its constitutional documents (memorandum and articles of association, bye-laws or other equivalent constitutional document) many times over the years since its incorporation, is it required to post to the Exchange website its documents incorporating all the previous amendments?	The issuer is required to publish a consolidated version of the constitutional document which has incorporated all the changes. This may be a conformed copy or a consolidated version not formally adopted by shareholders at a general meeting. However, if the issuer does so, the front page of the published constitutional document should include a statement that it is a conformed copy or a consolidated version not formally adopted by shareholders at a general meeting.
19/12/2011	13.90	17.102	17	19D.	My company is a Bermuda company and in order to publish a consolidated version of the constitutional document, we need to obtain shareholder and court approval and register the consolidated constitutional document with the Bermuda Companies Registry.	See response to Question 19C above.
31/8/2012 (21/12/2015)	13.91/ Appendix 27	17.103/ Appendix 20	18	2.	Can an issuer adopt other guidelines instead of the ESG Reporting Guide ("ESG Guide" or "Guide")? Where an issuer adopts alternative reporting guidance or international standards with comparable provisions to the Guide, is it	The Guide sets out minimum parameters for reporting with a view to facilitating issuers' disclosure and communication with investors and other stakeholders. Issuers may adopt international standards or guidelines, such as the Global Reporting Initiative's G4 Sustainability

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					required to give any explanation/reconciliation in relation to the Guide?	<p>Reporting Guidelines, CDP's Climate Change Information Request and Water Information Request, the International Organization for Standardization's Guidance on Social Responsibility, and the Corporate Sustainability Assessment for inclusion in the Dow Jones Sustainability Indices.</p> <p>To avoid duplication, adopting international reporting standards or guidelines that contain comparable provisions to the ESG Guide should be sufficient compliance with the Guide without the need for further explanation. However, issuers that report on international standards or guidelines should make clear which "comply or explain" provisions and recommended disclosures of the Guide they are reporting on.</p> <p><i>(Updated on 21 December 2015)</i></p>
21/02/2014	Chapters 14 and 14A	Chapters 19 and 20	26	13.	Do the provisions on financial assistance in the New CO affect the Rules relating to financial assistance for issuers incorporated in Hong Kong?	No. As is the case under the Existing CO, the provisions on financial assistance in the New CO relate to the provision of financial assistance by a company or its subsidiaries for the acquisition of its own shares only. The Rules govern the provision of financial assistance by issuers (whether for the acquisition of their own shares or otherwise) and, as such, issuers incorporated in Hong Kong must comply with any applicable financial assistance provisions under both the



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						New CO and the Rules.
28/11/2008	14.04, 14.29	19.04, 19.29	8	41. <i>Issue 10</i>	If a listed subsidiary issues new shares by way of a general mandate to acquire assets, what are the notifiable transaction implications for the listed parent?	<p>An allotment of shares by the listed subsidiary would be a deemed disposal for the listed parent and the transaction, depending on the size tests as defined in Main Board Rule 14.04(9) / GEM Rule 19.04(9), may fall to be treated as a very substantial disposal, major transaction or discloseable transaction of the listed parent and be subject to the relevant notifiable transaction requirements under Main Board Chapter 14 / GEM Chapter 19.</p> <p>Furthermore, the acquisition of assets by the listed subsidiary would constitute an acquisition of assets by the listed parent (or its subsidiary). The transaction, depending on the size tests defined in Main Board Rule 14.04(9) / GEM Rule 19.04(9), may fall to be treated as a very substantial acquisition, major transaction or discloseable transaction of the listed parent and be subject to the relevant notifiable transaction requirements under Main Board Chapter 14/ GEM Chapter 19.</p>
14/12/2009	14.04(1)	19.04(1)	9	1.	<p>An issuer proposes to liquidate a subsidiary.</p> <p>Is the proposed voluntary liquidation of the subsidiary subject to the notifiable</p>	The process of voluntary liquidation does not constitute a "transaction". However, the liquidation process may involve certain transactions that are subject to notifiable transaction Rules, for example, disposal of the

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					transaction requirements?	subsidiary's assets.
14/12/2009	14.04(1)	19.04(1)	9	2.	<p>Listco proposes to form a joint venture with an independent third party.</p> <p>According to the joint venture agreement, the transfer of interest in the joint venture by Listco or the joint venture partner to any third parties is subject to a right of first refusal of the other shareholder. Is the grant of the right of first refusal by/to Listco a transaction under the notifiable transaction rules?</p>	In this case, the right of first refusal gives Listco or the joint venture partner (as the case may be) the right to acquire the other's interest in the joint venture before the other can dispose of it to any third party. Granting the right of first refusal by/to Listco is not a notifiable transaction given that (i) no consideration is payable for the right and (ii) Listco will still have the discretion on whether to acquire or dispose of (as the case may be) the interest in the joint venture when the right is exercised. If Listco or the joint venture partner exercises the right of first refusal, the disposal or acquisition by Listco would be a transaction.
14/12/2009 (02/01/2013)	14.04(1)(a)	19.04(1)(a)	9	3.	<p>The court has ordered Listco to sell its property to settle an outstanding loan.</p> <p>Is the forced sale of the property by court order subject to the notifiable transaction requirements?</p>	Since Listco is bound to follow the court order and has no discretion to act in an opposite manner, the sale of the property by the court order is not regarded as a "transaction". Therefore the notifiable transaction requirements are not applicable in this situation. Nevertheless, if the information is inside information which requires disclosure under the Inside Information Provisions, Listco must also simultaneously announce the information under Main Board Rule 13.09(2)(a)/ GEM Rule 17.10(2)(a).
14/12/2009	14.04(1)(a)	19.04(1)(a)	9	4.	Do the notifiable transaction rules apply to share repurchases by an issuer?	Repurchases by an issuer of its own shares are normally not subject to the notifiable transaction

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						rules.
28/02/2013 (01/07/2014)	14.04(1)(a), 14A.25	19.04(1)(a), 20.23	20	1.	<p>Company A is an associated company of Listco. Company A proposes to issue new shares to Mr. X (the <b>Proposed Issue</b>).</p> <p>The Proposed Issue would dilute Listco's interest in Company A. Is it a transaction for Listco under Chapter 14? Is it a connected transaction for Listco under Chapter 14A if Mr. X is a connected person of Listco?</p>	The Proposed Issue is not a transaction for Listco under both Chapters 14 and 14A as Company A is not a subsidiary of Listco.
28/11/2008	14.04(1)(d)	19.04(1)(d)	7	3.	The definition of "transaction" includes entering into or terminating operating leases which have a significant impact on the operations of the listed issuer concerned. Does it refer to operating leases where the listed issuer acts as a lessee?	Main Board Rule 14.04(1)(d)/ GEM Rule 19.04(1)(d) applies whether the listed issuer is the lessee or the lessor of the subject operating leases.
28/02/2013 (01/07/2014)	14.04(1)(e), 14A.24(4)	19.04(1)(e), 20.22(4)	20	2.	<p>Listco is a property developer and from time to time maintains term deposits and balances with various banks. It now proposes to place cash deposits with Company A on normal commercial terms.</p> <p>Company A is a finance company</p>	Yes. The proposed placing of cash deposits would be regarded as Listco providing financial assistance to Company A which falls within the definition of "transaction" under both Rules 14.04(1)(e) and 14A.24(4).

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					<p>approved by regulatory authorities in the Mainland. It only provides financial services to its group companies including Listco.</p> <p>As Company A is a connected person, the proposed placing of cash deposits would be a connected transaction for Listco under Chapter 14A. Would it also constitute a transaction under Chapter 14?</p>	
28/02/2013 (01/07/2014)	14.04(1)(e), 14A.24(4)	19.04(1)(e), 20.22(4)	20	3.	<p>Mr. X is Listco's executive director. He has been providing financial assistance to support Listco's business.</p> <p>Listco proposes to provide Mr. X with a corporate credit card for payment of his travelling expenses related to Listco's business. If he also uses the corporate credit card for payment of his personal purchases, Listco would set off the payment against the amount due from Listco to Mr. X.</p> <p>Would the use of the corporate credit card for payment of Mr. X's personal expenses constitute a transaction for Listco under Chapters 14 and 14A?</p>	<p>Yes. Listco is liable for settling any payment made through the corporate credit card. Allowing Mr. X to use the card for payment of his personal expenses is a means to provide financial assistance to Mr. X. It falls within the definition of "transaction" under both Rules 14.04(1)(e) and 14A. 24(4).</p>

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28/11/2008	14.04(1)(f)	19.04(1)(f)	7	4.	Does the term “joint venture entity” under Main Board Rule 14.04(1)(f) / GEM Rule 19.04(1)(f) only refer to an entity which will be accounted for as a jointly controlled entity in the accounts of the listed issuer concerned?	No. The term “joint venture entity” under Main Board Rule 14.04(1)(f) / GEM Rule 19.04(1)(f) may refer to any entity in any form which is to be jointly established by a listed issuer and any other party / parties, but is not limited to an entity which will be accounted for as a jointly controlled entity in the listed issuer’s accounts.
28/11/2008	14.04(1)(f), 14.07	19.04(1)(f), 19.07	7	5.	<p>Main Board Rule 14.15(2) / GEM Rule 19.15(2) sets out the requirements for calculating the consideration ratio for a transaction involving establishment of a joint venture entity. Are the assets ratio, profits ratio and the revenue ratio applicable to a transaction involving formation of a joint venture entity?</p> <p>If the joint venture partner proposes to inject its assets (other than cash) as capital contribution for setting up the joint venture entity, is it necessary to calculate the percentage ratios for the asset injection?</p>	<p>For the purpose of classifying a transaction involving formation of a joint venture entity, the listed issuer is normally required to compute the assets ratio and the consideration ratio, and the consideration determined with reference to Main Board Rule 14.15(2) / GEM Rule 19.15(2) would form the numerator for each of these ratios. As to the profits and revenue ratios, they would normally be inapplicable as the joint venture entity would be newly set up and its profits and revenue figures would not be available.</p> <p>Nevertheless, where the formation of joint venture entity involves injection of assets (other than cash) by the listed issuer and/or any joint venture partner into the joint venture entity, the listed issuer should consider whether the transaction would result in an acquisition and/or disposal of assets by the listed issuer. In the circumstances described, if the joint venture entity is to be accounted for as a subsidiary of the listed issuer, the injection of assets by the joint</p>

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						venture partner into the joint venture entity would in effect result in an acquisition of such assets by the listed issuer. The listed issuer should compute the percentage ratios of such acquisition for classifying the transaction.
28/11/2008	14.04(2), 14.17	19.04(2), 19.17	7	6.	<p>A listed issuer has published an audited interim accounts.</p> <p>Can the listed issuer refer to profits and revenue figures shown in such accounts for computation of the profits ratio and revenue ratio?</p>	Under Main Board Rules 14.16 and 14.17 / GEM Rules 19.16 and 19.17, the profits and revenue figures to be used by a listed issuer as the basis of the profits ratio and revenue ratio must be the figures shown in its latest published audited accounts. This normally refers to the annual accounts of the listed issuer as the use of the profits and revenue figures shown in such accounts would provide a more meaningful measurement of the relative size of a transaction to the listed issuer based on the profitability and level of activity of a full financial year.
28/11/2008 (01/04/2015)	14.04(6), 1.01	19.04(6), 1.01	7	1.	<p>Company X is a jointly controlled entity of Listco A whose securities are listed on the Exchange.</p> <p>Company X proposes to acquire certain assets from a third party. Is Listco A required to comply with the requirements of Chapter 14 of the Main Board Rules/ Chapter 19 of the GEM Rules for the proposed acquisition of assets by Company X?</p>	It would depend on whether Company X is a subsidiary of Listco A as defined in Main Board Rule 1.01/ GEM Rule 1.01. An assessment of whether an undertaking is a subsidiary for Listing Rules purposes would include consideration of how the entity is accounted for and whether the entity is a subsidiary undertaking as defined by schedule 1 to the Companies Ordinance. For example, Listco A owns more than 50% of the equity interest in Company X but it does not control the majority of the board of Company X

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						<p>under the terms of the joint venture agreement. Even though Company X is only accounted for as an associated company in Listco A's consolidated accounts, Company X is still a subsidiary of Listco A for the purpose of the Listing Rules due to Listco A's shareholding in Company X.</p> <p>The notifiable transaction requirements under Chapter 14 of the Main Board Rules / Chapter 19 of the GEM Rules generally apply to transactions undertaken by the listed company and/or its subsidiaries. For the purposes of Chapter 14 of the Main Board Rules / Chapter 19 of the GEM Rules, the term "listed issuer" is defined under Main Board Rule 14.04(6) / GEM Rule 19.04(6) to include the listed company itself and its subsidiaries, unless the context otherwise requires.</p> <p>In the circumstances described, if Company X is regarded as a subsidiary of Listco A pursuant to Main Board Rule 1.01/ GEM Rule 1.01, Listco A must ensure compliance with the requirements under Chapter 14 of the Main Board Rules / Chapter 19 of the GEM Rules in respect of the proposed acquisition of assets by Company X.</p>
30/03/2004 (30/09/2009)	14.04(8)	19.04(8)	1	39.	Is financial assistance given by a company holding a Money Lender Licence or by a licensed corporation	The new rules state that only a banking company provides financial assistance in its ordinary and usual course of business. A banking company is

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					under the Securities & Futures Ordinance (e.g. margin financing) considered to be financial assistance provided in the ordinary and usual course of business for the purpose of notifiable transaction rules?	<p>defined as a bank, a restricted licence bank or a deposit-taking company as defined in the Banking Ordinance or a bank constituted under appropriate overseas legislation or authority.</p> <p>Neither of these entities is included in the definition of a banking company and therefore neither will be treated as providing financial assistance in their ordinary and usual course of business under the rules.</p>
14/12/2009	14.07	19.07	9	5.	How should an issuer compute the percentage ratios for providing financial assistance to a third party?	<p>For assets ratio and consideration ratio, the numerator will be the value of the financial assistance plus any "monetary advantage" (see Main Board Rule 14.12/ GEM Rule 19.12) accruing to the borrower.</p> <p>The revenue ratio and profits ratio are applicable when there is an identifiable income from providing the financial assistance (e.g. interest income). The annual amount will be used as the numerator for calculating these ratios.</p>
14/12/2009	14.07	19.07	9	6.	Listco proposes to subscribe for some convertible bonds issued by Company X which is an independent third party. Listco will have the sole discretion on whether to convert the bonds into Company X's new shares according to the terms of the bonds.	<p>Subscription of the convertible bonds is a form of financial assistance provided by Listco to Company X. Listco should compute the percentage ratios for classifying the subscription under the notifiable transaction rules.</p> <p>When Listco proposes to exercise any conversion</p>



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					<p>Is the subscription of the convertible bonds a transaction for Listco under the notifiable transaction rules?</p> <p>If Listco exercises the conversion rights attached to the bonds, the acquisition of Company X's interest would be a major transaction or above. Can Listco seek prior shareholder approval for any exercise of the conversion rights when it subscribes for the bonds?</p>	<p>rights attached to the bonds, it will have to comply with the applicable notifiable transaction requirements for the acquisition of an interest in Company X.</p> <p>Under the notifiable transaction rules, it is acceptable for Listco to obtain prior shareholder approval for the exercise of the conversion rights at the time of subscription of the convertible bonds provided that it can provide sufficient information to its shareholders to assess the transaction.</p>
30/03/2004	14.07(1)	19.07(1)	1	45.	On the acquisition of an asset, say an equity interest, will the total assets test be applicable?	<p>The total assets test will apply to acquisitions of assets.</p> <p>If the book value of an asset to the vendor is unknown, the issuer must use the value of assets to be recorded in its books as the numerator of the total assets test. This would be the consideration payable, together with liabilities assumed (if any).</p>
14/12/2009	14.07(2) and (3)	19.07(2) and (3)	9	7.	Do profits ratio and revenue ratio apply to an acquisition of fixed assets (e.g. equipment and machinery) by an issuer for its own use in its ordinary and usual course of business?	The revenue and profits ratios are not applicable if these assets do not have an identifiable income stream.
30/03/2004	14.07(3)	19.07(3)	1	46.	If an issuer disposes of listed	If the target is not consolidated in the accounts of

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					investment, should it adopt the turnover of the listed investment or the dividend income from the listed investment as the numerator of the revenue test?	the issuer, it should use the dividend income as the numerator. If the target is consolidated in the books of the issuer, it should use the revenue as disclosed in the annual report as the numerator.
30/03/2004	14.07(4)	19.07(4)	1	47.	<p>Should the market capitalisation be the product of the average closing price for the 5 preceding business days and the existing issued capital on the date of the transaction or the average market capitalisation for the 5 preceding days? There will be a difference if the issued capital is not the same during the 5 day period.</p> <p>Also, is the average closing price the simple average or the weighted average?</p>	Normally, in the absence of changes to the number of shares in issue, market capitalisation will be calculated using the simple average closing price for the 5 preceding business days and the number of shares in issue at the date of the transaction. Where such calculation produces anomalous results, for example, if there have been issues of new securities during the five-day period before the transaction, the Exchange may require issuers to submit alternative computation that provides the most meaningful basis of calculation of their market capitalisation.
30/03/2004	14.07(4)	19.07(4)	1	48.	For the consideration test, does the total market capitalisation include the market value of all classes of securities. Please clarify if preference shares and warrants should be included.	Market capitalisation is based on equity shares only. Preference shares and warrants are not included for the purpose of the market capitalisation calculation under Chapter 14.
30/03/2004	14.07(4)	19.07(4)	1	49.	Please clarify how the market capitalisation is calculated if the issuer has unlisted shares or shares listed in other markets, such as H-Share issuers with A and B Shares.	The market capitalisation for the purpose of the consideration test is calculated with reference to the total issued share capital of the issuer. The market value of unlisted shares and shares listed on other exchanges is extrapolated from the

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						market value of the shares listed on the Exchange for the 5 days preceding the date of the transaction.
28/11/2008	14.07(5)	19.07(5)	7	7.	A listed issuer proposes to settle the consideration payable for an acquisition by issuance of a convertible note. Is the listed issuer required to calculate the equity capital ratio? If yes, what figure should be used as the numerator of the equity capital ratio?	Yes. The listed issuer is required to calculate the equity capital ratio. The numerator should be the nominal value of the maximum number of shares that may be issued by the listed issuer assuming full conversion of the convertible note.
14/12/2009	14.07(5)	19.07(5)	9	10.	An issuer proposes to enter into an acquisition. Its subsidiary will issue new shares to the vendor to satisfy part of the consideration.  Is the issuer required to calculate the equity capital ratio for classifying the proposed acquisition?	The equity capital ratio is intended to apply to a transaction involving issue of equity capital of the listed issuer itself as consideration, including any securities convertible into the issuer's equity capital.  In this case, the equity capital ratio is not applicable as the proposed acquisition involves issue of the securities of a subsidiary but not the issuer.
30/03/2004	14.14	19.14	1	50.	For the purpose of computing the revenue test of a banking company, please advise which figure should be used for the denominator: interest income, interest income net of interest expenses or operating income?	Net interest income plus other operating income. Operating income is as defined in FD-1: Financial Disclosure by Locally Incorporated Authorized Institutions in the Supervisory Policy Manual issued by the HKMA.

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28/11/2008	14.15(4)	19.15(4)	7	8.	<p>A listed issuer proposes to acquire a target company from a third party vendor. The consideration for the acquisition includes (i) a fixed amount of cash and (ii) a further amount that may be payable by the listed issuer after completion of the acquisition upon occurrence of certain future events. Such further amount will be determined based on the valuation of the target company agreed by the parties at the relevant time.</p> <p>How should the listed issuer calculate the consideration ratio?</p>	<p>Under Main Board Rule 14.15(4)/ GEM Rule 19.15(4), when calculating the consideration ratio, if the listed issuer may pay consideration in the future, the consideration is the maximum total consideration payable under the agreement.</p> <p>For the proposed acquisition of the target company, the numerator of the consideration ratio should include the fixed amount of cash as well as the maximum value of the further consideration that may be paid by the listed issuer in the future. If the total consideration is not subject to a maximum or such maximum value cannot be determined, the proposed acquisition will normally be classified as a very substantial acquisition, notwithstanding the transaction class into which it otherwise falls.</p>
28/11/2008	14.16	19.16	7	9.	<p>A listed issuer has been publishing unaudited quarterly results for the first 3 and 9 months of each financial year, which include a condensed consolidated balance sheet as at the end of the reporting period.</p> <p>Can the listed issuer refer to the total assets shown in the unaudited quarterly results recently published by the listed issuer when calculating the assets ratio?</p>	<p>For a GEM issuer, GEM Rule 19.16 provides that the issuer must refer to the total assets shown in its latest published audited accounts or half-year, quarterly or other interim report (whichever is more recent) for the purpose of calculating the assets ratio. In the circumstances described, a GEM issuer can refer to the total assets shown in its latest published quarterly results when calculating the assets ratio.</p> <p>For a Main Board issuer, Main Board Rule 14.16 provides that the issuer must refer to the total</p>

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						assets shown in its latest published audited accounts or interim report (whichever is more recent). While the rule makes no references to quarterly accounts, where the Main Board issuer has adopted quarterly reporting as recommended by the Code on Corporate Governance Practices set out in Appendix 14 to the Main Board Rules, it is acceptable for the issuer to refer to the total assets shown in its recently published quarterly results when calculating the assets ratio.
28/11/2008	14.16, 14.17	19.16, 19.17	7	10.	A listed issuer has recently published the preliminary announcement of its results for latest financial year according to the Listing Rules. The listed issuer has not yet published the relevant annual report. When computing the assets ratio, profits ratio and revenue ratio, can the listed issuer refer to the figures shown in the preliminary results announcement?	<p>Under Main Board Rules 14.16 and 14.17 / GEM Rules 19.16 and 19.17, the listed issuer should refer to the total assets, profits and revenue figures shown in its latest published audited accounts. Where the preliminary results announcement published by the listed issuer is based on its audited financial statements, the listed issuer should refer to the audited figures shown in such announcement for computing the assets, profits and revenue ratios.</p> <p>There may be situations where the audit of the listed issuer's accounts has not yet been completed and the listed issuer has published the preliminary results announcement based on its accounts which have been agreed with the auditors. In such circumstances, the listed issuer must ensure accuracy of the figures used for computing the assets, profits and revenue</p>

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						ratios. In rare circumstances, where any such figures need to be revised in the audited accounts subsequently available, the listed issuer should re-compute the relevant percentage ratios and comply with any additional requirements if the proposed transaction should fall under a higher classification.
30/03/2004	14.16(1)	19.16(1)	1	52.	<p>Adjustment is required to total assets for proposed dividend. If the dividend has a scrip alternative and subsequently scrip shares are issued, how should the total assets be adjusted?</p> <p>If the dividend is proposed by a listed subsidiary of the issuer, is any adjustment required to be made by the issuer to its total assets?</p>	<p>A scrip dividend will not have an impact on total assets. However the issuer may not at the relevant time be able to determine to what extent scrip shares will be issued. Therefore where adjustment is being made for the proposed dividend, the issuer should assume that the total dividend is paid in cash unless the number of scrip shares to be issued is known.</p> <p>Adjustment to total assets should be made to the extent that the total consolidated assets will be reduced by the dividend to be paid by the subsidiary.</p>
30/03/2004	14.20	19.20	1	53.	For the profits test, if an issuer has incurred a net loss in its latest published accounts, is it required to submit a 5 tests calculation for all potential notifiable transactions since the alternative test has to be agreed by the Exchange?	Yes, it is required to submit a 5 tests calculation. If an issuer incurred a net loss, it should submit alternative tests in respect of profitability (such as a gross profit comparison). In addition, where any of the 5 tests cannot be calculated, the issuer should, at the time of submission of the tests to the Exchange, submit alternative tests (if any) for our consideration.

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28/11/2008	14.20, 14.04(1)(a)	19.20, 19.04(1)(a)	7	2.	<p>A listed issuer is proposing a group restructuring under which one of its wholly owned subsidiaries would transfer certain fixed assets to a 70%-owned subsidiary of the listed issuer at fair value of the assets.</p> <p>Is the proposed group restructuring subject to the requirements under Chapter 14 of the Main Board Rules/ Chapter 19 of the GEM Rules?</p>	<p>In the case of a group restructuring, the Exchange will take into account the substance of the transaction and its impact on the listed issuer group as a whole when applying the notifiable transaction requirements.</p> <p>In the circumstances described, the proposed group restructuring would involve a disposal of fixed assets by one subsidiary and an acquisition of the same assets by another subsidiary. Calculations of the percentage ratios may produce an anomalous result for the purpose of classifying the transaction. The Exchange may accept alternative size tests calculated by the listed issuer based on the net disposal of the listed issuer's interest in the fixed assets.</p>
14/12/2009	14.20, 14.07(2) and (3), 14.17	19.20, 19.07(2) and (3), 19.17	9	8.	<p>The latest audited accounts of Listco cover a period of 18 months due to the change in financial year end date.</p> <p>Should Listco use the annualised profits and revenue for computing the profits ratio and the revenue ratio?</p>	<p>While the Listing Rules require an issuer to calculate the revenue and profits ratios based on figures in its latest audited accounts, these calculations may produce anomalous results in the circumstances described and alternative size tests using annualised figures may be acceptable. Listco should consult the Exchange if it proposes to adopt the alternative size tests.</p>
14/12/2009	14.20, 14.07(3), 14.14	19.20, 19.07(3), 19.14	9	9.	<p>Listco's principal businesses are securities trading and brokerage. In its latest audited accounts, Listco changed</p>	<p>For revenue ratio calculation, "revenue" normally means revenue arising from the principal activities of a company.</p>

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					<p>the presentation of “turnover” using the gains or losses from sale of investments on a net basis, rather than presenting the sale proceeds (as turnover) and the carrying value of the investments (as costs of sale) separately as in its previous accounts.</p> <p>Listco proposes to acquire a target company. If the revenue ratio calculated based on the “turnover” presented in Listco’s latest accounts (i.e. the net gain/ loss from sale of investments) produces an anomalous result, can Listco submit an alternative size test using the proceeds from sale of investments under its securities trading business as the denominator?</p>	<p>Since securities trading is a principal activity of Listco, it is normally acceptable for Listco to adopt an alternative size test using the proceeds from sale of investments as the denominator if the relevant information is also available from its accounts. Listco must consult the Exchange if it proposes to adopt an alternative size test.</p>
28/11/2008	14.20, 14.17, 14.18	19.20, 19.17, 19.18	7	11.	<p>A listed issuer has published its latest annual audited accounts. It has also completed the disposal of a major subsidiary to a third party after the year end, details of which were disclosed by the listed issuer.</p> <p>The listed issuer now proposes to acquire a target company. When computing the assets ratio for such acquisition, the total assets figure of the</p>	<p>The requirement of Main Board Rule 14.18/ GEM 19.18 only applies to the total assets figure of the listed issuer.</p> <p>Main Board Rule 14.17/ GEM Rule 19.17 provides the circumstances under which the Exchange may prepare to accept the exclusion of profits and revenue from the discontinued operations of a listed issuer for the purpose of the profits ratio and revenue ratio respectively.</p>



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					listed issuer shown in its latest audited accounts would need to be adjusted for the disposal according to Main Board Rule 14.18 / GEM Rule 19.18. When computing the profits and revenue ratios for the acquisition, would it be necessary to adjust the listed issuer's profits and revenue figures to exclude the results of the disposed subsidiary?	In the circumstances described, the disposal of a major subsidiary may not fall under the situation described in Main Board Rule 14.17 / GEM Rule 19.17. Nevertheless, if the calculations of the profits and/or revenue ratios produce an anomalous result, the listed issuer may need to submit alternative size tests by excluding the results of the disposed subsidiary to the Exchange for consideration under Main Board Rule 14.20 / GEM Rule 19.20. The listed issuer should consult the Exchange when calculating the percentage ratios for the proposed acquisition.
28/11/2008	14.20, 14.28	19.20, 19.28	7	12.	<p>A listed issuer proposes to acquire a minority interest in a target company (5% of its equity capital) as an investment which will be classified as available-for-sale financial assets in the listed issuer's accounts.</p> <p>How should the listed issuer compute the assets ratio, profits ratio and revenue ratio?</p>	<p>The proposed transaction involves acquisition of an equity capital. According to Main Board Rule 14.28/ GEM Rule 19.28, when calculating the assets, profits and revenue ratios, the value of the target company's total assets, profits and revenue calculated in accordance with Main Board Rule 14.27/ GEM Rule 19.27 is to be multiplied by the percentage of equity interest being acquired by the listed issuer.</p> <p>However, where these percentage ratios produce an anomalous result, listed issuer may submit alternative tests for the Exchange's consideration pursuant to Main Board Rule 14.20 / GEM Rule 19.20. In the circumstances described, it is normally acceptable for the listed issuer to use</p>

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						the fair value of the interest in the target company to be acquired (determined in accordance with the applicable accounting standards adopted by the listed issuer) as the numerator of the alternative test to the assets ratio. As to the profits and revenue ratios, the listed issuer may submit alternative tests calculated with reference to the dividend declared by the target company and any dividend policy established by the target company for the Exchange's consideration.
28/11/2008	14.22	19.22	7	14.	<p>A listed issuer has recently completed an acquisition of the 80% interest in a target company, which constituted a major transaction, and it had complied with the applicable requirements under the Listing Rules. The listed issuer now proposes to acquire the remaining 20% interest in the same company which will by itself constitute a discloseable transaction.</p> <p>Would the Exchange apply Main Board Rule 14.22/ GEM Rule 19.22 to aggregate the proposed acquisition with the previous major transaction in the following scenarios?</p> <p>(a) The proposed acquisition when aggregated with the completed</p>	<p>The Exchange would consider the proposed acquisition and the completed transaction as a series of transactions as they involve acquisition of interest in one particular company and are entered into by the listed issuer within a short period of time.</p> <p>In determining whether to aggregate these transactions, the Exchange would also take into account the classification of the completed transaction, and whether the series of transactions when aggregated would result in a higher transaction classification and therefore be subject to additional Rule requirements.</p> <p>In scenario (a), the listed issuer had complied with the major transaction requirements in respect of the completed transaction and the Exchange would not require the listed issuer to</p>

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					<p>transaction would be classified as a major transaction.</p> <p>(b) The proposed acquisition when aggregated with the completed transaction would be classified as a very substantial acquisition.</p>	<p>reclassify the proposed acquisition by aggregating it with the completed transaction.</p> <p>In scenario (b), the Exchange would require the listed issuer to aggregate the proposed acquisition with the completed transaction and the listed issuer would need to comply with the very substantial acquisition requirements in respect of the proposed acquisition.</p>
28/11/2008	14.22	19.22	7	15.	<p>A listed issuer has recently completed an acquisition which did not constitute a notifiable transaction. The listed issuer now proposes another acquisition which will constitute a discloseable transaction on a standalone basis. However, these acquisitions when aggregated would be classified as a major transaction.</p> <p>If the Exchange requires aggregation of the currently proposed acquisition with the previous acquisition, Main Board Rule 14.22 / GEM Rule 19.22 provides that the listed issuer must comply with the requirements for the relevant classification of the transaction when aggregated. How would the major transaction requirement apply to these acquisitions?</p>	<p>Normally, the major transaction requirement would only apply to the currently proposed acquisition but not the previous acquisition.</p> <p>Nevertheless, the listed issuer should ensure adequate information relating to the previous acquisition be disclosed in the announcement and circular of the proposed acquisition if such information is necessary for shareholders to make a properly informed decision on how to vote in respect of the proposed acquisition.</p>

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14/12/2009	14.22	19.22	9	11.	<p>The Listing Rules provide that the Exchange may require an issuer to aggregate a series of transactions if they are all completed within a 12 month period or are otherwise related.</p> <p>How is the “12 month period” determined – with reference to the date of completion of the transactions or to their agreement dates?</p>	The “12 month period” should be calculated by reference to the completion date of the previous transaction(s).
26/05/2010	14.22	19.22	12	13.	If an issuer completes a series of acquisitions with different parties within a 12 month period, each of which is not major (as defined in Chapter 14) but their cumulative size exceeds the 25% threshold, will this company be treated as a Mineral Company upon completion of the transactions?	The principles of aggregation (Listing Rule 14.22) apply to transactions undertaken by all listed companies, including those that enter into a series of small acquisitions of Mineral or Petroleum Assets.
14/12/2009	14.23A	19.23A	9	12.	Main Board Rule 14.23A provides that the Exchange will not aggregate a series of transactions carried out by an issuer in the course of construction, development or refurbishment of an asset for the issuer’s own use in its ordinary and usual course of business if the sole basis for aggregation is that the transactions form parts of one asset.	<p>(1) Given that the property is constructed for Listco’s own use in its ordinary and usual course of business, the Rule will apply in the circumstances described.</p> <p>(2) The Rule will apply if property investment is an ordinary and usual course of business of Listco.</p>

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					Does the Rule apply to the transactions carried out by Listco in the course of construction of a property for (1) its own use as an office; or (2) rental purpose as an investment property?	In the above situations, Listco should note that each individual contract or agreement with a third party vendor is itself a transaction and subject to the notifiable transaction requirements if it exceeds the threshold(s) triggering the notifiable transaction rules.
28/11/2008 (01/07/2014)	14.23A, 14A.84, 14A.85. 14A.86	19.23A, 20.82, 20.83, 20.84	8	43. <i>Issue 7</i>	<p>An issuer must now seek guidance from the Exchange on the application of the aggregation rules under certain specified circumstances <u>before</u> it enters into any proposed notifiable transactions or connected transactions.</p> <p>Does an issuer need to consult the Exchange if:</p> <p>(a) the proposed transactions, even when aggregated with the previous transaction(s), will not exceed the percentage ratios to be treated as a notifiable transaction or a connected transaction subject to the announcement, reporting and/or shareholders' approval requirements; or</p> <p>(b) the issuer has already decided to aggregate the proposed transaction with the previous transaction(s) and comply with the requirements for the relevant classification of the</p>	The purpose of the new Rules is to help issuers to comply before entering into the transaction. Since the circumstances in (a) and (b) do not involve any risk of non-compliance with the Rules, prior consultation with the Exchange is not required.

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					transaction when aggregated?	
20/05/2010	14.24	19.24	11	9.	Under the amended rule, if a transaction involves a major acquisition and a discloseable disposal, does it mean that only the acquisition and not the disposal requires shareholder approval?	The rule amendment only clarifies the content requirements for the circular. It does not change the requirement as to how to classify a transaction as a whole to determine whether shareholder approval is required. In the circumstances described, the transaction as a whole would be classified as a major transaction and requires shareholder approval.
20/05/2010	14.24	19.24	11	10.	Listco proposes to sell its interest in a subsidiary in return for cash and the buyer's interest in a target (the <b>Transaction</b> ). The sale of the subsidiary is a major transaction and the acquisition of the target is a discloseable transaction.  Does the circular need to include the following information? - an accountants' report on the target company - a valuation report on the target's	As the acquisition is a discloseable transaction, the circular need not contain an accountants' report on the target or a valuation report on the target's property interests.  The circular also does not need to contain pro forma financial information on the Transaction because the Rules do not require this information for a major disposal or a discloseable acquisition.

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					<p>property interests (the target is a property company)</p> <p>- pro forma financial information showing the impact of the Transaction on Listco</p>	
28/11/2008	14.26, 14.27	19.26, 19.27	7	13.	<p>A listed issuer proposes to acquire an equity interest in a target company which has commenced operation for less than one year. Would the listed issuer be required to use the annualized profits or revenue (as the case may be) of the target company as the numerators of the profits ratio or the revenue ratio?</p>	<p>Under Main Board Rules 14.26 and 14.27/ GEM Rules 19.26 and 19.27, the numerators of the profits ratio and the revenue ratio are to be calculated by reference to the profits and revenue attributable to the target company's capital as disclosed in its accounts.</p> <p>Listing Rules do not require the listed issuer to annualize the profits or the revenue of the target company when computing the percentage ratios. However, the results of such calculations may be regarded by the Exchange as anomalous and alternative tests may be required to assess the relative size of the target company compared to the listed issuer group.</p>
28/11/2008	14.29, 14.04	19.29, 19.04	8	42. <i>Issue 10</i>	<p>If a listed subsidiary conducts a placing of new shares by way of a general mandate, would it also constitute a notifiable transaction for the listed parent?</p>	<p>An allotment of shares by the listed subsidiary would also be a deemed disposal for the listed parent as it would result in a reduction in the percentage equity interest of the listed parent in such subsidiary. Accordingly, the transaction, depending on the size tests as defined in Main Board Rule 14.04(9) / GEM Rule 19.04(9), may fall to be treated as a very substantial disposal,</p>

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						<p>major transaction or discloseable transaction of the listed parent and subject to relevant notifiable transaction requirements under Main Board Chapter 14 and GEM Chapter 19.</p> <p>Where the size of the deemed disposal falls to be a major transaction or above, the placing is subject to approval by shareholders of the listed parent. The Exchange ordinarily expects the listed parent in these circumstances to maintain control over the matter by making the general mandate of the listed subsidiary conditional on it not triggering a major transaction for the listed parent. Issuers should make prior consultation with the Exchange if they anticipate any practical issues relating to compliance in this connection.</p>
28/11/2008	14.40	19.40	7	16.	<p>Listco A proposes to vary certain terms of a major transaction after it has been approved by its shareholders.</p> <p>The resolutions passed by the Listco A's shareholders in respect of the major transaction have given the directors the authority to take all steps necessary or expedient to implement the major transaction. Will Listco A be required to re-comply with the shareholders' approval requirement in respect of the revised transaction?</p>	<p>Depending on the nature and materiality of the changes in the terms, Listco A may be required to re-comply with the shareholders' approval requirement for the revised transaction.</p> <p>In the circumstances described, while the directors of Listco A are authorised to take steps that they consider necessary or expedient to implement the major transaction, any changes to the terms of the transaction so made by the directors should be non-material as a material change would in substance give rise to a new transaction and should not be made without prior</p>



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						shareholders' approval.
14/12/2009	14.44, 14.86	19.44, 19.86	9	18.	<p>Listco proposes a major transaction involving acquisition of a target company. Listco's controlling shareholder holds 60% of Listco and has given written approval for the acquisition.</p> <p>If Listco subsequently becomes aware that the reporting accountants would issue a qualified opinion in the accountants' report of the target company, is Listco required to convene a general meeting to seek shareholder approval of the major transaction?</p>	Under Main Board Rule 14.86, the Exchange will not accept a written shareholder approval of a major transaction if the reporting accountants give a qualified opinion in the accountants' report. Listco should convene a general meeting to seek shareholder approval of the major transaction.
14/12/2009 (01/07/2014)	14.44, 14A.06(5), 14A.37	19.44, 20.06(5), 20.35	9	17.	An issuer proposes to obtain written shareholder approval of a major transaction and make relevant disclosure in the announcement. Does the issuer need to obtain the Exchange's prior approval of this arrangement before it publishes the announcement?	<p>The Listing Rules do not specifically require an issuer to seek the Exchange's prior consent for the written shareholder approval of a major transaction. Nevertheless, if the written approval is to be given by a group of shareholders, the Rules require the issuer to provide sufficient information to the Exchange to demonstrate that the shareholders are a "closely allied group of shareholders".</p> <p>If the major transaction is also a connected transaction, a waiver from convening the general meeting is required under the connected</p>

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						transaction rules.
28/11/2008	14.58(3)	19.58(4)	7	17.	Is a listed issuer required to disclose the identity of the counterparty and of its ultimate beneficial owner in the announcement for a notifiable transaction?	<p>Main Board Rules 14.58 to 14.60 / GEM Rules 19.58 to 19.60 set out the minimum disclosure requirements for announcements of different types of notifiable transactions.</p> <p>Main Board Rule 14.58(3) / GEM Rule 19.58(4) requires the announcement to contain a confirmation that the counterparty and its ultimate beneficial owner are independent of the listed group and the connected persons of the listed issuer. Disclosure of the identity of the counterparty and its ultimate beneficial owner would not be required under this rule unless they are not independent third parties.</p> <p>Notwithstanding the above, when determining the amount of information that needs to be disclosed in a notifiable transaction announcement, the listed issuer must also observe the general principle for disclosure under Main Board Rule 2.13/ GEM Rule 17.56. In some circumstances, disclosure of the identity of the counterparty and its ultimate beneficial owner may be necessary to enable shareholders and investors to make an informed assessment of the transaction.</p>
14/12/2009	14.58(5)	19.58(6)	9	13.	The Listing Rules require an issuer to disclose in the announcement the basis	The disclosure is intended to help shareholders understand how the issuer's directors determined

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					for determining the consideration for the transaction. How much detail should be provided by the issuer?	the consideration. The level of detail will depend on the circumstances of each case. Nevertheless, the directors are normally expected to describe the key factors that they have taken into account when making the determination.
28/11/2008	14.58(6)	19.58(7)	7	18.	<p>Main Board Rule 14.58(6) / GEM Rule 19.58(7) requires disclosure of the book value of the assets being the subject of the notifiable transaction in the announcement.</p> <p>In the case of an acquisition of equity capital, should the total assets or the net assets of the target company be disclosed in the announcement?</p>	<p>It is normally acceptable for the listed issuer to disclose the net asset value shown in the target company's latest accounts as defined in Main Board Rule 14.04(2)(b) / GEM Rule 19.04(2)(b).</p> <p>Nevertheless, the listed issuer should also disclose any other material information concerning the assets and liabilities of the target company that the issuer considers necessary to enable shareholders and investors to properly assess the value of the target company under Main Board Rule 2.13/ GEM Rule 17.56.</p>
28/11/2008	14.58(6), 14.58(7)	19.58(7), 19.58(8)	7	19.	<p>A listed issuer proposes to acquire interest in a target company which uses accounting standards different from those of the listed issuer.</p> <p>When disclosing the target company's financial information required under Main Board Rules 14.58(6) and (7)/ GEM Rules 19.58(7) and (8), can the listed issuer refer to the relevant figures shown in the target company's</p>	<p>Under Main Board Rule 2.13 / GEM Rule 17.56, the listed issuer must ensure the information contained in its announcement be accurate and complete in all material respects and not misleading or deceptive.</p> <p>In circumstances described, reference can be made to Main Board Rule 14.07/ GEM Rule 19.07 which requires the listed issuer to perform, where applicable, an appropriate and meaningful reconciliation of the relevant figures of the target</p>

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					accounts?	<p>company for the purpose of calculating the percentage ratios. In such situation, the listed issuer should consider disclosing the target company's financial information based on the accounting standards of the listed issuer for the purposes of Main Board Rules 14.58(6) and (7)/ GEM Rules 19.58(7) and (8).</p> <p>Where the listed issuer discloses relevant figures shown in the target company's accounts for the purposes of Main Board Rules 14.58(6) and (7)/ GEM Rules 19.58(7) and (8), it should make reference to the accounting standards adopted by the target company and where applicable, provide an explanation of any principal differences between the accounting standards of the listed issuer and the target company which may have a material impact on the financial information of the target company contained in the announcement.</p>
28/11/2008	14.58(7)	19.58(8)	7	20.	Main Board Rule 14.58(7)/ GEM Rule 19.58(8) requires listed issuers to disclose in the announcement the net profits (both before and after taxation and extraordinary items) attributable to the assets which are the subject of the transaction for the two financial years immediately preceding the transaction.	It would depend on whether the property to be acquired/ disposed of by the listed issuer is a revenue-generating asset with an identifiable income stream. Where the listed issuer proposes to acquire/ dispose of a property held for rental purpose, it would be required to disclose the net rental income generated from such property before and after taxation taking into account all related disbursements such as expenses for

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					Is the requirement applicable to a transaction involving acquisition or disposal of real property? If yes, what information should be disclosed?	managing the property and allowances to maintain it in a condition to command its rent.
14/12/2009	14.58(7)	19.58(8)	9	14.	<p>The Listing Rules require an issuer to disclose in the announcement “<i>where applicable, the net profits (both before and after taxation and extraordinary items) attributable to the assets which are the subject of the transaction for the two financial years immediately preceding the transaction</i>”.</p> <p>Is the requirement applicable if the target company recorded net losses for the last 2 years or it has a trading record of less than 2 years?</p>	Yes. The disclosure requirement applies to the net profits or losses attributable to the target company for the two financial years immediately preceding the transaction, or if less, the period since its incorporation or establishment.
14/12/2009	14.60(3)(a)	19.60(3)(a)	9	15.	<p>Listco proposes to dispose of its interest in a subsidiary.</p> <p>The gain or loss on the disposal can only be ascertained at the completion of the disposal. Is Listco required to disclose this gain or loss in its announcement when it enters into the agreement for the proposed disposal?</p>	Although the actual gain or loss on the disposal is yet to be determined, Listco should disclose the expected gain or loss and its basis in the announcement under the rule. If Listco expects that there will be a difference between the actual gain or loss on the disposal and the disclosed amount, it should explain in the announcement the reason for the difference.
14/12/2009	14.60(5)	19.60(5)	9	16.	The Rule requires an issuer to disclose	Yes. Listco should issue a further announcement

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					<p>in the announcement information on the shareholders who have approved or will approve the major transaction by way of a written certificate.</p> <p>After issuing an announcement for a major transaction, Listco decides to obtain a written shareholder approval of the major transaction. Is it required to issue a further announcement to disclose this fact?</p>	to disclose the information required under Main Board Rule 14.60(5).
26/05/2010	14.61, 11.17, 18.34, Appendix 1A(34)(2), Appendix 1B(29)(2)	19.61, 14.29, 18A.34	12	21.	Will valuations of Natural Resource assets (i.e. Reserves) based on discounted cash flows (DCF) be regarded as profit forecasts under Rule 14.61?	Where a new applicant Mineral Company or listed issuer provides a valuation of Natural Resource assets (i.e. Reserves) based on DCF, the Exchange will not regard the DCF as a profit forecast requiring review by an independent accountant. However, issuers must disclose all relevant assumptions and the reason why a particular valuation method is chosen.
28/11/2008 (30/09/2009)	14.62, 14.66(2), 2.13, Appendix 1B Paragraph 29(2)	19.62, 19.66(3), 17.56, Appendix 1B Paragraph 29(2)	7	21.	A listed issuer proposes to acquire a target company, which constitutes a notifiable transaction. The listed issuer has prepared a valuation of the target company using the discounted cashflow method, which is regarded as a profit forecast under Main Board Rule 14.61/ GEM Rule 19.61.	Under the Listing Rules, there is no specific requirement for the listed issuer to disclose the profit forecast for the target company to be acquired. However, the listed issuer must observe the general disclosure principle under Main Board Rule 2.13/ GEM Rule 17.56. For example, where the valuation of the target company was a primary factor in forming the basis for the consideration or other material terms

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					Is the listed issuer required to disclose such valuation in its announcement and circular for the notifiable transaction and comply with Main Board Rule 14.62/ GEM Rule 19.62 and paragraph 29(2) of Appendix 1B to the Main Board Rules/ GEM Rules?	<p>of the transaction, disclosure of the valuation would need to be made in the relevant announcement and circular.</p> <p>Where a notifiable transaction announcement/ circular contains a profit forecast in respect of the listed issuer or a company which is/ is proposed to become, one of its subsidiaries, the listed issuer is required to comply with Main Board Rule 14.62/ GEM Rule 19.62 and paragraph 29(2) of Appendix 1B to the Main Board Rules/ GEM Rules (as the case may be).</p>
28/11/2008 (30/09/2009)	14.62, 14.66(2), 2.13, Appendix 1B Paragraph 29(2)	19.62, 19.66(3), 17.56, Appendix 1B Paragraph 29(2)	7	22.	<p>A listed issuer proposes to acquire a revenue generating asset, which constitutes a notifiable transaction. There is a valuation of such asset prepared using the discounted cashflow method, which is regarded as a profit forecast under Main Board Rule 14.61/ GEM Rule 19.61.</p> <p>Will the listed issuer be required to comply with the formal reporting requirements under Main Board Rule 14.62/ GEM Rule 19.62 if it discloses the valuation of the revenue generating asset in its announcement issued under the notifiable transaction rules?</p>	<p>Under Main Board Rule 14.62/ GEM Rule 19.62, the formal reporting requirements apply where the announcement contains a profit forecast in respect of the listed issuer or a company which is/ is proposed to become, one of its subsidiaries.</p> <p>In this case, while the profit forecast made in respect of the revenue generating asset may not fall within Main Board Rule 14.62/ GEM Rule 19.62, the listed issuer must ensure compliance with Main Board Rule 2.13/ GEM Rule 17.56 when its announcement contains profit forecast of the asset to be acquired, particularly where the assets are material to the listed issuer.</p> <p>The listed issuer should also note that where the proposed acquisition constitutes a major</p>

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						transaction or above that requires a circular, it is required to comply with the formal reporting requirements in respect of the profit forecast of the asset contained in the circular pursuant to Paragraph 29(2) of Appendix 1B to the Main Board Rules/ GEM Rules.
28/11/2008	14.63(2)(c)	19.63(2)(c)	7	24.	<p>A listed issuer has obtained written shareholders' approval for a proposed major transaction under Main Board Rule 14.44/ GEM Rule 19.44. The Exchange has accepted the written shareholders' approval in lieu of holding a general meeting based on the information provided by the listed issuer.</p> <p>As there will not be any voting on the proposed transaction at general meeting, is the circular for such transaction required to contain a recommendation from the directors as to the voting action that shareholders should take pursuant to Main Board Rule 14.63(2)(c)/ GEM Rule 19.63(2)(c)?</p>	<p>Main Board Rule 14.63(2)/ GEM Rule 19.63(2) sets out certain information that need to be contained in the circular for a notifiable transaction if voting or shareholders' approval is required. Pursuant to Main Board Rule 14.63(2)(c)/ GEM Rule 19.63(2)(c), the circular for the proposed transaction must contain a recommendation from the directors as to the voting action that shareholders should take, indicating whether or not the proposed transaction is, in the opinion of the directors, fair and reasonable and in the interest of the shareholders as a whole.</p> <p>In circumstances described, while the directors' recommendation to shareholders on how to vote would no longer be necessary, the circular must disclose the directors' opinion as to whether the proposed transaction is fair and reasonable and in the interest of the shareholders' as a whole.</p>
28/11/2008 (30/09/2009)	14.66(2), Appendix 1B	19.66(3), Appendix	7	23.	Where a circular in relation to a notifiable transaction contains a profit	In the case of a notifiable transaction, Main Board Rule 14.62(3)/ GEM Rule 19.62(3) provides that



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	Paragraph 29(2)	1B Paragraph 29(2)			<p>forecast, paragraph 29(2) of Appendix 1B to the Main Board Rules/ GEM Rules requires that the financial advisers must report that they have satisfied themselves that the forecast has been stated by the directors after due and careful enquiry and such report must be set out in the circular.</p> <p>If no financial advisers have been appointed in connection with the notifiable transaction, can the directors of the listed issuer make their own confirmation that they have made the forecast after due and careful enquiry?</p>	<p>where the announcement contains a profit forecast and no financial advisers have been appointed in connection with the transaction, the listed issuer may provide a letter from the board of directors confirming they have made the forecast after due and careful enquiry.</p> <p>In the circumstances described, we may apply the principle of Main Board Rule 14.62(3)/ GEM Rule 19.62(3) to the circular and accept the directors' confirmation for the purpose of Paragraph 29(2) of Appendix 1B. The listed issuer should consult the Exchange in advance in such circumstances.</p>
14/12/2009	14.66(10) and (12)	19.66(11) and (13)	9	19.	<p>Listco's circular for a major acquisition will contain an accountants' report on the target being acquired, a statement on sufficiency of working capital and an indebtedness statement.</p> <p>(1) The Listing Rules require Listco to provide a letter from its financial advisers or auditors confirming that the working capital statement has been made by the directors after due and careful enquiry and persons or institutions providing finance have confirmed in writing</p>	<p>(1) We will normally consider it acceptable for the reporting accountants to issue the confirmation letter in respect of the working capital statement contained in the circular.</p> <p>(2) The Listing Rules do not specifically require a review of the indebtedness statement by professional accountants or advisers. It is up to Listco to decide whether the review is necessary.</p>

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					<p>that such facilities exist. Is it acceptable for Listco to provide a confirmation letter from the reporting accountants instead of its financial advisers or auditors?</p> <p>(2) Does the indebtedness statement need to be reviewed by professional accountants or advisers?</p>	
28/11/2008 (30/09/2009)	14.66(10), Appendix 1B Paragraph 28	19.66(11), Appendix 1B Paragraph 28	7	25.	<p>A listed issuer is preparing its circular in respect of a proposed major acquisition.</p> <p>Main Board Rule 14.66(10)/ GEM 19.66(11) requires the listed issuer' circular to contain a statement of indebtedness of the group as at the most recent practicable date pursuant to paragraph 28 of Appendix 1B to the Main Board Rules/ GEM Rules. Can the listed issuer refer to the indebtedness position of the group disclosed in its latest published audited accounts or interim report?</p>	<p>The rule requires the listed issuer to provide up-to-date indebtedness statement of its group in the circular for shareholders' consideration. The Listing Division ordinarily requires the indebtedness statement to be dated not more than 8 weeks before the circular is issued, which follows the guidance set out in our letter of 21 July 2008 to market practitioners in relation to the disclosure of indebtedness statements in listing documents of new applicants. Depending on the despatch date of the circular, the year/ period end date for the listed issuer's latest published accounts or interim report may not be regarded as the most recent practicable date.</p> <p>Further, the listed issuer should note that according to Note 2 to Appendix 1B to the Main Board Rules/ GEM Rules, reference to the "group" under paragraph 28 of Appendix 1B is to</p>

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						be construed as including any company which will become a subsidiary of the listed issuer by reason of an acquisition which has been agreed or proposed since the date to which the latest audited accounts of the listed issuer have been made up.
28/11/2008 (30/09/2009)	14.66(10), Appendix 1B Paragraph 30	19.66(11), Appendix 1B Paragraph 30	7	26.	<p>Pursuant to Main Board Rules 14.66(10) and 14.68(1)/ GEM Rules 19.66(11) and 19.68(1), a circular relating to a very substantial disposal must contain a statement by the listed issuer's directors on the sufficiency of working capital available to the group pursuant to paragraph 30 of Appendix 1B to the Main Board Rules/ GEM Rules.</p> <p>Where a listed issuer proposes to dispose of a subsidiary which constitutes a very substantial disposal, is it required to prepare the working capital statement on the group or the remaining group?</p>	Paragraph 30 of Appendix 1B to the Main Board Rules/ GEM Rules requires a working capital statement on the group which includes the listed issuer and its subsidiaries including the subsidiary to be disposed of. Note to Appendix 1B does not qualify paragraph 30 to exclude the subsidiary to be disposed of.
28/11/2008	14.67	19.67	7	27.	Main Board Rule 14.67/ GEM Rule 19.67 sets out specific disclosure requirements for a circular issued <u>in relation to an acquisition</u> constituting a major transaction.	When determining whether Main Board Rule 14.67/ GEM Rule 19.67 applies, the Exchange will consider whether the proposed transaction involves an acquisition of assets by the listed issuer.

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					<p>Are listed issuers required to comply with the disclosure requirements under Main Board Rule 14.67 / GEM Rule 19.67 for major transactions involving formation of a joint venture?</p>	<p>Normally, where the formation of joint venture only involves cash injection by the listed issuer and the joint venture partner(s), the disclosure requirements under Main Board Rule 14.67/ GEM Rule 19.67 would not apply as there is no acquisition of assets by the listed issuer.</p> <p>Where the formation of joint venture involves injection of assets (other than cash) (“Injected Assets”) by the joint venture partner into the joint venture that will become a subsidiary of the listed issuer, such arrangement would in effect result in acquisition of the Injected Assets by the listed issuer. In such case, if the acquisition is classified as a major transaction based on the percentage ratios, the disclosure requirements under Main Board Rule 14.67/ GEM Rule 19.67 would apply.</p>
28/11/2008 (30/09/2009)	14.67(6)(b)(i)	19.67(6)(b)(i)	7	28.	<p>Main Board Rule 14.67(6)(b)(i)/ GEM Rule 19.67(6)(b)(i) requires that a circular issued in relation to a major transaction involving acquisition of any revenue-generating assets (other than a business or company) with an identifiable income stream or asset valuation must include “a profit and loss statement and a valuation (where available) for the 3 preceding financial</p>	<p>For the purpose of Main Board Rule 14.67(6)(b)(i)/ GEM Rule 19.67(6)(b)(i), where the target assets to be acquired have an identifiable income stream, a profit and loss statement in respect of such assets must be compiled and derived from the underlying books and records for inclusion in the circular for the proposed major transaction. Therefore, when the listed issuer enters into an agreement for the proposed acquisition, we expect that it will ensure</p>

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					<p>years (or less, where the asset has been held by the vendor for a shorter period) on the identifiable net income stream and valuation in relation to such assets...”.</p> <p>A listed issuer is preparing a circular for its proposed major transaction involving acquisition of some revenue-generating assets. Is the requirement under Main Board Rule 14.67(6)(b)(i)/ GEM Rule 19.67(6)(b)(i) applicable if both the profit and loss statement and valuation in respect of the assets to be acquired are not available from the vendor?</p>	<p>that the relevant books and records are or will be made available to the listed issuer and the reporting accountants for compliance with the rule.</p> <p>The valuation of the target asset would need to be contained in the circular where it is available.</p>
28/11/2008	14.67A	19.67A	8	46. <i>Issue 16</i>	Will the Exchange grant relief from strict compliance with the disclosure requirements in the supplementary circular?	The new Rule is intended to codify the Exchange’s current approach to provide timing relief to allow issuers to publish a supplementary circular at a later time when the information becomes available. Any application for dispensation from strict compliance with the disclosure requirements in the supplementary circular will be considered on a case-by-case basis.
28/11/2008	14.67A(1)	19.67A(1)	8	45. <i>Issue 16</i>	Are listed issuers required to obtain prior consent from the Exchange in order to defer complying with the disclosure requirements in the initial	Yes, the issuers must demonstrate to the satisfaction of the Exchange that the conditions set out in paragraphs (1)(a), (b) and (c) of Main Board Rule 14.67A/ GEM Rule 19.67A are met.

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					circular?	Issuers are also encouraged to consult the Exchange at the earliest opportunity.
28/11/2008 ( 02/01/2013)	14.68(2)(a)(i)	19.68(2)(a)(i)	7	29.	<p>A listed issuer proposes to despatch a circular for a very substantial disposal in mid July 2008. Since the listed issuer has a financial year end date of 31 December, it proposes to include in the circular an accountants' report on the remaining group pursuant to Main Board Rule 14.68(2)(a)(i) Note 1 covering the 3 financial years ended 31 December 2007 and a stub period from 1 January 2008 up to 30 April 2008.</p> <p>Is the listed issuer required to disclose the financial information during the stub period by way of an announcement upon despatch of the circular?</p>	While there is no specific announcement requirement for disclosing the financial information of the remaining group during the stub period reported in the accountants' report under Chapter 14 of the Main Board Rules/ Chapter 19 of the GEM Rules, the listed issuer must observe the general disclosure obligation under Main Board Rule 13.09/ GEM Rule 17.10. Where any information which requires disclosure under the Inside Information Provisions emerges during the preparation of the circular in particular the financial information, the issuer must simultaneously announce the information under Main Board Rule 13.09(2)(a)/ GEM Rule 17.10(2)(a).
20/05/2010	14.68(2)(a)(i)	19.68(2)(a)(i)	11	1.	<p>An issuer chooses to disclose the issuer group's financial information with separate disclosure on the disposal target (i.e. option (B) in the rule) in its VSD circular.</p> <p>(a) What financial information about the disposal target should be disclosed?</p>	(a) There should be a separate note with information on the disposal target's figures included in the issuer group's balance sheet, income statement and cash flow statement. Normally this includes the target's balance sheet, income statement and cash flow statement. The information is required to prepare pro forma financial information for the remaining group.

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					(b) Can the auditors or reporting accountants give a review opinion on the issuer group's audited financial information? Should the issuer include an accountants' report instead of a review of the financial information?	(b) The issuer should consult its auditors and reporting accountants, and decide the appropriate type of assurance.
20/05/2010	14.68(2)(a)(i)	19.68(2)(a)(i)	11	2.	This rule requires the financial information to comprise the balance sheet, the income statement, the cash flow statement and the statement on changes in equity. What should be included in these statements?	They should include, at least, each of the major components and line items presented in the issuer's latest published annual accounts.
20/05/2010	14.68(2)(a)(i)	19.68(2)(a)(i)	11	3.	"HKAS 1 (Revised) – Presentation of Financial Statements" requires that an entity presents all income and expense items recognised in a period: (a) in a single statement of comprehensive income, or (b) in two statements: a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income).	Either option (a) or (b) is acceptable.

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					Please clarify the disclosure requirement of "an income statement" under this rule.	
20/05/2010	14.68(2)(a)(i)	19.68(2)(a)(i)	11	4.	<p>Can Listco disclose financial information partly under option (A) and partly under option (B) in its VSD circular? For example, can Listco disclose:</p> <ul style="list-style-type: none"> <li>- the group's financial information with separate disclosure on the disposal target under option (B) for three financial years (ended more than 6 months from the circular date); and</li> <li>- the disposal target's financial information under option (A) for the stub period?</li> </ul>	No. The issuer should adopt one of the options for the disclosure of financial information for the entire period which includes three financial years and the stub period.
20/05/2010	14.68(2)(a)(i)	19.68(2)(a)(i)	11	6.	Which standard should auditors or reporting accountants adopt for the review of financial information under this rule?	The review should be conducted according to the relevant HKICPA or IAASB standards. Currently, the applicable standard for a review engagement is HKSRE 2400/ 2410 or ISRE 2400/ 2410.
20/05/2010	14.68(2)(a)(i)	19.68(2)(a)(i)	11	7.	Does an issuer need to publish the auditors' or reporting accountants' review report in a VSD circular?	No, but the circular must state that the financial information has been reviewed by the issuer's auditors or reporting accountants; and, where applicable, contain details of any qualifications or modifications in the review report.



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20/05/2010	14.68(2)(a)(i) note 2	19.68(2)(a)(i) note 2	11	8.	<p>Note 2 to this rule states that the Exchange may relax the disclosure requirement if the disposal target's assets are not consolidated in the issuer's accounts.</p> <p>Under what circumstances would the Exchange relax the disclosure requirement?</p>	<p>There is a similar rule to exempt the accountants' report requirement for an acquisition of a minority interest in a company that constitutes a major transaction. The rule amendments mirror this exemption for VSDs.</p> <p>We would consider, for example, whether the issuer has access to the disposal target's books and records to prepare the required information, and whether the circular has provided shareholders with sufficient information about the disposal, etc. We will give the exemption case by case.</p>
20/05/2010	14.68(2)(a)(i), 4.06(1)(a) note	19.68(2)(a)(i), 7.05(1)(a) note	11	5.	In a VSD, Listco proposes to sell its interest in a company acquired two years ago. Can Listco include, in the circular, the company's financial information from the acquisition date?	The circular should contain the company's financial information for at least three financial years.

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28/11/2008 (02/07/2010)	14.68(3)	19.68(3)	7	30.	Main Board Rule 14.68(3)/ GEM Rule 19.68(3) requires disclosure of the financial information on the remaining group under paragraph 32 of Appendix 16 to the Main Board Rules/ GEM Rule 18.41 in a circular for very substantial disposals. Please clarify the reporting period in respect of such disclosure.	<p>Where financial information on the issuer's group is contained in the circular (i.e. under Main Board Rule 14.68(2)(a)(i)(B)/ GEM Rule 19.68(2)(a)(i)(B)), the disclosure under Main Board Rule 14.68(3) should cover the same reporting period.</p> <p>Where financial information on the disposal target is contained in the circular (i.e. under Main Board Rule 14.68(2)(a)(i)(A)/ GEM Rule 19.68(2)(a)(i)(A)), the disclosure under Main Board Rule 14.68(3) should cover the reporting period of the issuer group's previously published financials (i.e. the latest three financial years and, where applicable, the most recent interim period, for which the issuer group's financial information has been published).</p>
28/11/2008	14.69(3)	19.69(3)	7	31.	<p>Main Board Rule 14.69(3)/ GEM Rule 19.69(3) provides that a circular issued in relation to a very substantial acquisition must contain "a valuation report on the enlarged group's interests in land or buildings in accordance with Chapter 5 of the Main Board Rules/ Chapter 8 of the GEM Rules".</p> <p>Please clarify the application of Main Board Rule 14.69(3) / GEM Rule 19.69(3) where the asset to be acquired</p>	<p>Main Board Rule 5.02/ GEM Rule 8.02 provides that where a notifiable transaction involves an acquisition or disposal of a property or a company whose assets consist solely or mainly of property and any of the percentage ratios of the transaction exceeds 25% (i.e. major transaction or above), a valuation of and information on such property must be included in the circular.</p> <p>Where the acquisition target is neither a property nor a company whose assets consist solely or</p>

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					by a listed issuer under a proposed very substantial acquisition is neither a property nor a company whose assets consist solely or mainly of property/ properties.	mainly of property/ properties as described in Main Board Rule 5.02/ GEM Rule 8.02, Rule 14.69(3)/ GEM Rule 19.69(3) would not be applicable.
28/02/2013 (01/07/2014)	14.74, 14.77, 14A.61	19.74, 19.77 20.59	20	4.	Listco has granted an option to Mr. X to acquire an asset from Listco. Mr. X is an independent third party and the option is exercisable at his discretion. Listco has complied with the notifiable transaction Rules as if the option had been exercised.  If Mr. X subsequently becomes a connected person of Listco, would Listco be required to comply with the connected transaction Rules for the grant of the option as if it had been exercised?	No. Listco would need to comply with the announcement requirements when the option is exercised, transferred or expired, or when Mr. X notifies Listco that he will not exercise the option.
30/03/2004 (01/07/2014)	14A.06(3), 14A.06(17), 14A.88	20.06(3), 20.06(17), 20.86	1	55.	Margin financing activity is the principal business of a securities company. Will such transactions be considered as financial assistance and will the issuer be required to comply with the disclosure requirement?  Does "banking company" include a company with a money lender licence?	Margin financing activity is financial assistance and a securities company is not a banking company. Therefore the issuer will have to comply with the disclosure, reporting and/or shareholders' approval requirements.  The definition of "banking company" does not include a company with a money lending licence.

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21/03/2014	14A.06(27) 14A.24(2)(a)	20.06(27) 20.22(2)(a)	28	7.	<p>Under the non-competition agreement between Listco and its controlling shareholder, Listco has been granted a right of first refusal to acquire certain assets from the controlling shareholder at a price and on terms to be negotiated between the parties.</p> <p>If Listco decides not to exercise the “right of first refusal” when the controlling shareholder proposes to sell the assets, will it be regarded as non-exercise of an option and subject to the connected transaction requirements?</p>	<p>Given that the terms of the acquisition are subject to further negotiation between the parties, the right of first refusal does not constitute an option under Rule 14A.06(27). Therefore, non-exercise of the right of first refusal by Listco does not constitute a non-exercise of an option.</p>
28/02/2013 (01/07/2014)	14A.07, 14A.26, 14A.28	20.07, 20.24, 20.26	20	9.	<p>Company A is an associated company of Listco.</p> <p>Mr. X is a director of Listco. Is Company A a connected person of Listco if Mr. X is also</p> <p>(a) a director of Company A?</p> <p>(b) a shareholder of Company A?</p>	<p>(a) Company A is not a connected person of Listco simply because Mr. X is a director of Company A.</p> <p>(b) It would depend on Mr. X’s shareholding in Company A.</p> <p>(i) If Mr. X can control the exercise of 10% or more of the voting power at general meetings of Company A: - Company A is a “commonly held entity” and any financial assistance to/ from Company A is a connected transaction for Listco under Rule 14A.26.</p>

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						<p>- Listco acquiring an interest in Company A is a connected transaction for Listco under Rule 14A.28.</p> <p>(ii) If Mr. X can control the exercise of 30% or more of the voting power at general meetings of Company A or can control the composition of a majority of the board of Company A, Company A is an associate of Mr. X and therefore a connected person of Listco. Any transaction (including financial assistance) with Company A is a connected transaction for Listco.</p>
21/02/2014 (01/07/2014)	14A.07, 14A.76, 14A.87 to 14A.90	20.07, 20.74, 20.85 to 20.88	26	12.	Do the connected transaction Rules apply to any grant of loans to directors or their connected entities (as defined in the New CO) that are exempt under Part 11 of the New CO?	<p>Part 11 of the New CO governs fair dealing by directors and transactions involving directors and their connected entities.</p> <p>Since the scope of transactions regulated under Part 11 of the New CO and the connected transaction Rules are not the same, Hong Kong-incorporated issuers must ensure that they comply with any applicable requirements under both the New CO and the Rules when they enter into loan transactions involving directors or their connected entities (as defined in the New CO) or connected persons or associates (as defined in the Rules).</p>

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28/11/2008 (01/07/2014)	14A.07(1)	20.07(1)	7	33.	Does a substantial shareholder of a jointly controlled entity of the listed issuer fall within the definition of “connected person” under Chapter 14A of the Main Board Rules/ Chapter 20 of the GEM Rules?	<p>It would depend on whether the jointly controlled entity falls within the definition of “subsidiary” under Rule 1.01 of the Main Board Rules/ GEM Rules.</p> <p>Where the jointly controlled entity is a “subsidiary” of the listed issuer under Main Board Rule 1.01/ GEM Rule 1.01, its substantial shareholder is a connected person of the listed issuer under Main Board Rule 14A.07/ GEM Rule 20.07. Under Rule 1.01, the term “subsidiary” includes:</p> <ul style="list-style-type: none"> <li>(a) a “subsidiary undertaking” as defined in schedule 1 to the Companies Ordinance;</li> <li>(b) any entity which is accounted for and consolidated in the audited consolidated accounts of another entity as a subsidiary pursuant to applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards; and</li> <li>(c) any entity which will, as a result of acquisition of its equity interest by another entity, be accounted for and consolidated in the next audited consolidated accounts of such other entity as a subsidiary pursuant to applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards.</li> </ul>
28/02/2013	14A.07(1),	20.07(1),	20	7.	Subsidiary A is a non wholly-owned	Entity X is a connected person of Listco because

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(01/07/2014)	14A.07(5), 14A.09, 14A.16(1)	20.07(5), 20.08, 20.14(1)			<p>subsidiary of Listco. It is owned as to 90% by Listco and 10% by Entity X.</p> <p>Are Entity X and Subsidiary A connected persons of Listco?</p>	<p>he/it is a substantial shareholder of Subsidiary A, unless Entity X falls under any exemption under Chapter 14A (e.g. the insignificant subsidiary exemption under Rule 14A.09)</p> <p>If Entity X is also a “connected person at the issuer level” (e.g. Listco’s director, chief executive or substantial shareholder, or an associate of any of them), Subsidiary A is a connected subsidiary and therefore a connected person of Listco.</p> <p>If Entity X is a connected person only because of its relationship with Subsidiary A (and any other subsidiaries of Listco), Subsidiary A is not a connected person of Listco.</p>
17/9/2010 (01/07/2014)	14A.07(2), 14A.09	20.07(2), 20.08	10	5A.	<p>A month ago, Listco sold its entire interest in its subsidiary, Company A. Mr. X is a connected person of Listco under Rule 14A.07(2) because of his directorship in Company A before the disposal. He has no other relationship with Listco group.</p> <p>Can Listco apply the insignificant subsidiary exemption to its proposed transactions with Mr. X?</p>	<p>Yes, if Company A was “insignificant” under Rule 14A.31(9) at the time when it ceased to be a subsidiary of Listco.</p>
20/05/2010 (01/07/2014)	14A.09	20.08	10	1.	<p>An issuer has completed a placing of new shares. When it assesses whether</p>	<p>No. The issuer should use the total assets shown in its group’s audited accounts for the</p>

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					a subsidiary is “insignificant” under this Rule, does it need to adjust the assets ratio for the proceeds from the placing?	financial year(s) set out in the Rule without adjustments.
20/05/2010 (01/07/2014)	14A.09	20.08	10	2.	An issuer acquired a majority interest in Company A a few months ago.  When assessing whether Company A is an “insignificant subsidiary” under this Rule, can the issuer refer to Company A’s total assets, profits and revenue for the period after the date of acquisition?	No. The assessment should be based on the latest financial year/ three financial years described in the Rule, which may include Company A’s financials before the date of acquisition.
20/05/2010 (01/07/2014)	14A.09	20.08	10	3.	An issuer has recently formed a joint venture with a third party.  The joint venture is a non wholly-owned subsidiary of the issuer but it has yet to publish its first accounts. Can the issuer apply the insignificant subsidiary exemption? If yes, how will the percentage ratios be calculated?	The exemption may apply to a newly established subsidiary even though it does not have a full year of accounts. The issuer may propose alternative size tests to assess the subsidiary’s materiality.  In the circumstances described, it would normally be acceptable for the issuer to compute an alternative assets ratio based on its total capital commitment in the joint venture. The profits and revenue ratios would be inapplicable as the joint venture is newly set up. The issuer should consult the Exchange.
20/05/2010 (01/07/2014)	14A.09	20.08	10	4.	When assessing whether a subsidiary is “insignificant” under this Rule, can the issuer change from the three year test	Yes. Both tests are meant to measure the materiality of a subsidiary.



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					to the one year test (or vice versa) from time to time?	
20/05/2010 (01/07/2014)	14A.09	20.08	10	5.	Can the issuer apply the “anomalous test” if there are fluctuations in the subsidiary’s results over the three years, for example due to exceptional performance in a particular year?	The “anomalous test” will not apply in the circumstances described. This is because the “anomalous test” addresses circumstances where a particular percentage ratio is out of line with the others or does not reflect the subsidiary’s materiality.
20/05/2010 (01/07/2014)	14A.09	20.08	10	7.	<p>Listco has entered into an agreement to lease a property to Mr. X, a director of a Listco subsidiary, with fixed terms for 3 years.</p> <p>At the time of the lease agreement, the subsidiary is not “insignificant” and Mr. X does not meet the conditions for the exemption. Listco has complied with the applicable connected transaction requirements.</p> <p>If after 1 year, Mr. X meets the conditions for the exemption, is Listco still required to comply with the reporting and annual review requirements for the remaining term of the lease agreement?</p>	<p>Listco may announce that it will apply the exemption to the lease after 1 year. Reporting and annual review of the lease will not be required as long as Mr. X meets the conditions for the exemption. If Mr. X no longer qualifies for the exemption, Listco must comply with the announcement, reporting and annual review requirements for the remaining term of the lease.</p> <p>Alternatively, Listco may continue to comply with the reporting and annual review requirements for the lease in the next 2 years. If it does this, it will not be required to re-comply with the announcement requirement if Mr. X no longer qualifies for the exemption.</p>
28/02/2013 (01/07/2014)	14A.09	20.08	20	20.	If a person is a connected person of an issuer only because of his/its	Yes, but the issuer must ensure that it has a specific or general mandate for the issue of new

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					relationship with the issuer's insignificant subsidiaries, would the insignificant subsidiary exemption apply to a placing of new securities by the issuer to such person?	securities under Rule 13.36.
21/03/2014	14A.09	20.08	28	1.	<p>Listco has acquired certain fixed assets from Company A (being a substantial shareholder of a subsidiary of Listco), which constitutes a connected transaction subject to the announcement and reporting requirements.</p> <p>Will Listco need to report the above acquisition in its next annual report if Company A becomes qualified for the insignificant subsidiary exemption based on Listco's results at the end of the year?</p>	Yes. Listco is required to comply with the connected transaction requirements applicable at the time of entering into the transaction.
20/05/2010 (01/07/2014)	14A.09, 14A.60, 14A.99, 14A.100	20.08, 20.58, 20.97, 20.98	10	6.	<p>Listco wishes to apply the "insignificant subsidiary exemption" (or the "passive investor exemption") to the following continuing connected transactions with Company X:</p> <p>(a) Listco proposes to purchase raw materials from Company X on a recurring basis. Company X</p>	<p>(a)(i) A framework agreement is not required if the purchases are exempt under the Rule.</p> <p>(a)(ii) No. The framework agreement is not an agreement with fixed terms. If Company X no longer meets the conditions for the exemption within the three year period, Listco must comply with all applicable connected transaction Rules for its</p>

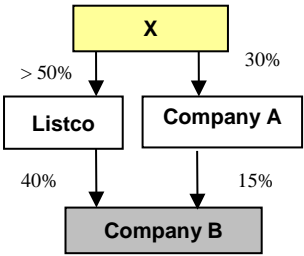
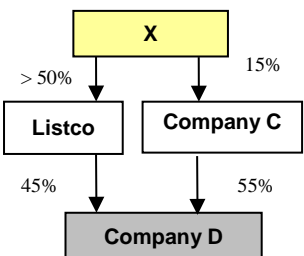
Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
					<p>currently meets the conditions for the exemption.</p> <p>(i) Do they need to enter into a framework agreement for these purchases?</p> <p>(ii) If they now enter into a framework agreement for the purchases for say 3 years, does it mean that all purchases conducted under this agreement are exempt?</p> <p>(b) Listco also enters into an agreement with Company X to lease an office building with fixed terms for 3 years. If Company X no longer meets the conditions for the exemption after one year, will Listco need to comply with the connected transaction Rules?</p>	<p>subsequent purchases from Company X.</p> <p>(b) Listco is only required to comply with the reporting, annual review and announcement requirements immediately upon it becoming aware of this fact.</p>

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
21/03/2014	14A.09, 14A.60, 14A.101	20.08, 20.58, 20.99	28	2.	<p>Listco has entered into a framework agreement with Company A (being a substantial shareholder of a subsidiary of Listco) for purchasing certain raw materials at prices to be determined from time to time. It is not a connected transaction as Company A qualifies for the insignificant subsidiary exemption.</p> <p>If a year later, Company A no longer meets the insignificant subsidiary exemption (and is therefore a connected person at the subsidiary level), what are the connected transaction requirements applicable to this case?</p>	<p>If Listco continues to conduct the transactions under the framework agreement, it needs to comply with the announcement, reporting and annual review requirements, unless the transactions are fully exempt under the de minimis exemption.</p>

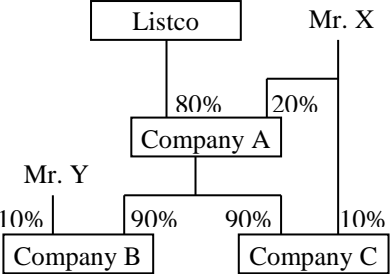
Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
21/03/2014	14A.09, 14A.81	20.08, 20.79	28	15.	<p>A few months ago, Listco entered into a one-off transaction with Mr. A (the Previous Transaction) who at that time qualified for the insignificant subsidiary exemption.</p> <p>Mr. A is recently appointed as a director of Listco and no longer qualifies for the insignificant subsidiary exemption. When Listco enters into a new transaction with Mr. A, will it need to aggregate the proposed transaction with the Previous Transaction for the purpose of the connected transaction Rules?</p>	No, because the Previous Transaction was not a connected transaction for Listco.
29/05/2015	14A.09, Note 1 to 13.36(2)(b)	20.08, Note to 17.41(2)	28	21C.	<p>Listco proposes to issue new shares to Mr. A as the consideration for an acquisition of assets from Mr. A.</p> <p>Mr. A is a director of certain insignificant subsidiaries of Listco. If Mr. A meets the conditions for the significant subsidiary exemption under Rule 14A.09 at the time of the proposed transaction, is the transaction subject to the connected transaction requirements under Chapter 14A?</p>	As Mr. A is not a connected person of Listco, the proposed transaction is not a connected transaction under Chapter 14A.
21/03/2014	14A.12(1)(a), 14A.14,	20.10(1)(a), 20.12,	28	25.	Before the Rule amendments becoming effective, Listco has entered into an	Yes if the transactions to be conducted under the agreement after the Rule amendments can meet

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	14A.76(1)(c), 14A.96, 14A.97	20.74(1)(c), 20.94, 20.95			<p>agreement for certain continuing connected transactions, and has complied with the announcement, circular and/ or shareholders' approval requirements applicable to the agreement.</p> <p>Can Listco apply the new/revised Rules to the continuing connected transactions to be conducted under the agreement after Rule amendments?</p>	<p>all the exemption conditions under the relevant new/ revised Rules (e.g. the transactions have a total value of less than HK\$3 million which are therefore fully exempt under the revised Rules). Listco may announce that it will apply the exemption to these transactions, and the reporting or annual review of the transactions will not be required in the next annual report(s).</p>
21/03/2014	14A.12(1)(b)	20.10(1)(b)	28	3.	<p>Will an employees' share scheme or occupational pension scheme be regarded as being established for a wide scope of participants based on the fact that the interests of connected persons in the scheme are together less than 30%?</p>	<p>No. The scheme must satisfy both conditions to qualify for the trustee exemption. Whether or not a scheme is established for a wide scope of participants would depend on the circumstances of the individual cases.</p>
21/03/2014	14A.12(1)(b)	20.10(1)(b)	28	4.	<p>When determining the connected persons' aggregate interests in an employees' share scheme or occupational pension scheme, does the issuer have to take into account the interests of any employees who are relatives of the issuer's directors or substantial shareholder?</p>	<p>It will depend on whether the relatives are deemed to be associates of the directors/ substantial shareholder in the proposed transaction with the trustee of the scheme. The issuer should provide information for the Exchange to assess whether or not to apply the deeming provision, and judgement needs to be exercised in considering whether these persons stand to benefit from the transaction.</p>

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20/05/2010 (01/07/2014)	14A.12(2)(b)	20.10(2)(b)	10	12.	<p>Mr. X is a director of Listco. Company A is 20% owned by Mr. X and 40% owned by his son.</p> <p>Is a transaction between Listco and Company A a connected transaction?</p>	<p>Yes. Since Mr. X and his son together have a majority control over Company A, Company A is Mr. X's associate and the transaction is a connected transaction for Listco.</p>
28/02/2013 (01/07/2014)	14A.12(2)(b)	20.10(2)(b)	20	10.	<p>Mr. X is a director of Listco. Mr. Y is Mr. X's brother.</p> <p>Company A is held by Mr. Y who can exercise more than 50% of the voting power at its general meetings. As Company A is a "majority-controlled company" held by Mr. Y, it is an associate of Mr. X and therefore a connected person of Listco.</p> <p>Company B is 51% owned by Company A and is its subsidiary. Is Company B a connected person of Listco?</p>	<p>Yes. Company B is also a "majority-controlled entity" held by Mr. Y because Mr. Y can, through its interest in Company A, control more than 50% of the voting power at general meetings of Company B.</p>

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
21/03/2014	14A.14	20.12	28	5.	<p>Is Company B an associate of Mr. X in the following scenario?</p>  <pre> graph TD   X[X] -- "&gt; 50%" --&gt; Listco[Listco]   X -- "30%" --&gt; CompanyA[Company A]   Listco -- "40%" --&gt; CompanyB[Company B]   CompanyA -- "15%" --&gt; CompanyB </pre>	<p>Yes, because Company B is a 30%-controlled company of Mr. X, and it is not exempt under Rule 14A.14 as Company A (being Mr. X's associate) has an interest in Company B of more than 10%.</p>
21/03/2014	14A.14	20.12	28	6.	<p>Is Company D as an associate of Mr. X in the following scenario?</p>  <pre> graph TD   X[X] -- "&gt; 50%" --&gt; Listco[Listco]   X -- "15%" --&gt; CompanyC[Company C]   Listco -- "45%" --&gt; CompanyD[Company D]   CompanyC -- "55%" --&gt; CompanyD </pre>	<p>No. The exemption under Rule 14A.14 applies in this case because:</p> <ul style="list-style-type: none"> <li>(i) Mr. X's 45% interest in Company D is held through Listco; and</li> <li>(ii) Company C is not an associate of Mr. X. Neither Mr. X nor any of his associates has a direct interest in Company D.</li> </ul>
28/02/2013 (01/07/2014)	14A.16(1)	20.14(1)	20	8.	<p>Company A is a subsidiary of Listco. Mr. X is a director of Listco. Is Company A a connected person of Listco if Mr. X is also</p>	<ul style="list-style-type: none"> <li>(a) Company A is not a connected person of Listco simply because Mr. X is a director of Company A.</li> <li>(b) It would depend on Mr. X's shareholding in Company A. If Mr. X can control the exercise</li> </ul>



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					(a) a director of Company A? (b) a shareholder of Company A?	of 10% or more of the voting power at general meetings of Company A, Company A is a connected subsidiary and therefore a connected person of Listco.
20/05/2010 (01/07/2014)	14A.17	20.15	10	14.	<p>Companies A, B and C are non-wholly owned subsidiaries of Listco.</p>  <pre> graph TD     Listco -- 80% --&gt; CompanyA[Company A]     MrX[Mr. X] -- 20% --&gt; CompanyA     CompanyA -- 90% --&gt; CompanyB[Company B]     MrY[Mr. Y] -- 10% --&gt; CompanyB     CompanyA -- 90% --&gt; CompanyC[Company C]     MrX -- 10% --&gt; CompanyC           </pre> <p>Mr. X is a director of Listco. Mr. Y is not a connected person at the Listco's level.</p> <p>Company A is a connected person of Listco because of Mr. X's substantial interest in it. Companies B and C, being subsidiaries of Company A, are also connected persons.</p> <p>Does the exemption under this Rule apply to:</p> <p>(a) a transaction between Company A</p>	<p>(a) Yes, because Company B is a connected person only because it is a subsidiary of Company A.</p> <p>(b) No. Company C is a connected person because it is a subsidiary of Company A <u>AND</u> because Mr. X is a substantial shareholder in it. The transaction does not meet the conditions for the exemption.</p>

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
					and Company B; and (b) a transaction between Company A and Company C?	
20/05/2010 (01/07/2014)	14A.21, 14A.22	20.19, 20.20	10	13.	Mr. X is a director of Listco. Mr. Y is the Mr. X's nephew.  Company A is 20% owned by Mr. X and 40% owned by Mr. Y. Is a transaction between Listco and Company A a connected transaction?	Yes. Normally, the Exchange would aggregate the interests of Mr. X and Mr. Y in Company A and treat Company A as a connected person for the transaction. Listco should consult the Exchange.
21/03/2014	14A.24(2)	20.22(2)	28	8.	Listco has been granted an option to acquire a coal mine from its controlling shareholder within a period of three years from the date of grant.  (a) Under the option agreement, the option will be terminated if the mining license cannot be obtained within 12 months from the date of the agreement. Will such termination constitute a connected transaction for Listco?  (b) If Listco allows the option to lapse upon expiry of the option period (and the mining license was obtained), will this constitute a connected transaction for Listco?	(a) No. Since the termination of the option is made under the term of the agreement and Listco has no discretion over the termination, it does not constitute a transaction under Note to Rule 14A.24(2)(a).  (b) Yes. As Listco decides not to exercise the option, it must classify the transaction under Rule 14A.79(4) and comply with the applicable announcement and shareholder approval requirements before expiry of the option period.

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
28/11/2008 (01/07/2014)	14A.24(2)(a), 14A.25, 14A.79(3)	20.22(2)(a), 20.23, 20.77(3)	7	59.	<p>A listed issuer proposes to acquire a 70% interest in a target company from a third party vendor which is not a connected person of the listed issuer. At the same time, the parties would enter into an option agreement under which the vendor grants a call option (which is exercisable at the listed issuer's discretion) to the listed issuer for acquiring all the remaining 30% interest in the target company held by the vendor.</p> <p>Upon completion of the acquisition, the target company would be a subsidiary of the listed issuer and the vendor would become a connected person of the listed issuer given its substantial shareholding in the target company. Would the exercise of the call option by the listed issuer constitute a connected transaction under the Listing Rules?</p>	Whilst the vendor is not a connected person when the listed issuer enters into the option agreement, if the vendor has become a connected person at the time of the (discretionary) exercise of the option, the exercise of the option by the listed issuer would constitute a connected transaction pursuant to Main Board Rule 14A.25 / GEM Rule 20.23 and the listed issuer must comply with Main Board Rule 14A.79(3) / GEM Rule 20.77(3).
14/12/2009 (01/07/2014)	14A.24(4), 14A.25	20.22(4), 20.23	9	20.	<p>Company X is Listco's substantial shareholder.</p> <p>Listco proposes to acquire from an independent third party certain convertible notes issued by Company X.</p>	Although the counterparty is an independent third party, the acquisition would result in Listco holding the outstanding convertible notes and in substance providing financial assistance to Company X. The acquisition is a connected transaction for Listco.

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					Is this a connected transaction for Listco?	
21/03/2014	14A.24(4), 14A.25	20.22(4), 20.23	28	9.	<p>A wholly owned subsidiary of Listco proposes to obtain a bank loan which will be guaranteed by Listco's substantial shareholder on normal commercial terms. No security over the assets of Listco's group will be provided for the guarantee.</p> <p>Listco has agreed to indemnify the substantial shareholder for the loan guaranteed by it. Does the provision of the indemnity constitute a connected transaction for Listco?</p>	No. The indemnity is a financial assistance provided by Listco in favour of its wholly owned subsidiary, and is not a connected transaction.
21/03/2014	14A.24(4), 14A.25	20.24(4), 20.23	28	10.	<p>Subsidiary X is owned as to 90% by Listco and 10% by Mr. A who is a connected person at the subsidiary level.</p> <p>Listco has agreed to provide a guarantee for the full amount of a loan facility granted by a bank to Subsidiary X. Will it be regarded as provision of financial assistance to Mr. A on the basis that he is not required to provide any guarantee for the loan facility in proportion to his interest in Subsidiary</p>	No. The guarantee is provided by Listco for the benefit of Subsidiary X. It is not regarded as provision of financial assistance to Mr. A.

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					X?	
28/02/2013 (01/07/2014)	14A.24(6), 14A.25	20.22(6), 20.23	20	5.	<p>Listco has issued some convertible bonds (or warrants).</p> <p>If the bondholder (or warrant holder) is a connected person of Listco, would the issue of new shares by Listco to the connected person upon the exercise of the conversion rights (or subscription rights) according to the terms of the bonds (or warrants) constitute a connected transaction for Listco?</p>	No because Listco has no discretion over the conversion (or subscription), however, the issue of the convertible bonds (or warrants) to the connected person would have been a connected transaction.
21/03/2014	14A.25	20.23	28	11.	<p>Listco has entered into an agreement to acquire a target company from Company A. Listco has also entered into an agreement with Company A for purchase of raw materials at the then market prices from time to time for a 3-year period after the completion of the acquisition.</p> <p>Company A is an independent third party at the time of entering into the above agreements, but it will become a substantial shareholder of Listco by receiving consideration shares issued by Listco to it upon completion of the acquisition of the target company.</p>	Yes, as the terms are not fixed at the time Company A is an independent third party, Listco must comply with all applicable announcement, reporting, annual review and shareholder approval requirements in relation to the agreement for the purchase transactions.

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					Will the purchase of raw materials from Company A constitute a connected transaction?	
28/11/2008 (01/07/2014)	14A.25, 14A.89, 14A.90	20.23, 20.87, 20.88	7	57.	<p>Company I is the non-wholly owned subsidiary of a listed issuer and is owned as to 80% and 20% by the listed issuer and Company X respectively. Company X is a connected person of the listed issuer (a connected person at the level of the issuer's subsidiaries) only by virtue of its substantial shareholding in Company I.</p> <p>The listed issuer and Company X propose to provide shareholders' loans to Company I in proportion to their respective interest in Company I.</p> <p>Will the pro rata shareholders' loan arrangement be subject to the connected transaction rules?</p>	<p>Since Company I is neither a connected person of the listed issuer nor a company falling under Main Board Rule 14A.27/ GEM Rule 20.25, the provision of the shareholder's loan by the listed issuer to Company I will not be a connected transaction.</p> <p>The provision of the shareholder's loan by Company X to Company I will constitute a connected transaction for the listed issuer under Main Board Rule 14A.25 / GEM Rule 20.23. Such shareholder's loan will be exempt from reporting, announcement and shareholders' approval requirements under Main Board Rule 14A.90/ GEM Rule 20.88 if it is provided by Company X on normal commercial terms (or better to the listed issuer) and no security is granted over the assets of the listed issuer in respect of the shareholder's loan.</p>
28/11/2008 (01/07/2014)	14A.25, 14A.92(1)	20.23, 20.90(1)	7	37.	A listed issuer and its holding company formed a 80:20 joint venture. The joint venture is accounted for as a (non wholly owned) subsidiary of the listed issuer.	Given that the joint venture is a connected person of the listed issuer pursuant to Main Board Rule 14A.16(1)/ GEM Rule 20.14(1), the capital contribution by the listed issuer to the joint venture constitutes a connected transaction

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					<p>The listed issuer and its holding company propose to make a further capital contribution to the joint venture in form of cash, in proportion to their existing shareholding interests in the joint venture.</p> <p>Will the capital contributions by the listed issuer and its holding company constitute connected transactions?</p>	<p>under Main Board Rule 14A.25/ GEM Rule 20.23 subject to announcement, reporting and shareholders' approval requirements.</p> <p>Since the holding company of the listed issuer is a connected person, its capital contribution to the joint venture (being a subsidiary of the listed issuer) also constitutes a connected transaction under Main Board Rule 14A.25/ GEM Rule 20.23. The capital contribution by the holding company will be exempt from the announcement, reporting and shareholders' approval requirements under Main Board Rule 14A.92(1) / GEM Rule 20.90(1) on the basis that the holding company's capital contribution will be made in proportion to its shareholding interests in the joint venture.</p>
28/02/2013 (01/07/2014)	14A.26, 14A.28	20.24, 20.26	20	6.	<p>Company A is owned as to:</p> <ul style="list-style-type: none"> <li>- 10% by Listco;</li> <li>- 10% by Mr. X who is a director of Listco; and</li> <li>- 80% by certain independent third parties.</li> </ul> <p>Listco providing financial assistance to Company A is a connected transaction for Listco as Company A is a commonly held entity.</p> <p>If Listco proposes to subscribe new</p>	<p>Yes. Although Company A is not a connected person of Listco, the proposed subscription is a connected transaction for Listco under Rule 14A.28 because it involves Listco acquiring an interest in Company A, and Mr. X (a controller of Listco) is a substantial shareholder of Company A.</p>

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
					shares in Company A for cash, is it a connected transaction for Listco?	
28/11/2008 (01/07/2014)	14A.28	20.26	7	38.	<p>A listed issuer proposes to acquire 60% interest in Company G which is wholly owned by Individual P, an independent third party.</p> <p>After the acquisition, Individual P will continue to hold 40% interest in Company G which will be a 60% owned subsidiary of the listed issuer.</p> <p>(1) Does the acquisition constitute a connected transaction?</p> <p>(2) Will the answer to (1) be different if Individual P is to be appointed as a director of the listed issuer after the acquisition?</p>	<p>(1) Since Individual P is not a connected person of the listed issuer at the time of the transaction, the acquisition does not fall within the definition of “connected transaction” under Main Board Rule 14A.25/ GEM Rule 20.23.</p> <p>Since Individual P will not become a controller of the listed issuer as defined in Main Board Rule 14A.28(1)/ GEM Rule 20.26(1) after the acquisition, the acquisition does not fall within the definition of “connected transaction” under Main Board Rule 14A.28/ GEM Rule 20.26.</p> <p>(2) If Individual P is to be appointed as a director of the listed issuer after the acquisition, he will become a controller under Main Board Rule 14A.28(1)/ GEM Rule 20.26(1) and the acquisition will fall within the definition of “connected transaction” under Main Board Rule 14A.28/ GEM Rule 20.26.</p>
28/11/2008 (01/07/2014)	14A.34	20.32	7	32.	A listed issuer proposes to enter into a connected transaction which is exempt from the reporting, announcement and independent shareholders’ approval	Yes. Pursuant to Main Board Rule 14A.34/ GEM Rule 20.32, a listed issuer and its subsidiaries must enter into written agreements in respect of all connected transactions undertaken.



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					<p>requirements under Chapter 14A of the Main Board Rules or Chapter 20 of the GEM Rules.</p> <p>Is the listed issuer required to enter into a written agreement for the connected transaction?</p>	
28/11/2008 (01/07/2014)	14A.37, 13.36	20.35, 17.39, 17.41	7	53.	<p>Company I proposes to acquire a property from one of its directors, which constitutes a discloseable and connected transaction. The consideration for the proposed acquisition will be settled by issuing new shares of Company I to the vendor.</p> <p>No shareholder is required to abstain from voting if Company I were to convene a general meeting for the approval of the proposed acquisition. Company I has obtained the written approval of the transaction from its parent company holding 60% interest in Company I.</p> <p>Will the Exchange grant a waiver to Company I from convening a general meeting to approve the connected transaction pursuant to Main Board Rule 14A.37/ GEM Rule 20.35? Can</p>	<p>As Company I is able to meet all the conditions set out in Main Board Rule 14A.37 / GEM Rule 20.35, a waiver from convening a general meeting to approve the proposed acquisition would normally be granted to Company I for the purpose of connected transaction rules.</p> <p>On the basis that Company I has obtained independent shareholder approval for the proposed acquisition, and the method of settling the consideration was clearly disclosed and not subject to amendment, Company I would be permitted to issue the consideration shares to the vendor pursuant to a general mandate according to Note 1 to Main Board Rule 13.36(2)(b) / the Note to GEM Rule 17.41(2).</p>

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					Company I issue the consideration shares using the existing general mandate?	
01/07/2014	14A.40, 14A.45	20.38, 20.43	28	11A.	<p>Rules 14A.40 and 14A.45 require the independent board committee and the independent financial adviser to give opinions on, among others, whether the connected transaction is in the ordinary and usual course of business of the issuer's group.</p> <p>Does the above requirement apply to one-off connected transactions such as merger and acquisition or continuing connected transactions that do not form part of the issuer's existing principal business activities?</p>	Yes. If the proposed connected transaction is not conducted in the ordinary and usual course of business of the issuer, the independent board committee and independent financial adviser can make a negative statement and explain why the transaction is in the interest of the issuer and its shareholders as a whole.
28/02/2013 (01/07/2014)	14A.49, Appendix 16 – Paragraph 8(2)	20.47, 18.09(2)	20	23.	Listco discloses in its annual report information of a related party transaction according to the accounting standards. If such transaction is a fully exempt connected transaction under Chapter 14A, does Listco need to comply with the disclosure requirement under Paragraph 8(2) of Appendix 16?	Yes. Listco should specify that the related party transaction is a connected transaction under Chapter 14A and describe the exemption applicable to the transaction.
28/02/2013 (01/07/2014)	14A.51, 14A.52	20.49, 20.50	20	14.	Listco proposes to sell certain products to a connected person on normal	A framework agreement is not required if the proposed transactions are fully exempt.

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					<p>commercial terms.</p> <p>The proposed continuing connected transactions in the current financial year would be fully exempt under the de minimis exemption. Would Listco be required to enter into a framework agreement for these transactions?</p>	
01/07/2014	14A.51, 14A.52,	20.49, 20.50	28	11B.	<p>An issuer proposes to enter into an agreement with its connected person for sale of products where the consideration will be charged based on cost plus 2% mark-up.</p> <p>(a) Is it acceptable for the issuer to disclose the pricing mechanism (i.e. cost-plus method) without the 2% mark-up percentage?</p> <p>(b) Our Guidance Letter (GL 73-14) on pricing policies for continuing connected transactions states that where an issuer has difficulty in agreeing on specific pricing terms for its continuing connected transaction, it should disclose the method and procedures that it will follow to determine the price and terms of the transaction.</p>	<p>(a) No. The issuer is obliged to disclose the 2% mark-up percentage because it is part of the terms of the transaction.</p> <p>(b) No. Given there are specific pricing terms in the agreement, the issuer only has to disclose the pricing term contained in the agreement and explain why the issuer's directors consider that they are normal commercial terms. The announcement/circular must also contain the view of the independent non-executive directors on the terms of the transactions.</p>

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
					Does the issuer have to disclose the methods and procedures for determining the pricing term of the sale transaction?	
01/07/2014	14A.51, 14A.52,	20.49, 20.50	28	11C.	An issuer proposes to enter into a framework agreement for a continuing connected transaction.  If the issuer cannot agree with the connected person on specific pricing terms for the transaction, how should it comply with the disclosure requirement on the pricing policy?	The issuer should agree with the connected person a framework for determining the pricing and terms of the transaction and disclose this pricing framework in the agreement and its announcement/circular. This pricing framework would likely be the same as that for transactions conducted by the issuer with independent third parties. See paragraph 9 of the Exchange's Guidance Letter (GL73-14) for further guidance.
01/07/2014	14A.51, 14A.52,	20.49, 20.50	28	11D.	An issuer proposes to enter into a framework agreement with its parent company for sale of different types of products.  If different pricing policies apply to the different types of products, does the issuer have to disclose the pricing policy for each type of products?	The issuer should categorise the products by their pricing policies and disclose separate pricing policies for each product category.
01/07/2014	14A.51, 14A.52,	20.49, 20.50	28	11E.	An issuer proposes to supply natural gas to its parent company based on government prescribed price that may change from time to time.	The issuer should disclose all the relevant details such as the name of the relevant government authority setting the reference price, how and where the price is disclosed or determined and, if applicable, the frequency of update to the price.

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					How should the issuer describe the pricing policy for this continuing connected transaction?	
28/11/2008 (01/07/2014)	14A.52	20.50	7	49.	Can a listed issuer enter into a written agreement in respect of a continuing connected transaction for a term of 3 years which will be automatically renewed unless both parties agree to terminate the agreement?	No. Under Main Board Rule 14A.52/ GEM Rule 20.50, the period for an agreement in respect of a continuing connected transaction must be fixed.  In the circumstance described, the renewal of the agreement upon the expiry of the initial term of 3 years is not at the listed issuer's discretion nor, where applicable, subject to further independent shareholder approval and the agreement would continue unless both the listed issuer and the counterparty agree to terminate the agreement. On this basis, the agreement will not be regarded to have a fixed term as required under Main Board Rule 14A.52/ GEM Rule 20.50.
28/02/2013 (01/07/2014)	14A.52	20.50	20	16.	Listco is principally engaged in mining and production of certain mineral resources.  It proposes to enter into an off-take agreement with a connected person to sell part of its future mineral production to that person. Is it acceptable if the off-take agreement covers a period of more than 3 years?	Yes, if Listco can provide an independent financial adviser's opinion to explain why a longer period for the agreement is required and confirm that it is normal business practice for this type of agreements to be of that duration.

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01/07/2014	14A.52	20.50	28	11F.	<p>An issuer proposes to enter into a framework agreement for a continuing connected transaction with a director of its subsidiary. The transaction is exempt from the shareholder approval, independent financial advice and circular requirements under Rule 14A.101.</p> <p>If the agreement is more than three years, does the issuer have to appoint an independent financial adviser under Rule 14A.52 to confirm that it is normal business practice for agreement of this type to be of such duration?</p>	Yes. Rule 14A.52 applies to continuing connected transactions with persons connected at the subsidiary level if the transactions are more than three years.
28/11/2008 (01/07/2014)	14A.52, 14A.53	20.50, 20.51	7	50.	<p>A listed issuer proposes to enter into an agreement for certain continuing connected transaction for a period of 6 years. Pursuant to Main Board Rule 14A.52/ GEM Rule 20.50, the listed issuer has obtained the opinion of an independent financial adviser explaining why a longer period for the agreement is required and confirming that it is normal business practice for contracts of such type to be of a duration of 6 years.</p> <p>(1) Is the listed issuer required to disclose the views of the</p>	<p>(1) Yes. The information is necessary to enable shareholders to understand whether the agreement is entered into by the listed issuer on normal commercial terms. Such information should be disclosed in its circular to shareholders or, if the transaction is subject to the announcement and reporting requirements only, the announcement published under Main Board Rule 14A.35/ GEM Rule 20.33.</p> <p>(2) Yes. If the listed issuer cannot set annual caps for the entire term of agreement for any reasons, the listed issuer should seek guidance from the Exchange. The listed</p>

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					<p>independent financial adviser?</p> <p>(2) Is the listed issuer required to set annual caps in respect of the continuing connected transaction for the entire period for the agreement and comply with the applicable Listing Rules when it first enters into the agreement?</p>	<p>issuer would normally be required to set annual caps for a shorter period (say 3 years) and re-comply with the relevant Listing Rule requirements (including setting annual caps, issuing announcements and/or obtaining shareholders' approval) before the end of that (3 year) period.</p>
28/02/2013 (01/07/2014)	14A.52, 14A.60	20.50, 20.58	20	15.	<p>Some time ago, Listco and Mr. X (an independent third party at that time) entered into an agreement with fixed terms for leasing a factory building for 10 years.</p> <p>Listco now proposes to appoint Mr. X as a director, and the lease of the factory building will be a continuing connected transaction for Listco. Would Listco be required to provide an independent financial adviser's opinion on the duration of the lease agreement given that its duration is longer than 3 years?</p>	<p>Under Rule 14A.60, Listco should comply with all applicable reporting, annual review and disclosure requirements for the lease agreement.</p> <p>The requirement for an independent financial adviser's opinion on the duration of the agreement under Rule 14A.52 would not apply.</p>
28/11/2008 (01/07/2014)	14A.53	20.51	7	51.	<p>Main Board Rule 14A.53 35(2)/ GEM Rule 20.5135(2) requires a listed issuer to set an annual cap for a continuing connected transaction not falling under Main Board Rule 14A.33/ GEM Rule 20.33.</p>	<p>While this is a matter to be decided by the listed issuer, we encourage it to set the annual cap with reference to its financial year. The reason is that in our experience this would reduce the work and cost of the annual review of the continuing connected transaction required under Main Board</p>

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					Should the listed issuer set the annual cap with reference to its financial year or calendar year?	Rule 14A.56 38(4)/ GEM Rule 20.5438(4).
28/02/2013 (01/07/2014)	14A.53, 14A.68(4)	20.51, 20.66(4)	20	17.	For continuing connected transactions involving purchases or sales of commodity products in an issuer's ordinary and usual course of business, can the issuer propose annual caps of a fixed quantum as monetary caps may not be meaningful due to volatility in the commodity prices?	The connected transaction Rules require annual caps for continuing connected transactions be expressed in monetary terms. However, as described in the 2007 Listing Committee Annual Report, the Exchange may consider waiving the monetary cap requirement provided that the issuer discloses alternative caps of a fixed quantum, and a sensitivity analysis to illustrate how changes to the commodity prices will affect the value of the continuing connected transactions. When setting the alternative caps, the issuer would need to estimate the volume of the transactions and not the future commodity prices.  An issuer should consult the Exchange if it wishes to apply for the waiver.
01/07/2014	14A.54	20.52	28	11G.	Listco has announced and obtained shareholder approval for entering into a master agreement with its parent company, which covers four different types of continuing connected transactions with separate annual caps.	Yes. Listco must re-comply with the announcement and shareholder approval requirements under Rule 14A.54 because the actual amount of the sales of goods and supply of utilities to its parent company will exceed their individual annual caps.



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					<p>During the year, Listco expects that the actual amount of two types of continuing connected transactions under the agreement will exceed their annual caps. However, the total annual cap for all transactions under the agreement will remain unchanged.</p> <p>Is Listco required to re-comply with the announcement and shareholder approval requirements?</p>	
28/02/2013 (01/07/2014)	14A.54, 14A.76	20.52, 20.74	20	13.	<p>Listco and a connected person have entered into an agreement for certain continuing connected transactions in the next 3 years. Based on the percentage ratios calculated at that time, the transactions were exempt from the independent shareholder approval requirement under the de minimis exemption.</p> <p>When Listco publishes its next audited accounts, will it be required to calculate the percentage ratios again to determine whether the transactions under the remaining term of the agreement still qualify for the de minimis exemption?</p>	<p>No, if Listco has already complied with the applicable requirements for the transactions at the time it entered into the agreement and the aggregate value of the transactions were within the annual cap.</p> <p>However, if the cap is exceeded or Listco proposes to renew the agreement or negotiate a material change to its terms, Listco would need to calculate the percentage ratios based on its latest published accounts and re-comply with the applicable connected transaction requirements.</p>

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01/07/2014	14A.55, 14A.56	20.53, 20.54	28	11H.	<p>An issuer has entered into agreements for certain continuing connected transactions which are not fully exempt under Chapter 14A of the Rules.</p> <p>Does the issuer have to comply with the requirements for annual review by its independent non-executive directors and auditors if no continuing connected transaction has taken place during the year?</p>	No.
21/03/2014	14A.60	20.58	28	12.	<p>Rule 14A.60 applies where the issuer has entered into an agreement with fixed terms for a continuing transaction.</p> <p>Please clarify the meaning of (a) an agreement with fixed terms; and (b) a framework agreement.</p>	<p>(a) An agreement with fixed terms refers to an agreement which sets out the specific terms for a continuing connected transaction, including the actual or per unit consideration in monetary terms, or a fixed formula for determining the consideration, or specific reference prices (e.g. prices prescribed by government or commodity prices quoted on an exchange) which form the basis of the consideration and where the volume transacted (e.g. number of units) is fixed.</p> <p>(b) A framework agreement refers to an agreement which sets out the framework within which a series of continuing connected transactions are to be conducted over a period. The actual terms of each transaction would be negotiated on a per transaction</p>

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						bases. The consideration for individual transactions may be subject to pricing guidelines or based on a range of parameters. Some of these agreements provide that the individual transaction will be conducted at market prices or the terms of individual transactions will be negotiated on an arm's length basis.
14/12/2009 (01/07/2014)	14A.68(6)	20.66(6)	9	22.	<p>Under the Listing Rules, when an issuer proposes to sell to a connected person an asset which it has held for 12 months or less, it must disclose the original acquisition cost of the asset in the announcement.</p> <p>Does this disclosure requirement apply if the disposal target is a company set up by the issuer for 12 months or less?</p>	<p>The disclosure requirement is intended to apply to disposals of assets (including companies or businesses) that were acquired by the issuer in the last 12 months.</p> <p>In this case, the requirement would apply if the disposal is in substance a disposal of the underlying assets that were acquired by the issuer in the last 12 months.</p>
28/11/2008 (01/07/2014)	14A.70(8)	20.68(8)	7	55.	<p>Does Main Board Rule 14A.70(8) / GEM Rule 20.68(8) apply to the acquisition of exploitation right in respect of a coal mine?</p> <p>Main Board Rule 14A.70(8)/ GEM Rule 20.68(8) applies as long as the primary significance of the asset being acquired or disposed of is its capital value.</p>	In the circumstance described, the listed issuer would acquire an exploitation right for natural resources and the primary significance of such asset would be its capital value. Under Main Board Rules 18.09(3) and 18.10/ GEM Rules 18A.09(3) and 18A.10, a valuation is required for a major or above acquisition of mineral and/or petroleum assets. For the purpose of Main Board Rule 14A.70(8)/ GEM Rule 20.68(8), we will apply the same principle and will only require a

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						valuation if the transaction is classified as major or above.
28/11/2008 (01/07/2014)	14A.70(8)	20.68(8)	7	56.	Does Main Board Rule 14A.70(8)/ GEM Rule 20.68(8) apply to the acquisition of machinery and equipment by listed issuers?	Given that the primary significance of machinery and equipment is their capital value, the listed issuer will be required to comply with Main Board Rule 14A.70(8)/ GEM Rule 20.68(8) and include in its circular the report prepared by an independent valuer on the valuation of the machinery and equipment to ensure that sufficient information is provided for shareholders to make an informed decision.
28/11/2008 (01/07/2014)	14A.76	20.74	7	43.	Do the de minimis exemptions under Chapter 14A of the Main Board Rules / Chapter 20 of the GEM Rules apply to all types of connected transactions that do not exceed the thresholds specified therein?	The de minimis exemptions do not apply to (a) connected transactions which are not on normal commercial terms; or (b) connected transactions which involve issue of new securities by a listed issuer to a connected person.
28/11/2008 (01/07/2014)	14A.76, 14A.78	20.74, 20.76	7	46.	Are the assets ratio and the revenue ratio applicable to continuing connected transactions involving: (a) sales of goods or services by listed issuers; (b) purchase of goods or services by listed issuers; and (c) lease of properties by listed issuers?	For the purposes of classifying a connected transaction, listed issuers are required to compute the percentage ratios (other than the profits ratio) to assess the size of the transaction relative to that of the listed issuer pursuant to Main Board Rules 14A.76 and 14A.78/ GEM Rule 20.74 and 20.76. Listed issuers are therefore required to compute the assets ratio, revenue ratio and consideration ratio for the continuing connected transaction using the annual cap as

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						the numerators.
28/11/2008 (01/07/2014)	14A.76, 14A.78 14A.80	20.74, 20.76 20.78	7	47.	<p>A listed issuer proposes to enter into an agreement with its substantial shareholder in respect of the purchase of raw materials from the substantial shareholder for a period of 6 months. The listed issuer expects that it will continue to carry out such transaction with the substantial shareholder after the 6-month period.</p> <p>Should the listed issuer compute the percentage ratios for the proposed transaction using the cap estimated based on the value of transaction under the term of the agreement (i.e. the 6-month period)?</p>	<p>For a continuing connected transaction that is on normal commercial terms, the de minimis exemption under Main Board Rule 14A.76 / GEM Rule 20.74 applies if each of the percentage ratios (other than the profits ratio) is on <i>an annual basis</i> less than the threshold set out in the rule.</p> <p>In the circumstances described, the percentage ratios are calculated based on the estimated maximum value of the transaction under the agreement. Nevertheless, the Exchange may consider the calculation of the percentage ratios be anomalous given the parties' intention to continue with the transaction after the relevant 6-month period. The Exchange may require the listed issuer to submit alternative size tests calculated based on the reasonable estimated value of the transaction on an annualised basis to ensure an appropriate comparison of the size of the transaction against that of the listed issuer.</p>
21/03/2014	14A.76, 14A.87	20.74, 20.85	28	16.	Does the de minimis exemption under Rule 14A.87 apply to financial assistance provided by an issuer or its subsidiary which is not a banking company?	Rule 14A.87 applies to banking companies only. For an issuer which is a non-banking company, it may apply the de minimis exemption under Rule 14A.76 if the financial assistance is provided to connected person on normal commercial terms and falls within the de minimis threshold.

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01/07/2014	14A.76, 14A.91	20.74, 20.89	28	13A.	Can an issuer apply the de minimis exemptions under Rule 14A.76 for provision of an indemnity for its director which is not exempt under Rule 14A.91?	The issuer may apply the de minimis exemptions only if it can ascertain the maximum exposure that may arise from the director's indemnity arrangement. In this case, it should compute the asset ratio and consideration ratio based on the estimated maximum exposure amount.
01/07/2014	14A.76, 14A.96	20.74, 20.94	28	13B.	How should an issuer compute the size tests for purchase of insurance for its director which is not exempt under Rule 14A.96?	The issuer should compute the asset ratio, revenue ratio and consideration ratio based on the maximum annual amount of premium payable under the director's insurance.
21/03/2014	14A.76(1), 14A.76(2), 14A.90	20.74(1), 20.74(2), 20.88	28	13.	An issuer proposes to obtain a loan from its controlling shareholder on normal commercial terms. Since the loan will be secured by certain assets of the issuer, it is not exempt under Rule 14A.90.  Can the issuer apply the de minimis exemptions to the above transaction? If yes, how should the issuer compute the size tests for classifying the transaction?	The issuer may apply the de minimis exemption. It should compute the assets ratio and consideration ratio based on the principal amount of the loan and the revenue ratio based on the annual interests payable to its controlling shareholder. Given the loan is to be secured by the issuer's assets, the issuer should also compute the asset ratio and consideration ratio based on the value of the assets and also the revenue ratio based on any identifiable revenue stream generated from the assets.
20/05/2010 (01/07/2014)	14A.76(1)(b)	20.74(1)	10	9.	Subsidiary A is 80% owned by Listco and 20% owned by a director of Listco.  Does the new threshold of 1% under paragraph (b) of the Rule apply to a transaction between Listco and	No. Paragraph (b) of the Rule applies to transactions involving connected persons at the subsidiary level only. Subsidiary A does not qualify for the exemption because it is connected by virtue of Listco's director's 20% interest in it.

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					Subsidiary A?	
28/11/2008 (01/07/2014)	14A.79(3), 14.76(2)	20.77(3), 19.76(2)	7	60.	<p>A listed issuer proposes to enter into a transaction involving the grant of an option to the listed issuer to acquire an asset from an independent third party. The option is exercisable at the discretion of the listed issuer.</p> <p>At the time of the grant of the option, the listed issuer does not have any plan or timetable on whether and when it will exercise the option to acquire the target asset.</p> <p>It proposes to seek shareholders' approval for the exercise of an option, in addition to seeking any shareholders' approval necessary for the entering into of the option.</p> <p>The actual monetary value of the total consideration payable upon exercise and all other relevant information are known and would be disclosed to the shareholders at the time when the shareholders' approval is obtained. There is no change in any relevant facts at the time of exercise.</p>	<p>(1) The listed issuer may, at the time of entering into an option, seek any shareholders' approval necessary for the exercise of the option (in addition to seeking any shareholders' approval necessary for entering into of the option). Such approval, if obtained, will be sufficient for satisfying the shareholders' approval requirement for notifiable transactions pursuant to Main Board Rule 14.76(2)/ GEM Rule 19.76(2).</p> <p>(2) If the vendor is a connected person of the listed issuer at the time of exercise of the option, the listed issuer will be required to compute the percentage ratios at the time of exercise of the option pursuant to Main Board Rule 14A.79(3) / GEM Rule 20.77(3), irrespective of whether it has sought shareholders' approval for the exercise of option at the time of entering into an option. Depending on the result of the relevant percentage ratios, the listed issuer may be required to comply with the announcement, reporting and shareholders' approval requirements at the time of exercise of the option.</p>

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					<p>(1) Will the listed issuer be required to seek separate shareholders' approval at the time of exercise of the option?</p> <p>(2) Will the answer to (1) be different if the vendor of the target asset is a connected person of the listed issuer?</p>	
21/03/2014	14A.79(4)(b)	20.77(4)(b)	28	14.	<p>An issuer is allowed to adopt the new alternative tests under Rule 14A.79(4)(b) for classifying transfer or termination or non-exercise of options if an asset valuation is provided by an independent expert using generally acceptable methodologies.</p> <p>(a) Does an issuer have to seek the Exchange's prior consent to adoption of the alternative tests under Rule 14A.79(4)(b) ?</p> <p>(b) Please clarify what are "generally acceptable methodologies" referred to in Rule 14A.79(4)(b) and who is qualified to provide such asset valuation.</p>	<p>(a) Yes.</p> <p>(b) The valuation should follow the valuation standards that are widely used by professional asset/business valuers in the market and the valuer must be regulated by a recognised professional body. Examples of acceptable valuation standards include International Valuation Standards, Hong Kong Institute of Surveyor Valuation Standards on Trade-related Business Assets and Business Enterprise, The Hong Kong Business Valuation Forum Business Valuation Standards.</p>
01/07/2014	14A.79(4)(b)	20.77(4)(b)	28	14A.	Under Rule 14A.79(4)(b), the Exchange	No. The issuer should compute the alternative



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					<p>may allow an issuer to adopt the alternative classification test for transfer, termination or non-exercise of option granted by a connected person. Under the alternative classification test, the issuer must compute the asset and consideration ratios based on the higher of:</p> <p>(i) the difference between the exercise price and the underlying asset value; and</p> <p>(ii) The consideration or amount payable or receivable by the issuer's group.</p> <p>Should the issuer use the consideration payable or receivable upon the exercise of the option for (ii) above?</p>	classification test under Rule 14A.79(4)(b)(ii) using consideration or amount payable or receivable (if any) for the transfer, termination or non-exercise of the option.
28/02/2013 (01/07/2014)	14A.81	20.79	20	12.	Is it correct that the Exchange would not aggregate a continuing connected transaction of an income nature with a continuing connected transaction of an expense nature?	No. The Exchange may aggregate income and expense items if it considers the transactions are related. See also Listing Decisions LD64-4 and LD14-2011.
28/02/2013 (01/07/2014)	14A.81, 14A.82, 14A.83	20.79, 20.80, 20.81	20	11.	In Year 1, Listco signed an agreement for selling certain types of goods to its parent group (the <b>First Transactions</b> ) in Years 1 to 3.	The Exchange considers that the Second Transactions and the First Transactions are related as they are entered into by Listco with the same connected person and are of similar nature.

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					<p>In Year 2, Listco proposes to sell a new type of goods to its parent group (the <b>Second Transactions</b>) over Years 2 to 3. Based on the annual caps, these continuing connected transactions would be exempt from the independent shareholder approval requirement under the de minimis exemption. Would the Exchange require Listco to aggregate the Second Transactions with the First Transactions in Years 2 and 3 in the following circumstances?</p> <p>(a) The First Transactions were exempt from the independent shareholder approval requirement under the de minimis exemption.</p> <p>(b) The First Transactions were non-exempt continuing connected transactions, and Listco had complied with the connected transaction requirements for these transactions, including the independent shareholder approval requirement.</p>	<p>(a) Listco would need to aggregate the transactions. If the percentage ratio(s) calculated on an aggregate basis exceed the de minimis threshold, the Second Transactions would require independent shareholder approval.</p> <p>(b) As Listco had already complied with all the connected transactions requirements for the First Transactions, the Exchange would not require Listco to aggregate the Second Transactions with the First Transactions.</p>
28/02/2013 (01/07/2014)	14A.89	20.87	20	21.	<p>Company A is owned as to:</p> <ul style="list-style-type: none"> <li>- 20% by Listco;</li> <li>- 70% by Mr. X who is a director of</li> </ul>	(a)(i) Yes. The loan made by Listco is in proportion to its interest in Company A.

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					<p>Listco and</p> <ul style="list-style-type: none"> <li>- 10% by certain independent third parties.</li> </ul> <p>(a) Company A is a “commonly held entity” under Rule 14A.27. It proposes to borrow money from its shareholders on normal commercial terms to finance a new project. Is Listco’s financial assistance to Company A exempt under Rule 14A.89 in the following circumstances?</p> <ul style="list-style-type: none"> <li>(i) Listco provides a loan of HK\$20 million while Mr. X and/or the other shareholders provide loans of HK\$80 million.</li> <li>(ii) Listco and Mr. X provide loans of HK\$20 million and HK\$70 million to Company A respectively.</li> </ul> <p>(b) If Company A proposes to raise funds by issuing new shares, would Listco’s subscription of new shares in Company A be a connected transaction? If yes, would the proposed subscription be exempt on</p>	<p>(a)(ii) No. The loan made by Listco represented about 22% of the total amount of loans, which is not in proportion to its interest in Company A.</p> <p>(b) The proposed subscription is a connected transaction for Listco as Company A is an associate of Mr. X and therefore a connected person of Listco.</p> <p>Rule 14A.89 applies to provision of financial assistance only. The proposed subscription would not be exempt simply because it is made by Listco in proportion to its interest in Company A.</p>

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					the basis that it is made in proportion to Listco's interest in Company A?	
21/03/2014	14A.89	20.87	28	17.	<p>Company A is 60% owned by Listco and 40% by Listco's controlling shareholder.</p> <p>Company A has obtained a bank facility for which Listco has provided a full guarantee in favour of the bank (the "Bank Guarantee"). As Company A is a connected subsidiary of Listco, the provision of the Bank Guarantee constitutes a connected transaction for Listco.</p> <p>Can Listco apply the exemption under Rule 14A.89 if Listco's controlling shareholder has agreed to a counter-guarantee to Listco for 40% of the outstanding loan balance drawn by Company A under the bank facility?</p>	No. The exemption under Rule 14A.89 applies only if the guarantee provided by Listco is in proportion to its interest in Company A and on a several basis.
21/03/2014	14A.91	20.89	28	18.	(1) Does the new exemption for providing directors' indemnity apply if the indemnity relates to the director's liabilities to third parties in connection with negligence, default and breach of duty by directors?	<p>(1) No, because provision of indemnity that relates to such director's liabilities is not allowed under the Hong Kong Companies Ordinance.</p> <p>(2) No, because the indemnity does not meet all the conditions set out in the Rule.</p>

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					(2) What if the indemnity covers directors' liabilities which are not limited to those arising from his proper discharge of duties?	
21/03/2014	14A.91, 14A.95, 14A.96	20.89, 20.93, 20.94	28	19.	If a director's service contract covers provision of indemnity or purchase of insurance which is not exempt under Rules 14A.91 and 14A.96, can the issuer apply the directors' service contract exemption under Rule 14A.95?	No.
29/05/2015	14A.92, 14A.101, Note 1 to 13.36(2)(b)	20.90, 20.99, Note to 17.41(2)	28	21B.	<p>Company A is the substantial shareholder of a subsidiary of Listco. It is a connected person of Listco at the subsidiary level.</p> <p>Listco proposes to place new shares for cash to Company A. Can Listco apply the exemption for transactions with connected persons at the subsidiary level under Rule 14A.101 to exempt the proposed placing from the independent shareholder approval requirement under Chapter 14A?</p>	No. Transactions or arrangements involving issuance of new shares by a listed issuer to its connected persons are exempt from the connected transaction Rules only if they fall under the circumstances described in Rule 14A.92. As Company A is a connected person of Listco, the issue of new shares of Listco to it will be subject to the announcement, reporting and shareholder approval requirements under Chapter 14A.
01/07/2014	14A.92(2), 14A.76	20.90(2), 20.74	28	21A.	An issuer proposes a right issue which will be underwritten by its controlling shareholder. The underwriting fee will be charged at the market rate.	The issue of shares to the controlling shareholder in his capacity as the underwriter will be fully exempt from the connected transaction Rules if the issuer has complied with Rule 7.21.

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					Will the underwriting arrangement be exempt from the connected transaction Rules?	The payment of fee to the controlling shareholder may be exempt from the announcement, reporting and shareholder approval requirement only if the underwriting fee is below the de minimis thresholds under Rule 14A.76.
21/03/2014	14A.95, Note 1 to 13.36(2)(b)	20.93, Note to 17.41 (2)	28	20.	Mr. A is a director of Listco. Under his director service contract, he may be entitled to receive share awards to be granted under Listco's share award scheme.  Can Listco apply the directors' service contract exemption under Rule 14A.95 if the share awards are granted to Mr. A in form of new shares of Listco?	No. Transactions or arrangements involving issuance of new shares by a listed issuer to its connected persons are exempt from the connected transaction Rules only if they fall under the circumstances described in Rule 14A.92. Therefore, the grant of share awards in form of new shares to Mr. A will be subject to the announcement, reporting and shareholder approval requirements under Chapter 14A.
21/03/2014	14A.96	20.94	28	21.	Listco proposes to purchase insurance for Mr. A against liabilities to third party that may be incurred in the course of performing his duties as a director of Listco as well as the manager of certain subsidiaries of Listco.  Does the new exemption for purchasing directors' insurance apply to the above insurance arrangement?	Yes, provided that the arrangement is in the form permitted under the laws of Hong Kong and Listco's place of incorporation.
28/02/2013	14A.97	20.95	20	19.	Listco's businesses include constructing	No. The service to be provided to Listco is not of

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(01/07/2014)					<p>and operating toll roads. It proposes to employ a connected person to develop a computer system for toll fee collection and provide technical support for the system.</p> <p>Is the proposed transaction eligible for the consumer goods or services exemption?</p>	a type ordinarily supplied for private use or consumption, and does not fall within the scope of Rule 14A.97.
01/07/2014	14A.97	20.95	28	21D.	<p>An issuer is principally engaged in provision of financial services including sale of wealth management products to retail customers.</p> <p>Does the consumer goods or service exemption under Rule 14A.97 apply to sale of wealth management products by the issuer to its director for his personal investment?</p>	The issuer may apply the consumer goods or service exemption if the same products are made available for sale to other independent customers and the transaction with the director is conducted on normal commercial terms.
20/05/2010 (01/07/2014)	14A.97(2)(b)	20.95(2)(b)	10	11.	<p>The new Rule allows an issuer to acquire consumer goods or services in connection with its business provided that there is an open market and transparency in the pricing of the goods or services.</p> <p>How does the issuer determine whether there is a “transparency in the pricing of</p>	It would depend on individual cases. For example, the price labels / price lists are on display at retail stores or the prices are published or publicly quoted.

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					the goods or services”?	
21/03/2014	14A.99	20.97	28	22.	<p>To qualify for the “passive investor” exemption, the passive investor must not have any representatives on the board of directors of the issuer or its subsidiaries.</p> <p>Can the passive investor have any board seat(s) at an insignificant subsidiary of the issuer?</p>	No.
21/03/2014	14A.104	20.102	28	23.	<p>An issuer proposes to provide a guarantee to a third party creditor for the obligations of a connected subsidiary under a government contract awarded by tender.</p> <p>While the other shareholders of the connected subsidiary will not give a similar guarantee to the creditor, they agree to provide a counter-indemnity to the issuer in proportion to their interest in the subsidiary.</p> <p>Does the issuer qualify for applying the waiver under Rule 14A.104?</p>	No. Rule 14A.104 only applies if the issuer can meet all the three conditions under the Rule. In this case, the issuer fails to meet the condition that the other shareholders of the connected subsidiary must also give similar joint and several guarantee to the creditor.
28/11/2008	Chapter 15	Chapter 21	7	66.	Listco Y is a PRC issuer whose H shares are listed on the Exchange.	Yes, because equity securities of Listco Y will be issued upon exercise of the warrants.



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					<p>Listco Y has also issued A shares which are listed a PRC stock exchange. Listco Y proposes to issue some bonds in the PRC with bonus warrants that allow the warrant holders to subscribe for new A shares of Listco Y.</p> <p>Is such issue of warrants subject to Chapter 15 of the Main Board Rules/ Chapter 21 of the GEM Rules?</p>	<p>Pursuant to Main Board Rule 15.01/ GEM Rule 21.01, Chapter 15 of the Main Board Rules / Chapter 21 of the GEM Rules applies to warrants (including options and other similar rights) issued by a listed issuer to subscribe or purchase equity securities of that issuer. The chapter mainly sets out the shareholders' approval requirements for the issue of warrants, and the requirements on the number and term of warrants to prohibit a listed issuer from issuing warrants with a material dilution effect on its shareholding.</p>
28/11/2008	15.02, 13.36(2)(a)	21.02, 17.41(1)	7	65.	<p>A listed issuer proposes a bonus issue of warrants to its existing shareholders on a pro-rata basis.</p> <p>Main Board Rule 13.36(2)(a)/ GEM Rule 17.41(1) provides that no shareholders' approval is required for an offer of securities to shareholders on a pro-rata basis. Can the listed issuer apply this rule in respect of its proposed bonus issue of warrants?</p>	<p>The circumstances described involves issue of warrants and the listed issuer must also comply with Main Board Rule 15.02/ GEM Rule 21.02 which requires that all warrants must be approved by shareholders in general meeting unless they are issued by the directors under the authority of a general mandate granted to them by shareholders in accordance with Main Board Rule 13.36(2)/ GEM Rule 17.41(2).</p> <p>Accordingly, the listed issuer must have sufficient headroom under its general mandate to issue the bonus warrants, and if not shareholders' approval in a general meeting will be required.</p>
28/11/2008 (13/03/2009)	17.06A	23.06A	8	49. <i>Issue 8</i>	Should the announcement be made when a share option is granted or when	Main Board Rule 17.06A/ GEM Rule 23.06A requires an issuer to publish an announcement

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					it is accepted?	as soon as possible upon the granting of an option under a share option scheme. Under Main Board Rule 17.01(3)/ GEM Rule 23.01(3), "grant" is defined to include "offer". The issuer should therefore publish its announcement as soon as possible upon the offer of the option, whether or not it has been accepted. The intention of new Rule 17.06A is to minimise opportunities to backdate share option awards.
26/05/2010	18.01(3) Definition of Mineral Company, Major Activity	18A.01(3) Definition of Mineral Company, Major Activity	12	1.	Are processing and refining (and possibly marketing) activities to be included under operating costs in the class tests used to determine the 25% threshold to define a Mineral Company?	We will deal with these issues on a case by case basis. We consider that refining costs should only be factored into total operating costs if refining activities are an integral part of a company's operations. Where a Mineral Company is involved in the exploration, extraction and subsequent processing of Reserves it is reasonable that its processing and marketing activities (and associated costs) are a part of its overall operations. Companies that are only engaged in refining activities may not be regarded as Mineral Companies in the true sense and are unlikely to be considered favourably for waivers from the financial standard requirements.
26/05/2010	18.01(3)	18A.01(3)	12	2.	Is production an activity that falls within the definition of Mineral Company?	Use of the word "extraction" includes "production". Other international exchanges often use the terms extraction and production interchangeably. A company that is engaged in production may not however be considered

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						favourably for a waiver from the financial standard requirements, unless it also has development activities.
26/05/2010	18.01(3) definition of Reporting Standard, 18.28 to 18.33	18A.01(3) definition of Reporting Standard, 18A.28 to 18A.33	12	18.	Where a Mineral Company is involved in the acquisition of another Mineral Company that reports its Reserve and Resource information using a different mineral reporting code, would the Exchange accept both mineral Reporting Standards?	For comparability, we will require reconciliation to one of the accepted Reporting Standards. The JORC-type Codes are widely accepted as they evaluate Reserves and Resources on the basis of what is commercially extractable whilst some standards focus on “in-situ” estimates. We will consider whether other standards may be accepted from time to time.
26/05/2010	18.01(3) definition of Reporting Standard, 18.28 to 18.33	18A.01(3) definition of Reporting Standard, 18A.28 to 18A.33	12	19.	If the target of an acquisition reports its Reserve and Resource information using Canadian NI 43-101, whilst the Mineral Company reports using the JORC Code, would the Exchange accept both Reporting Standards?	Yes, because differences in presentation of Reserves and Resources under the JORC-type Codes are only minor. The Mineral Company or listed issuer must, however, highlight any material differences in these Reporting Standards in the shareholder circular discussing the Relevant Notifiable Transaction.
26/05/2010	18.03(1), 18.07	18A.03(1), 18A.07	12	3.	For new listing applicants, what ‘rights’ are acceptable to demonstrate that companies have adequate rights to participate in the exploration for and/or extraction of Natural Resources under Rule 18.03(1)?	Companies may rely on exploration and extraction rights held by third parties if they participate in mineral and/or exploration activity under joint ventures, product sharing agreements or other valid arrangements if they can demonstrate the agreements give them sufficient influence over the exploration for and extraction of Resources and Reserves. Ordinarily we would expect that applicants have an interest of at least

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						30% in assets relevant to extraction of Reserves. However, we will consider other arrangements where companies have interests smaller than 30% but actively operate mining projects. Rights granted under specific government mandates will be recognised. Companies yet to commence production may not be able to demonstrate rights relevant to extraction until closer to the actual time of extraction. In these instances, the New Rules specify that risks relevant to obtaining such rights must be disclosed. If there are novel arrangements, applicants should consult the Listing Division in advance.
26/05/2010	18.03(1)(a), 14.04(12)	18A.03(1)(a), 19.04(12)	12	4.	What assets should be taken into account for the purposes of the control of assets test in Rule 18.03(1)(a)?	To satisfy the control of assets test in Rule 18.03(1)(a), a Mineral Company must have an interest greater than 50% (by value) in its total assets, together with sufficient rights over the exploration for and/or extraction of Natural Resources.  In this context, the Exchange will apply the <i>total assets</i> definition in Rule 14.04(12).
26/05/2010	18.03(3)	18A.03(3)	12	5.	In terms of cash operating costs in Rule 18.03(3), what is meant by a cost item that should be highlighted to investors?	An example would be favourable tax treatment where this may continue for a limited time only or may be subject to challenge. A disruption to transport routes is another example of a scenario where increased costs may continue only for a limited time.

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04/02/2013	18.03(4) 18.03(5)	18A.03(4) 18A.03(5)	12	5A	How to (i) work out the 125% working capital analysis to determine whether a new applicant meets the 125% working capital requirement for at least the next 12 months from the date of its listing document given that Rule 18.03(4) states that the available working capital must include, among other things, the cost of any proposed exploration and/or development whereas the note to that Rule states that capital expenditures do not need to be included in working capital requirements; and (ii) deal with refinancing of loan repayments in the working capital analysis?	<p>The cost of proposed exploration and/or development mentioned under Rule 18.03(4) related to new applicants' daily operation (i.e. working capital) such as contracting fees for excavating the minerals and transportation fees for delivering the minerals, whereas the capital expenditures mentioned in the note to that Rule related to the expenditures associated with development of infrastructure of the mines and expansion of the processing facilities, etc.</p> <p>If loan repayment is required during the 12-month period, new applicants should include the repayment to demonstrate that they can fulfill the 125% working capital requirement.</p> <p>Below is a simplified illustration of the 125% working capital analysis, assuming that the borrowings will be drawn down and repaid within the 12-month period, and the proceeds from the borrowings will be fully used to finance the capital expenditures in the case with external financing:</p> <table border="1"> <thead> <tr> <th></th> <th>Without external financing</th> <th>With external financing</th> </tr> </thead> <tbody> <tr> <td>Cash at the beginning of the period</td> <td>300</td> <td>300</td> </tr> </tbody> </table>		Without external financing	With external financing	Cash at the beginning of the period	300	300
	Without external financing	With external financing										
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						<table border="1"> <tr> <td>Operating cash inflow<sup>2</sup></td> <td>1,300</td> <td>1,300</td> </tr> <tr> <td>Proceeds from borrowings</td> <td>-</td> <td>500</td> </tr> <tr> <td><b>Total working capital available (A)</b></td> <td><b><u>1,600</u></b></td> <td><b><u>2,100</u></b></td> </tr> <tr> <td>Operating cash outflow<sup>3</sup></td> <td>1,000</td> <td>1,000</td> </tr> <tr> <td>Repayment of borrowings</td> <td>-</td> <td>500</td> </tr> <tr> <td>Interest payments</td> <td>-</td> <td>40</td> </tr> <tr> <td><b>Total working capital required (B)</b></td> <td><b><u>1,000</u></b></td> <td><b><u>1,540</u></b></td> </tr> <tr> <td><b>Sufficiency of working capital (A/B)</b></td> <td><b><u>160%</u></b></td> <td><b><u>136%</u></b></td> </tr> </table> <p>Notes:</p> <p>1. We have noted that although the note to 18.03(4) states that capital expenditures do not need to be included in working capital requirements, new applicants have normally included capital expenditures to demonstrate the 125% working capital requirement for prudence sake.</p> <p>2. Operating cash inflow mainly represents cash receipt from sales.</p>	Operating cash inflow <sup>2</sup>	1,300	1,300	Proceeds from borrowings	-	500	<b>Total working capital available (A)</b>	<b><u>1,600</u></b>	<b><u>2,100</u></b>	Operating cash outflow <sup>3</sup>	1,000	1,000	Repayment of borrowings	-	500	Interest payments	-	40	<b>Total working capital required (B)</b>	<b><u>1,000</u></b>	<b><u>1,540</u></b>	<b>Sufficiency of working capital (A/B)</b>	<b><u>160%</u></b>	<b><u>136%</u></b>
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						<i>3. Operating cash outflow includes, among others, payment for mining, transportation and utility expenses, and workforce.</i>
26/05/2010	18.04, 8.05	18A.04, 11.12A	12	6.	What relevant experience must management demonstrate to be considered eligible for listing under Listing Rule 18.04?	To obtain the benefit of the waiver in rule 18.04, directors and senior managers taken together must have sufficient experience relevant to the exploration for and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of that experience must be disclosed in the listing document.
04/02/2013	18.04	18A.04	12	6A	Can a waiver under Rule 18.04 be sought from the management and ownership continuity requirements apart from the profit requirement as Rule 18.04 only refers to the profit test under Rule 8.05(1), the market capitalisation/ revenue/ cash flow test under Rule 8.05(2) and market capitalisation/ revenue test under Rule 8.05(3)?	Yes, as Rule 18.04 covers the profit test, the market capitalisation/ revenue/ cash flow test and the market capitalisation/ revenue test, and these include the management and ownership continuity requirements.
28/02/2013	18.04, 8.05	18A.04, 11.12A	20	25.	What relevant experience must management demonstrate to be considered eligible for listing under Listing Rule 18.04?	To obtain the benefit of the waiver in rule 18.04, directors and senior managers taken together must have sufficient experience relevant to the exploration for and/or extraction activity that the Mineral Company is pursuing. Individuals relied

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						<p>on must have a minimum of five years relevant industry experience. Details of that experience must be disclosed in the listing documents.</p> <p>It is expected that a Mineral Company should have a spread of experience in various aspects amongst the board members and the senior management relevant to the mining business, including exploration, construction, mining, processing and marketing.</p>
26/05/2010	18.04, 18.01(3) Definition of Mineral Company	18A.04, 18A.01(3) Definition of Mineral Company	12	7.	What is meant by “primary activity” referred to in the note to Listing Rule 18.04?	The purpose of this note is to ensure that Mineral Companies relying on the exemption from the financial standard requirements in Listing Rule 8.05 focus on Natural Resource exploration and/or extraction. This does not have to be their sole activity but should be their main business activity.
26/05/2010	18.05, 18.09, 18.10	18A.05, 18A.09, 18A.10	12	17.	When are CPRs required?	<p>A CPR is required in the following circumstances:</p> <p>(i) <i>For IPOs</i></p> <ul style="list-style-type: none"> <li>at the IPO stage for new applicant Mineral Companies (rule 18.05).</li> </ul> <p>(ii) <i>For Relevant Notifiable Transactions</i></p> <ul style="list-style-type: none"> <li>where a Mineral Company proposes to acquire or dispose of assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable</li> </ul>



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						<p>Transaction (rule 18.09);</p> <ul style="list-style-type: none"> <li>where an existing listed issuer proposes to acquire assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction (rule 18.10). In this case, a Valuation Report will also be required.</li> </ul> <p><i>(iii) For Connected Transactions which are also Relevant Notifiable Transactions</i></p> <p>For clarity, a <i>Relevant Notifiable Transaction</i> is a transaction that falls into one of the classifications set out in rules 14.06(3) to (6), namely a major transaction, very substantial disposal, very substantial acquisition, or a reverse takeover.</p> <p>Companies' internal experts (who are likely to be qualified geologists and Competent Persons) may prepare estimates of Reserves at other times, such as updates of details of Reserves and Resources in annual reports. Updates on exploration, mining production and development activities in interim and annual reports may also include statements of Reserves and Resources.</p>
04/02/2013	18.05(1)	18A.05(1)	12	10A	Can a Valuation Report or an economic analysis be included in a Competent Person's Report?	Yes. Information not expressly prohibited under the Rules can be disclosed in the Competent Person's Report, subject to compliance with other applicable Rules. As such, a valuation report or

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						an economic analysis on the valuation of reserves/resources under relevant industry standards can be included in a Competent Person's Report provided that the Competent Person is also a Competent Evaluator as explained in the note to Rule 18.23. Rule 18.01 also states that a Valuation Report may form part of a Competent Person's Report.
26/05/2010	18.05(5), Guidance Note 7	18A.05(5), Practice Note 4	12	8.	Are Mineral Companies required to comply with the risk analysis referred to in Rule 18.05(5)?	This is not compulsory but Mineral Companies should have regard to the Guidance Note in disclosure on risks to investors. We consider that a framework under which all companies rate risks from likely to unlikely and low to high based on likelihood and consequence is desirable as it provides a common reference point for investors.
26/05/2010	18.07	18A.07	12	9.	A Scoping Study is required to be substantiated by the opinion of a Competent Person under Listing 18.07. Is this additional to requirements for a CPR?	Rule 18.07 requires a Mineral Company which has not yet begun production to disclose its plans to proceed to production with indicative dates and costs, which must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person.  Where a Scoping Study is required under Chapter 18, it should either form part of the CPR or be supported by a CPR.
26/05/2010 (01/07/2014)	18.09, 14A.70(8)	18A.09, 20.68(8)	12	15.	Are all connected transactions involving the acquisition or disposal of Mineral or	Where a Mineral Company proposes to acquire or dispose of assets which are solely or mainly

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	Chapter 14A	Chapter 20			Petroleum Assets which require shareholder approval covered by Chapter 18?	<p>Mineral or Petroleum Assets as part of a connected transaction which is also a Relevant Notifiable Transaction (i.e. a Major transaction or above) as defined in Chapter 18, the Mineral Company must comply with Chapter 14A and Listing Rule 18.09, i.e. provide a CPR. Some connected transactions below the major (i.e. 25%) threshold still require shareholder approval. These transactions are not required to be supported by a CPR.</p> <p>Valuations are required in certain cases under the connected transaction rules (see Listing Rule 14A. 70(8) and FAQ Series 7 Item 55). In these cases, they must be provided by a Competent Evaluator in accordance with a Reporting Standard.</p>
26/05/2010	18.09, 18.10	18A.09, 18A.10	12	11.	How will the Exchange determine whether an acquisition or disposal relates to assets which are solely or mainly Mineral or Petroleum Assets?	Whether assets that are the subject of a transaction are solely or mainly Mineral or Petroleum Assets will be determined on a case by case basis, taking account of the specific circumstances of transactions.
26/05/2010	18.09(2)	18A.09(2)	12	12.	In what circumstances is the Exchange likely to dispense with the requirement for a CPR on a disposal which is also a Relevant Notifiable Transaction?	Mineral Companies must demonstrate to us on a case by case basis that shareholders have sufficient information on the Mineral or Petroleum Assets being disposed of. By way of example, however, we may be able to dispense with the requirement where a Mineral Company has

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						Mineral or Petroleum Assets that have been the subject of a CPR in the past and they are accounted for on a Mineral Company's balance sheet.
26/05/2010	18.12, 18.13, 18.05(1), 18.09(2), 18.09(3)	18A.12, 18A.13, 18A.05(1), 18A.09(2), 18A.09(3).	12	14.	If a major acquisition of Mineral or Petroleum Assets is made from a company which already has an independent Competent Person's Report, is it necessary for the listed issuer to obtain a new Competent Person's Report?	<p>The Exchange may waive the requirement to produce a new Competent Person's Report or Valuation Report required under Listing Rules 18.05(1), 18.09(2), or 18.09(3) if the issuer has available a previously published Competent Person's Report (or equivalent) which complies with rules 18.18 to 18.34, provided that report is no more than six months old. The issuer must provide this document together with an up-to-date no material change statement in the listing document or circular.</p> <p>Listing documents or circulars must include consent statements by Competent Persons and Competent Evaluators, whether or not they are retained directly by the issuer.</p>
26/05/2010	18.15 to 18.18	18A.15 to 18A.18	12	16.	Does the requirement for a listed issuer to update details of its Resources and/or Reserves in its annual report have retrospective effect?	The New Rules are not intended to have retrospective effect. A listed issuer that publicly discloses details of its Resources and/or Reserves after the New Rules are effective will be required to update information on its Resources and/or Reserves once a year in its annual report, in accordance with the reporting standard under which they were previously

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						disclosed or a Reporting Standard.  A listed issuer which is classified as a Mineral Company, however, must include an update of its Resources and/or Reserves in its annual report in accordance with a Reporting Standard. This annual update of Resources and/or Reserves must comply with Listing Rule 18.17.
28/02/2013	18.15, 18.17, 18.18	18A.15, 18A.17, 18A.18	20	26.	Rule 18.15 requires a listed issuer that publicly discloses details of Resources and/or Reserves to give an annual update of those Resources and/or Reserves once a year in its annual report. Does the annual update need to comply with Rule 18.18?	Yes.  Rule 18.17 states that annual updates of Resources and/or Resources must comply with Rule 18.18. This applies to listed issuers that publicly disclose details of Resources and/or Reserves (Rule 18.15) and Mineral Companies (Rule18.16).
28/02/2013	18.21(1)	18A.21(1)	20	24.	What information does the Exchange require when assessing whether a person has the relevant experience to act as the Competent Person for a Relevant Notifiable Transaction involving acquisition or disposal of mineral or petroleum assets?	When the person submits his historical experience to the Exchange, he should ensure there are sufficient details to demonstrate that the experience is relevant to the mineral or petroleum assets being acquired or disposed of. In general the person is expected to provide a list of engagements showing his relevant experience with the following information: <ul style="list-style-type: none"> <li>• the period of each engagement;</li> <li>• a description of each project undertaken, including the location and the type of resources involved, and the relevance to the</li> </ul>

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						<p>resources being acquired or disposed of;</p> <ul style="list-style-type: none"> <li>• details of any technical reports on the resources of the project, including the reporting standards and the use of the reports;</li> <li>• details of his role and responsibilities in the project and the preparation of any technical reports.</li> </ul>
04/02/2013	18.24(2)	18A.24(2)	12	10B	<p>From which point of time does the six-month period commence in respect of the validity of the contents of a Competent Person's Report/Valuation Report under Rule 18.24 which states that a Competent Person's Report/Valuation Report must have an effective date less than six months before the date of publishing the listing document or circular?</p>	<p>The valid date should be the date of appraisal (i.e. the date when Resources and Reserves are estimated or valued), but not the date when the Competent Person's Report/Valuation Report is signed.</p>
26/05/2010	18.25, 18.26, 18.22	18A.25, 18A.26, 18A.22	12	22.	<p>Will the Exchange allow Competent Persons to obtain indemnities from the entity that commissioned the public report?</p>	<p>We consider Competent Persons should be entitled to protect themselves from liability to an extent consistent with market practice. As a guide, paragraph 39 of the VALMIN Code, states "a Competent Person should obtain from the Commissioning Entity an indemnity under which they will be compensated for any liability: (a) resulting from their reliance on information provided by the Commissioning Entity that is</p>

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						<p>materially inaccurate or incomplete. (Such an indemnity does not absolve Competent Persons from critically examining the information provided); or (b) relating to any consequential extension of workload through queries, questions or public hearings arising from the Competent Person's Report". Listing Rule 18.25 expressly permits a Competent Person to disclaim responsibility if he relied on other experts who are not Competent Persons on areas relevant to the CPR that are not within the Competent Person's area of expertise.</p>
26/05/2010	18.28 to 18.33	18A.28 to 18A.33	12	10.	<p>Consistency in statements made about Reserves and Resources in the listing document (or circular) and the related CPR</p>	<p>The new applicant or listed issuer must ensure that disclosures in the listing document or circular for the Relevant Notifiable Transaction are consistent with the related Competent Person's Report. In particular, the directors should ensure there is no mismatch between statements about Reserves and Resources in the listing document (or circular for the Relevant Notifiable Transaction) and statements about Reserves and Resources in the independent Competent Person's Report. Descriptions of Reserves and Resources must correspond to the specific categories in the Reporting Standards.</p>

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26/05/2010	18.33(1)	18A.33(1)	12	20.	Does the Exchange accept both “deterministic” and “probabilistic” methods of estimating Reserves?	Yes, it is for Competent Persons and issuers to decide whether to estimate Reserves under the deterministic or probabilistic method. The reason for their choice should be disclosed to investors. Under Rule 18.33(1), where estimates of Reserves are disclosed using the probabilistic method, the Competent Person must state the underlying confidence levels applied.
27/09/2013	Chapter 19, Revised JPS paragraphs 16, 94 and 95.	Chapter 24, Revised JPS paragraph 16. [Secondary listing provisions not applicable.]	25	1.	What companies are affected by the Revised JPS and these FAQs?	The Revised JPS and these FAQs, are relevant to companies that: (a) are incorporated outside of Hong Kong, the People’s Republic of China, Bermuda and the Cayman Islands and have, or are seeking, a primary or dual primary listing on the Exchange’s markets; or (b) are incorporated outside Hong Kong with a centre of gravity outside Greater China that have, or are seeking, a secondary listing on the Exchange’s markets.
27/09/2013	Chapter 19, 2007 Joint Policy Statement Regarding the Listing of Overseas Companies (“2007 JPS”)	Chapter 24, 2007 Joint Policy Statement Regarding the Listing of Overseas Companies (“2007	25	2.	What 2007 JPS provisions have been retained in the Revised JPS and which have not?	A destination table, mapping 2007 JPS provisions to the Revised JPS, forms the Appendix to these FAQs.



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		<b>JPS</b> )				
27/09/2013	Chapter 19, Revised JPS paragraphs 63, 65, 66, 88 and 89 and the Main Board Rule Application Table for Overseas Issuers of Equity Securities ( <b>"Rule Application Table"</b> )	Chapter 24 [Secondary listing provisions not applicable.]	25	3.	Does an overseas company with, or seeking, a secondary listing need to disclose that it has been granted an "automatic waiver"?	Yes.  An overseas company seeking a secondary listing must disclose in its listing document the details of the "automatic waivers" it has been granted under the Revised JPS. Any overseas company with, or seeking, a secondary listing must also disclose these details in the relevant section of their Company Information Sheet submitted through HKEX-ESS for publication on the HKEX website. The disclosures in a listing document and Company Information Sheet mentioned above must include the full details of the waiver including any limitations or restrictions, and state that the company will, instead, follow the relevant foreign laws and regulations that are applicable to it as set out in the summary of foreign laws and regulations section of its Company Information Sheet.
27/09/2013	Chapter 19, Revised JPS paragraphs 20 to 22, 88 and 89 and the Rule Application Table.	Chapter 24, Revised JPS paragraphs 20 to 21 and the Rule Application	25	4.	Will the Exchange grant the "automatic waivers" and "common waivers", set out in the Rule Application Table, to issuers that were listed before 27 September 2013?	<b>"Automatic Waivers"</b> To enjoy "automatic waivers", overseas companies that were secondary listed before 27 September 2013 must: (a) confirm to the Exchange that they meet the criteria for these waivers set out in Section 5 of the Revised JPS; (b) comply with the limitations and restrictions

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		Table (to the extent that it applies). [Secondary listing provisions not applicable.]				<p>described for an “automatic waiver” in the Rule Application Table; and</p> <p>(c) disclose the details of the “automatic waiver” in the relevant section of their Company Information Sheets submitted through HKEX-ESS for publication on the HKEX website (see Question 5)</p> <p><b>“Common Waivers”</b></p> <p>An overseas company that was listed before 27 September 2013 may apply for the “common waivers” set out in the Rule Application Table. The Exchange will consider such waiver applications on their individual merits and in light of all relevant facts and circumstances. The waiver applicant must meet all the conditions of the waiver.</p> <p>An overseas company should not apply for a “common waiver” if it has previously made an unsuccessful application for the same waiver and its circumstances have not materially changed.</p> <p>As a condition of granting the waiver, the overseas company must submit through HKEX-ESS for publication on the HKEX website an up-to-date Company Information Sheet that meets the requirement of paragraph 65 of the Revised JPS and includes a description of the waiver (see</p>

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						Question 5).
27/09/2013	Chapter 19, Revised JPS, paragraphs 63 to 66.	Chapter 24, Revised JPS, paragraphs 63, 65 and 66. [Secondary listing provisions not applicable.]	25	5.	Do overseas companies that were listed before 27 September 2013 need to publish a Company Information Sheet?	<p>The Exchange encourages all overseas companies that were listed before 27 September 2013 to submit a Company Information Sheet (that complies with paragraph 65 of the Revised JPS) through HKEX-ESS for publication on the HKEX website at their earliest convenience.</p> <p>If an overseas company has not already done so, the Exchange will require an overseas company to submit a Company Information Sheet through HKEX-ESS for publication on the HKEX website when:</p> <ul style="list-style-type: none"> <li>(a) it requests a waiver from the Rules or another Exchange requirement (see Revised JPS, paragraph 63(a) and Question 4);</li> <li>(b) there is a material change to the laws and regulations in its home jurisdiction or primary market (see Revised JPS, paragraph 63(b));</li> <li>(c) there is a material change to the overseas taxes applicable to its Hong Kong shareholders (see Revised JPS paragraph 63(c)); or</li> <li>(d) for Hong Kong Depositary Receipt issuers, there is a material change to the terms and conditions of its depositary agreement or deed poll (see Revised JPS paragraph 63(d)).</li> </ul>

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27/09/2013	Chapter 19, Revised JPS, paragraph 65.	Chapter 24, Revised JPS, paragraph 65.	25	6.	How often does an overseas company need to update its Company Information Sheet?	<p>An overseas company must submit an updated Company Information Sheet through HKEX-ESS for publication on the HKEX website after any material change to the information disclosed in the document.</p> <p>This requirement supersedes any previous undertaking given by an overseas company to publish its Company Information Sheet on a yearly basis.</p>
09/05/2008	Chapter 19B	N/A	6	A2.	What are HDRs?	'HDR' is the informal name for a depository receipt programme listed on the Exchange.
09/05/2008	Chapter 19B	N/A	6	A3.	What is HKEX's depository receipt framework? And when is it effective?	<p>Previously, HKEX's Listing Rules would accept issuers listing equity securities only in the form of shares. Now the Listing Rules have been amended to permit issuers to list in the form of DRs (ie HDRs).</p> <p>The HDR framework is effective from 1 July 2008.</p> <p>There are no changes to the listing regime. Issuers listing in HDR form have to comply with the same listing regime as issuers listing of shares. The requirements for admission, the listing process, and the continuing obligations are the same.</p>

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09/05/2008	Chapter 19B	N/A	6	A4.	Are HDRs allowed on GEM?	Not at this stage. The HDR framework applies to the Main Board only. GEM has recently been subject to a strategic review, as a result of which certain changes have been made to its admission requirements and mode of operation. Once experience has been gathered of the operation of GEM with these changes, consideration will be given to extending the HDR framework to GEM; however, there is no timetable for this.
09/05/2008	Chapter 19B	N/A	6	A5.	What are the main rule changes to implement the DR framework?	<p>A new chapter on depositary receipts, Chapter 19B, has been added to the Listing Rules. Chapter 19B explains that an issuer may choose to list in the form of DRs, and that the Listing Rules will apply in the same manner as to the listing of equity securities; necessary modifications or clarifications are given. The chapter states that the issuer of the shares which are represented by DRs is 'the issuer' for purposes of the Listing Rules. Chapter 19B also requires the depositary to maintain a register of DR holders in Hong Kong via an approved share registrar, provides the qualifications for the depositary, sets out the requirements concerning the deposit agreement, and stipulates the obligations of the issuer on any change of depositary or custodian.</p> <p>Minor or consequential amendments have been</p>

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						<p>made to other chapters of the Listing Rules. New parts E and F, modelled on the existing parts A and B, have been added to Appendix 1 of the Listing Rules on the Listing Document.</p> <p>Very minor amendments to accommodate DRs have been made to the General Rules of the Clearing and Settlement System (CCASS), the CCASS Operating Procedures and the Terms and Conditions for Investor Participants Procedures.</p>
09/05/2008	Chapter 19B	N/A	6	A6.	Can warrants be issued on HDRs?	Yes. Provided the issuer meets the Exchange's criteria for the underlying stock for warrant issuance, warrants may be issued on HDRs.
09/05/2008	Chapter 19B	N/A	6	B1.	Why should issuers list in the form of HDRs rather than shares?	<p>An issuer may choose to list either in the form of shares or in the form of HDRs. The choice is the issuer's.</p> <p>Some overseas issuers may find the HDR form convenient. Where regulations in the issuer's home jurisdiction discourage the overseas listing of shares, HDRs may offer a practicable alternative. Where the issuer's shares are of a very different size from that customarily used in Hong Kong, the HDR form may provide a convenient means to 'resize' the issue.</p> <p>Although well-resourced investors may prefer to</p>

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						buy and hold overseas shares directly, retail investors and smaller institutions usually do not wish to do so since direct holding means dealing with share registration procedures, tax reclaims, currency conversion and possibly investor registration procedures in the overseas jurisdiction. With HDRs, these onerous procedures are handled by the depository. Accordingly, the use of HDRs may enable an issuer to reach a larger investor base than would be possible in ordinary share form.
09/05/2008	Chapter 19B	N/A	6	B4.	Which jurisdictions are approved for DR issuance?	Issuers from any jurisdiction which can meet the requirements set out in the Joint Policy Statement Concerning the Listing of Overseas Companies issued by the Exchange and the SFC on 7 March 2007 and the related requirements of the Main Board Listing Rules are welcome to apply to the Exchange.
09/05/2008	Chapter 19B	N/A	6	B8.	Do the HDR-related rule amendments affect an issuer which has, or plans to have, a global depository receipt (GDR) or American depository receipt (ADR) programme overseas?	The Exchange's HDR framework applies only to HDR programmes listed in Hong Kong. The rule amendments do not apply to existing or future DR programmes in overseas markets.

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09/05/2008	Chapter 19B	N/A	6	B9.	Can existing or future GDR or ADR programmes be listed on the Exchange?	Any DR programme to be listed on the Exchange will have to comply with the requirements of Chapter 19B as well as Chapter 8 and the other Main Board Listing Rules and guidelines applying to new listings. Any existing ADR or GDR programme that complies with these requirements will be welcome; however, in practice it might not be practicable for existing programmes designed for overseas markets to comply with the Exchange's rules.
09/05/2008	Chapter 19B	N/A	6	B15.	Does the requirement for pre-emptive rights (in Listing Rule 13.36) apply to the HDRs or to the issuer's shares?	The requirements of rule 13.36 apply in respect of the issuer's shares.
10/09/2008	Chapter 19B	N/A	6	B16.	Can HDRs be issued on products such as GDR, ADR, exchange-traded funds (ETFs), or exchange traded commodities (ETCs)?	No. The securities underlying the HDRs must be the shares of an issuer and not other products.
10/09/2008 (02/01/2013)	Chapter 19B	N/A	6	B18.	How is the HDR ratio (a ratio to show the number of shares that each HDR represents) determined?	The HDR ratio is determined by the issuer and is disclosed in the listing document as one of the key terms of the deposit agreement. Any change in the HDR ratio is the subject of an announcement by the issuer under the Listing Rules.
09/05/2008 (1/12/2010)	Chapter 19B	N/A	6	C1.	What are the benefits of HDRs for Hong Kong investors?	DRs provide a convenient means for Hong Kong investors to invest in an overseas issuer. Direct investment in shares in some markets entails



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						<p>compliance with onerous procedures on registration, withholding tax reclaims and foreign currency conversion. It may also be difficult for investors to receive corporate communications and entitlements, or to exercise their entitlements. Some overseas issuers may not be able to list their shares in Hong Kong; and in such case the Hong Kong investor wishing to invest in the company would have to do so through the local market via that market's trading, settlement and share custody procedures. With DRs, the above problems are mitigated. DRs are traded in Hong Kong in accordance with the standard trading, settlement and custody procedures of the Hong Kong market. The currency of trading will be Hong Kong dollars (or US dollars if the issuer so chooses); dividends will be converted into Hong Kong dollars (or US dollars), and corporate communications and entitlements will be transmitted to the investor by the depositary, in addition to the requirement that corporate communications must be posted on the HKEX website and the issuer's website. The investor will also be able to transmit his voting instructions to the issuer and exercise his entitlements via the depositary.</p>
09/05/2008 (17/04/2014)	Chapter 19B	N/A	6	C5.	What protections are there for Hong Kong investors in HDRs?	To be admitted to listing on the Exchange, the HDR issuer will have to demonstrate compliance with all the shareholder protection provisions that

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						<p>apply to issuers of shares, as set out in the Listing Rules, the Joint Policy Statement regarding listing of overseas companies (updated on 27 September 2013), the Securities and Futures Ordinance, the prospectus provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), and the Codes on Takeovers and Mergers and Share Buybacks</p> <p>The HDR holder's rights are set out in the deposit agreement, which is subject to approval by the Exchange in accordance with the provisions of Chapter 19B. Investors in HDRs should understand that they are bound by the terms of the deposit agreement. Investors are advised to read the deposit agreement to understand what their rights are and how they may be exercised.</p>
09/05/2008	Chapter 19B	N/A	6	C6.	Are the rights of a HDR holder the same as those of a holder of shares?	The rights of a shareholder and a HDR holder are not identical. For example, the rights of the HDR holder arise from the deposit agreement, which is a contractual document, whereas the rights of the shareholder will be reinforced by local statute. Also, local regulations may prohibit foreign persons from holding shares directly, but no such restriction would apply to HDRs. However, in general, the rights of a HDR holder will be equivalent to those of a shareholder. Subject to compliance with local regulations, HDR holders

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						who want to enforce their rights as shareholders may choose to convert their HDRs into shares of the underlying company.
1/12/2010	Chapter 19B	N/A	6	D2.	Whether the depositary or custodian of HDR is subject to the disclosure regime (Part XV of the SFO)?	<p>It will depend very much on the facts of each depositary or custodian's business whether they fall within the exemption or not (in particular section 323 of the SFO). The SFC has issued guidelines on disclosure of interests. In particular, in paragraph 2.12.13.2:</p> <p>" 2.12.13.2 If a bank retains a discretionary right to set off any other obligations/liabilities of a client against any securities held in custody for that client the bank will not satisfy the requirement in s.323(3)(b) that the corporation "has no authority to exercise discretion in dealing in the interest, or in exercising rights attached to the interest". Similarly, the exemption is not available if a bank retains the discretionary right to take up or retain unclaimed or fractional dividends (cash and/or scrip). The custodian exemption is not establishing a new wide exemption for custodians. It is intended to parallel the regime for a "bare trustee" - simply extending the bare trustee exemption to custodians by contract (before the bare trustee exemption only applied to custodians who were trustees)."</p>

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						The depository or custodian should assess their own circumstances and ensure that laws and regulations are observed.
09/05/2008	Chapter 19B	N/A	6	E1.	What currencies will DRs be traded in?	At present, the Exchange accepts trading and clearing in Hong Kong dollars and US dollars. The choice between these currencies is up to the DR issuer.
09/05/2008	Chapter 19B	N/A	6	E2.	What are the trading and settlement procedures for DRs?	The trading and settlement arrangements remain the same as for shares. All Stock Exchange Participants are eligible to trade HDRs and investors can trade HDRs through their usual stock accounts. The trading platform for stock trading, the Automatic Order Matching and Execution System (AMS), is used for HDRs. Trades executed in the Stock Exchange's trading system will be settled through CCASS operated by HKSCC on the second settlement day after trading (T+2). Upon settlement, investors' HDR holdings will be credited to or debited from their accounts with CCASS, or the CCASS accounts of their designated custodians or Stock Exchange Participants.
09/05/2008	Chapter 19B	N/A	6	E3.	What transaction fees do investors pay to buy or sell HDRs?	As with buying and selling stocks, investors need to pay brokerage commission, transaction levy, trading fee and stamp duty.

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09/05/2008	Chapter 19B	N/A	6	E4.	Does stamp duty apply to trades in HDRs?	Yes. Stamp duty applies to trades in HDRs at the rate of 0.1% of the value traded per side, just as in the case of trades in shares.
1/12/2010	Chapter 19B	N/A	6	E5.	Whether dividend payments on HDR are subject to overseas withholding tax?	There is no withholding tax in Hong Kong. Whether overseas withholding tax is applicable depends on the laws and regulations of the overseas jurisdiction concerned. HDR holders should refer to the relevant disclosures in the listing documents and, if necessary, seek advice from their tax advisers.
09/05/2008	Chapter 19B	N/A	6	E6.	Will there be fungibility between HDRs and the underlying shares?	<p>Provided there are no restrictions on the underlying shares, they should be fungible with HDRs. If the underlying shares are listed on an overseas market, arbitrage between the two markets can take place.</p> <p>Where an investor or intermediary believes that the price of the HDRs is higher (taking account of the DR ratio) than the price of the underlying shares, it may wish to acquire shares in the overseas market, submit them to the custodian and take delivery of DRs in the Hong Kong market to sell and make a profit. Where the price of the HDRs is lower than that of the underlying shares, the investor/intermediary may submit the HDRs to the depositary for cancellation and take delivery of shares in the overseas market to sell and make a profit. Fees will be payable to the</p>

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						<p>depository on issuance and cancellation of the HDRs.</p> <p>The arbitrage process will tend to bring the price of DRs and the price of the underlying shares into line, subject to the DR ratio. It is a normal commercial process.</p>
09/05/2008	Chapter 19B	N/A	6	E7.	Are HDRs scripless?	To trade on the Exchange DRs must be deposited in CCASS and will be traded and settled on a book-entry electronic basis. However, as in the case of shares, DR holders have the option of withdrawing DR scrip from, or depositing DR scrip into, CCASS.
09/05/2008	Chapter 19B	N/A	6	E8.	Can DRs be sold short?	DRs are subject to the existing rules on short selling. Where the DR issuer meets the Exchange's criteria and is placed on the list of eligible stocks, short selling in the normal manner will be permitted.
09/05/2008	Chapter 19B	N/A	6	E9.	Will the trading of HDRs be suspended to keep in line with the suspension of underlying shares in the local market?	As a practical matter a suspension of the underlying shares of HDRs in the local market will normally, though not necessarily, result in a suspension of trading of HDRs on the Exchange. The trading suspension and resumption of HDRs on the Exchange will be in accordance with the Exchange Listing Rules e.g. whether the issuer is able to keep the Hong Kong market informed of the development in the issuer's activities. Similar

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						to issuers with their equity securities listed on the Exchange, the lack of an announcement in some situations may lead to a concern of establishment of a false market in Hong Kong and hence would require a temporary suspension of dealings in the HDRs pending an appropriate announcement to be made.
09/05/2008	Chapter 19B	N/A	6	E10.	What will happen to the HDRs listed in HK if its underlying shares are undergoing a stock split or consolidation?	A stock split or consolidation of the underlying shares of the HDRs will affect the capital structure of the HDRs and consequently the HDR ratio. Further, a stock split or consolidation in the underlying shares may, or may not, affect the board lot size of the HDRs. The Exchange, in appropriate circumstances, would request for adequate arrangements to be made to enable odd lot holders are to be accommodated and issuers and depositaries are encouraged to consult with the Exchange at the earliest opportunity.
1/12/2010	Chapter 19B	N/A	6	E11.	How will international securities identification numbers (ISIN) be allocated to HDRs?	International standard ISO 6166 provides a uniform structure for a number, the ISIN, that is a unique identifier of securities. National numbering agencies (NNA) are responsible for issuing the ISIN in their respective countries. In the case of depositary receipts, such as HDRs, the relevant country is that of the entity which issued the depositary receipt, i.e. the depositary bank, rather than that of the issuer of the

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						underlying shares. As such, if the HDRs are issued by a depository bank which is incorporated or established outside Hong Kong, the ISINs of each class of HDR is assigned by the respective NNA of its country of incorporation.
09/05/2008	Chapter 19B	N/A	6	F1.	Are there any changes to depository and nominee services under the DR framework?	There are some minor changes to the flow of information and instructions between the issuer and the investor (DR holder) because of the intermediation by the depository. The deposit agreement will stipulate the services which the depository has to provide to the HDR holder. In respect of HDRs held within CCASS, HKSCC will support the depository by providing its normal nominee services in relation to the corporate actions or activities affecting HDRs as well as arranging for the distribution of copies of relevant corporate communications to the CCASS Participants concerned.
09/05/2008	Chapter 19B	N/A	6	F2.	What are the procedures for deposit and withdrawal of DR certificates into / from CCASS?	DRs, upon admission as eligible securities of CCASS, can be physically deposited into/ withdrawn from CCASS. The deposit and withdrawal procedures are the same as those currently applied to other eligible securities of CCASS.
09/05/2008	Chapter 19B	N/A	6	F3.	Will CCASS be involved in the creation and cancellation of DRs?	No. An investor or intermediary who wishes to create or cancel DRs would need to apply to the



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						relevant depositary direct. For creation, after the DRs are created, the investor or intermediary can physically deposit the DR certificates into CCASS for custody or for settlement of trades. For cancellation, DR certificates can be physically withdrawn from CCASS and surrendered to the issuing depositary for cancellation.
1/12/2010	Chapter 19B	N/A	6	G1.	What are pre-release and pre-cancellation?	<p>Pre-release is the early creation and release of HDRs by the depositary before it has taken delivery of the underlying shares. Pre-cancellation is the equivalent and opposite transaction, i.e. early cancellation of HDRs by the depositary and release of the underlying shares before the HDRs have been submitted to the depositary.</p> <p>Pre-release enables the parties concerned to bridge the gap between the need to settle HDRs and the availability of the local shares for delivery to the local custodian. A gap may arise because of the logistics of communication among the depositary, the broker and the custodian, or differences in the settlement cycles between Hong Kong and the respective local market</p> <p>In order to manage the risk of pre-release, the depositary will enter into a written agreement (the pre-release agreement) with the counterparty</p>

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						(usually a broker) which provides for the rights and responsibilities of the parties concerned. In particular, the broker will commit that it is presently entitled to the shares and will subsequently deliver the shares to the depositary. The HDRs pre-released (i.e. delivered) to the broker will be collateralised and the exposure continuously monitored by the depositary, with margin calls if necessary.
1/12/2010	Chapter 19B	N/A	6	I1.	Can HDR holders attend shareholders' meetings?	HDR holders are not legally shareholders. They have the contractual rights set out in the deposit agreement, including the right to vote on resolutions, receive dividends and participate in corporate actions; these rights are generally exercised on their behalf by the depositary. HDR holders are not permitted to attend shareholders' meetings in the capacity of shareholders. HDR holders should read the deposit agreement carefully to understand their rights.
09/05/2008	19B.01	N/A	6	B12.	Can HDR issuers list by introduction?	Yes. The methods of listing are the same as for issuers of shares, i.e. Chapter 7 of the Main Board Listing Rules applies to HDR issuers as much as it applies to issuers of shares.
09/05/2008	19B.01	N/A	6	B13.	Do HDR issuers have to conduct an IPO?	The Exchange's existing listing regime applies to DR issuers as much as it applies to issuers of shares. Where there is expected to be significant public interest in an issue an IPO is required.

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10/09/2008	19B.02	N/A	6	B17.	Does the definition of “holder of depositary receipts” include a holder evidenced by a book-entry in the HDR register?	Yes. The definition of “holder of depositary receipts” includes a holder evidenced by a book entry in the HDR register.
09/05/2008	19B.06	N/A	6	B3.	Do HDR issuers have to be already listed on any exchange?	No. Any issuers, whether listed on any exchange or not, which can meet the requirements of the Listing Rules are welcome to apply to list as HDRs.
09/05/2008	19B.06	N/A	6	B5.	Can issuers already listed on the Exchange issue HDRs?	An issuer cannot have both shares and HDRs listed on the Exchange at the same time. A share issuer wishing to list in HDR form must apply to delist as a share issuer and re-apply to list as a HDR issuer. This process will require the share issuer to comply with its own constitutional requirements and all relevant rules and regulations, including where applicable the consent of its existing shareholders.
09/05/2008	19B.07	N/A	6	B10.	Does a HDR issuer have to apply for ‘headroom’?	It is up to the issuer to decide the amount of DRs in respect of which listing is to be applied for. However, an HDR issuer must ensure that listing approval has been sought for all HDRs traded in Hong Kong from time to time.  A hypothetical example is as follows. Say an issuer has 100 shares. It wishes to raise capital by issuing the equivalent of 25 new shares in the form of DRs in the Hong Kong market, thus bringing its outstanding share capital to 125

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						<p>shares. The issuer is free to apply to list whatever number of HDRs it wishes on the Exchange provided that all other listing requirements are met (eg public float – see also Query B11 below). In this hypothetical case, taking account of shares held by the public in its domestic market, the issuer reckons that it must list a minimum of 25 shares. To allow for possible future inflow, eg as a result of the arbitrage process (see Query E5 below), the issuer decides to apply for listing of 40 shares in the form of DRs. (The issuer may apply for listing of HDRs in respect of up to 125 shares, but will probably choose not to do so because of the costs involved.) The excess of 40 over 25, ie 15, is called the ‘headroom’.</p> <p>This means that the issuer can make further issues of HDRs in the Hong Kong market up to the limit of the headroom, ie the equivalent of 15 shares more, without making a further application for listing to the Exchange. Alternatively, inflow of shares into the Hong Kong market up to the limit of the headroom in the form of HDRs is also permitted without application for listing. (Any combination of HDRs issued for capital raising or issued as a result of conversion of underlying shares is permitted and listing approvals will be given for specific purposes and amounts.) However, if the limit of 40 shares will be exceeded, application for listing must be made. It</p>

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						<p>will be the responsibility of the issuer to ensure that the headroom is not exceeded. On a day-to-day basis the depositary will monitor the level of HDRs outstanding, and will not permit shares to be converted into HDRs if to do so would cause the limit to be exceeded.</p> <p>The issuer may make new issues of shares in the overseas market and these shares may be converted into HDRs listed on the Exchange. No application for listing need be made to the Exchange in such case unless the headroom is to be exceeded.</p>
09/05/2008	19B.08	N/A	6	B11.	How is the HDR issuer's public float calculated?	<p>Exchange Listing Rule 8.08(1)(a), which applies to HDR issuers as it does to issuers of shares, requires that at least 25% of the issuer's total issued share capital must at all times be held by the public. (A lower percentage applies to companies with an expected market capitalisation of over HK\$10 billion.)</p> <p>Where the HDRs listed in Hong Kong are fungible with the underlying shares, the total shares and shares represented by DRs of the issuer held by the public on both the Exchange and any overseas market(s) concerned will count toward the 25%.</p>

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09/05/2008	19B.09	N/A	6	C2.	Will retail investors be allowed to buy HDRs?	Yes. There are no restrictions on who may buy or sell HDRs.
09/05/2008	19B.11	N/A	6	B6.	Can Hong Kong or Mainland issuers apply to list as HDRs?	Yes. Any issuer which can meet the requirements of the Main Board Listing Rules and is in compliance with its local regulatory regime is welcome to apply to list in HDR form.
09/05/2008	19B.15	N/A	6	D1.	What are the qualifications for the depositary?	The depositary is required to be a suitably authorised and regulated financial institution acceptable to the Exchange. In determining acceptability, the Exchange will have regard to the institution's experience of issuing and managing DR programmes in Hong Kong and overseas.
1/12/2010	19B.16	N/A	6	H1.	How can HDR holders exercise their rights under the deposit agreement?	<p>A deposit agreement is executed by the depositary and the issuer. Listing Rule 19B.16 sets out the requirements for what should be included in the deposit agreement, including the role and duties of the depositary, and the rights of the HDR holders.</p> <p>The HDR holder is not a party to the deposit agreement. However, the issuer and the depositary execute a legal instrument (e.g. a deed poll) in favour of HDR holders so that the HDR holders will be able to enforce the rights set out in the deposit agreement against the issuer and the depositary. HDR holders should read the</p>

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						deposit agreement to understand their rights, and if necessary consider consulting their legal advisers.
10/09/2008	19B.16(a)	N/A	6	A7.	Can HDRs be issued by a depositary without the issuer's authorisation, i.e. can an HDR programme be 'unsponsored'?	No. HDRs cannot be issued by the depositary without the issuer's authorization. All HDR programmes must be 'sponsored'.
09/05/2008 (10/09/2008)	19B.16(j)	N/A	6	C4.	In what currency will dividends on HDR be paid?	The depositary will receive dividends from the issuer in the original currency and convert the amount into Hong Kong dollars (or US dollars if the issuer so chooses) at the appropriate market rate and remit the proceeds, net of any applicable taxes and the depositary's own fee, to the HDR holder. Where the investor holds the HDRs in CCASS, the dividend will be credited to his CCASS account (in respect of an Investor Participant) or the CCASS account of his broker of custodian, net of CCASS's dividend collection fee in accordance with the existing CCASS tariff.
09/05/2008	19B.16(k)	N/A	6	C7.	Can HDR holders vote at the shareholders meeting?	As with other corporate communications, the depositary, on behalf of the issuer, will pass information from the issuer on resolutions and voting procedures through to the DR holder, and will in turn pass the DR holder's voting instructions back to the issuer. Besides, DR holders can also access shareholders meeting announcements and other corporate

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						<p>communication by issuers on the HKEX website.</p> <p>The right of the clearing house to appoint proxies or representatives to attend and exercise statutory rights, including the right to speak, at shareholders meetings is set out in item 3(e) of the Joint Policy Statement.</p>
09/05/2008	19B.16(q)	N/A	6	C8.	What charges will investors pay in respect of HDRs?	There are various fees associated with HDRs. The fees charged by the depository are disclosed in the deposit agreement, which is a public document; investors should read the deposit agreement to inform themselves of these fees. The Exchange does not regulate the fees of the depositories.
1/12/2010	19B.16(s)	N/A	6	H3.	How can the deposit agreement be amended?	The procedures for amendment are set out in the deposit agreement. In order to protect HDR holders' interests, Listing Rule 19B.16(s) provides that any material change to the deposit agreement which affects HDR holders' existing rights and obligations would require prior notice to and the consent of HDR holders. Other amendments to the deposit agreement may become effective after giving an advance notice to HDR holders or by agreement between the issuer and the depository.
09/05/2008	19B.19	N/A	6	C3.	Can investors hold HDRs in physical form, ie in scrip?	Yes. However, if investors wish to trade their HDRs through the Exchange they must first



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						arrange via their broker or custodian for the HDRs to be deposited with CCASS.
21/02/2014	App 1A (paras 15(2)(c) and 23(1)); App 1B (para 22(1)); App 1C (para 36); App 1E (paras 23(1) and 49(2)(c)); App 1F (para 18(1)); App 5 Forms	App 1A (para 23(1)); App 1B (para 22(1)); App 1C (para 36); App 5 Forms	26	4.	How will the requirements to disclose nominal value of shares and authorised share capital in listing documents or listing application forms be satisfied by issuers without either of them?	The listing document or application form should disclose that the issuer does not have an authorised share capital and/or nominal value of shares in its share capital, and disclose the share capital structure it has instead, e.g. how many shares it has issued, including shares fully paid and yet to be fully paid.
20/05/2010	Appendix 1B Paragraph 28	Appendix 1B Paragraph 28	11	12.	Listco proposes to acquire a target company which will become its subsidiary. This is a major transaction. In the circular, should Listco disclose the indebtedness statement of its group and the target company (i) on a combined basis or (ii) separately?	Both methods are acceptable.
20/05/2010	Appendix 1B Paragraph 31(3)	Appendix 1B Paragraph 31(3)	11	13.	To incorporate information in a circular by reference to another published document, what should be disclosed?	In addition to identifying the information to be incorporated by reference, the issuer should identify the published document with the document name and date, the relevant pages,

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						and where shareholders can access the document (for example, the website address).
01/12/2010 (17/04/2014)	Appendix 1E	N/A	6	H2.	Where can HDR holders access the deposit agreement?	Arrangements should be in place to ensure that HDR holders can access or inspect the deposit agreement. Arrangements include: (1) In an application for listing, the deposit agreement is considered a material contract. So, it must be available for inspection in a place in Hong Kong for a reasonable period of time (not less than 14 days). A summary of the deposit agreement should be contained in the listing document (see paragraphs 75 and 76 of Appendix 1E to the Listing Rules). Under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), the deposit agreement as one of the material contracts must be registered with the prospectus which would then be made available at the Registrar of Companies upon payment of a fee. (2) The deposit agreement should provide for how a copy of the deposit agreement is made available, for example, at the issuer's website, or at the issuer or registrar's office. (3) An issuer should post the deposit agreement on the Exchange's website.

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30/03/2004	Appendix 3	Appendix 3	1	64.	Do issuers incorporated <u>outside</u> of Hong Kong need to amend their articles of association to comply with the new requirements of Appendix 3?	Yes, the requirements of Appendix 3 apply to <u>all</u> issuers, wherever incorporated.
30/03/2004	Appendix 3	Appendix 3	1	65.	In respect of amendments to its constitutional documents, if a provision of Appendix 3 is already covered by the law of the issuer's jurisdiction of incorporation (e.g. Bermuda), is the issuer still required to amend its constitutional documents to comply with Appendix 3?	We understand that the provisions of Appendix 3 and, in the case of an issuer not incorporated in Hong Kong, Appendix 13, are not already covered by the relevant law(s).
30/03/2004	Appendix 3	Appendix 3	1	67.	Regarding the new requirement for an issuer to issue an announcement on any proposed amendment to its memorandum or articles association, will the issuer be required to publish any further announcements regarding adoption of such proposed amendments?	Issuers are not required, under the rules, to publish any further announcement on the adoption of amendments to articles of association. However, issuers are encouraged to do so to promote transparency.
30/03/2004	Appendix 3 Paragraphs 4(4) and 4(5)	Appendix 3 Paragraphs 4(4) and 4(5)	1	68.	In respect of the nomination of a person for election as a director, when does the nominee have to submit his confirmation of willingness to accept such nomination? Can this be <u>2 days</u> (for example) before AGM date?	No, this cannot be 2 days before AGM. We would expect that the confirmation of willingness to accept the nomination to be submitted to the issuer at the same time as the nomination of the person for election as a director.

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30/03/2004	Appendix 3 Paragraphs 4(4) and 4(5)	Appendix 3 Paragraphs 4(4) and 4(5)	1	69.	Paragraphs 4(4) and 4(5) of Appendix 3 have been amended to provide that the lodgement period for nomination of directors by shareholders should commence no earlier than the day after the despatch of the general meeting notice and end no later than seven days prior to the date of such meeting. Does this mean that issuers cannot accept a notice to propose a person for election as a director earlier than the day after the despatch of the notice of the general meeting appointed for the election?	<p>One of the purposes of paragraph 4(5) is to stipulate the earliest date which may be used for <u>calculating</u> the minimum 7-day period required under paragraph 4(4). <u>It is not intended to prevent issuers from accepting a notice of nomination earlier than the day after the despatch of the notice</u> if such is permitted under the issuer's articles of association or equivalent document and the applicable law.</p> <p>An issuer should itself formulate the appropriate wording for any proposed amendment to its articles of association or equivalent document for the purpose of complying with paragraph 4(5).</p>
28/11/2008	Form B/H/I in Appendix 5	Form A/B/C in Appendix 6	8	50. Issue 17	Where can blank new DU Forms be collected?	<p>The Exchange will discontinue the practice of providing blank DU Forms in paper format.</p> <p>A PDF version of each of the new DU Forms will be available for downloading on the HKEX's website:</p> <ul style="list-style-type: none"> <li>• For listing applicants: <a href="http://www.hkex.com.hk/issuer/nla/guidelines.htm">http://www.hkex.com.hk/issuer/nla/guidelines.htm</a>;</li> <li>• For listed issuers: <a href="http://www.hkex.com.hk/listing/epp/cft_MB.htm">http://www.hkex.com.hk/listing/epp/cft_MB.htm</a> for Main Board; <a href="http://www.hkex.com.hk/listing/epp/cft_GEM.htm">http://www.hkex.com.hk/listing/epp/cft_GEM.htm</a> for GEM;</li> </ul>

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						and ESS before the implementation date.
28/11/2008	Form B/H/I in Appendix 5	Form A/B/C in Appendix 6	8	51. <i>Issue 17</i>	Will directors still be subject to criminal liability for false or misleading information which they provide to the Exchange, notwithstanding that the statutory declaration requirement has been removed from the relevant DU Forms?	<p>The removal of the statutory declaration requirement in the DU Forms will remove the director's liability for making a false declaration under the Crimes Ordinance.</p> <p>However, a director or supervisor who has signed a DU Form will have made a declaration (at paragraph (i) of Part 2 of the DU Form) that the details contained in the form are true, complete and accurate, that the director/supervisor in question accepts responsibility for the truthfulness, accuracy and completeness of the particulars and that he has not made any statements or omissions which would render such particulars untrue or misleading, etc.. The declaration further states: "I understand that The Stock Exchange of Hong Kong Limited may rely upon the foregoing particulars in assessing my suitability to act as a director [or supervisor] of the issuer."</p> <p>A director or supervisor who provides information to the Exchange which is false or misleading in a material particular, may be in breach of section 384 of the Securities and Futures Ordinance, and therefore subject to the criminal sanctions imposed by that section.</p>

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28/11/2008	Form B/H/I in Appendix 5, 3.20A	Form A/B/C in Appendix 6 5.12A	8	52. <i>Issue 17</i>	Where a person is appointed a director or supervisor by more than one listed issuer, is he required to submit a DU Form or an Undertaking Form for an existing director (as defined in FAQ 56 below) for each listed issuer appointing him?	Yes. The director or supervisor must submit a DU Form or an Undertaking Form (in the case of an existing director) for each listed issuer appointing him.
28/11/2008	Form B/H/I in Appendix 5, 3.20A	Form A/B/C in Appendix 6, 5.12A	8	53. <i>Issue 17</i>	Can the certification of the signature of a director or supervisor in an Undertaking Form or a new DU Form be done by a Notary Public or Commissioner for Oaths rather than by a director or secretary of the listed issuer?	The Exchange will accept a certification of the signature of the director or supervisor in his Undertaking Form or new DU Form by a Notary Public or Commissioner for Oaths rather than by the company secretary or another director. However, such certification is not required under the Listing Rules.
28/11/2008	Form B/H/I in Appendix 5, 3.20A	Form A/B/C in Appendix 6, 5.12A	8	54. <i>Issue 17</i>	Does the Exchange accept faxed copies of the executed Undertaking Forms or DU Forms?	No. The Exchange only accepts the signed original of the executed Undertaking Forms and DU Forms.
28/11/2008 (13/03/2009)	Form B/H/I in Appendix 5, 9A.08, 9A.09(12), 13.51(2)	N/A	8	59. <i>Issue 17</i>	How should an existing director / supervisor of an issuer seeking to transfer from GEM to the Main Board complete paragraph 2 of Part 1 of Form B/H/I in Appendix 5?	For the purpose of paragraph 2 of Part 1 of Forms B/H/I, a GEM transfer issuer is regarded as a listed issuer. Existing directors and supervisors of a GEM transfer issuer must state in the relevant Forms B/H/I that their personal details have been set out in the transfer announcement made under Main Board Rule 9A.08, i.e. the date of the GEM transfer announcement should be inserted in the space provided.

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						<p>Every GEM transfer issuer must:</p> <ul style="list-style-type: none"> <li>disclose the biographical information of each existing director or supervisor in the GEM transfer announcement in the same manner as required under Main Board Rule 13.51(2); and</li> <li>submit Form B/H/I to the Exchange immediately after the GEM transfer announcement is published.</li> </ul>
28/11/2008	Appendix 6 Paragraph 1	N/A	7	67.	<p>A Main Board listed issuer proposes a placing of warrants to subscribe new shares of the issuer. The listed issuer intends to apply for a listing of the warrants on the Exchange.</p> <p>If the proposed warrants are able to meet Main Board Rule 8.09(4) which sets out the initial market capitalization requirement for listing of warrants, are they still subject to the initial market capitalization requirement set out in the placing guidelines under Appendix 6 to the Main Board Rules?</p>	<p>Yes. According to Paragraph 15 of Appendix 6 to the Main Board Rules, placing of securities by a listed issuer is required to comply with the placing guidelines if the securities are of a class new to listing. As the warrants will be issued by way of placing, the listed issuer must comply with the requirements set out in the placing guidelines including the additional requirement for initial market capitalization for the securities to be placed.</p>
30/04/2013	Paragraphs 2(1)(b), 26 and 26A of Appendix 7H	N/A	22	5	<p>Do the obligations to make an announcement to avoid a false market in the issuer's listed securities, to respond to the Exchange's enquiries,</p>	<p>No, those obligations are generally confined to information relating to the listed structured products, structured products issuers and/or guarantors.</p>

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					and to apply for a trading halt cover information relating to the underlying securities?	
21/02/2014	App 8 (paras 2(1)(a) and 2(2))	App 9 (para 1(2) (a)(i))	26	10.	How will annual listing fees be calculated where the issuer's shares have no nominal value?	<p>In the case of listed issuers whose shares cease to have a nominal value subsequent to their date of listing (the “no-par event”), the nominal value per share that was used to calculate the annual listing fees immediately before the no-par event (the “notional nominal value per share”), shall be used to calculate the annual listing fees from the no-par event (including any change in the annual listing fees payable under paragraphs 2(4) or 2(5) of MB Appendix 8 (and the equivalent GEM Rules)). If an issuer conducts a subdivision of shares after the no-par event, the notional nominal value per share shall be adjusted accordingly, subject to a minimum of HK\$0.25 per paragraph 2(2) of MB Appendix 8 (and the equivalent GEM Rule).</p> <p>For Hong Kong incorporated issuers, the notional nominal value per share from 3 March 2014 shall be the nominal value per share on 2 March 2014. For example:</p> <ul style="list-style-type: none"> <li>- If an issuer conducts a placing, bonus issue, rights issue or open offer, or consideration issue in September 2014, there will be an increase in annual listing fee payable in the remainder of that year based on the number of</li> </ul>



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						<p>new shares issued and the notional nominal value per share.</p> <ul style="list-style-type: none"> <li>- If an issuer conducts a share subdivision in September 2014, the notional nominal value per share will be adjusted accordingly, subject to a minimum of HK\$0.25 per paragraph 2(2) of MB Appendix 8 (and the equivalent GEM Rule) (the “new nominal value per share”). The annual listing fee payable for the remainder of that year will be calculated based on the number of subdivided shares and the new nominal value per share.</li> <li>- If an issuer conducts a share consolidation in September 2014, the annual listing fee payable for the remainder of that year will be calculated based on the number of consolidated shares and the notional nominal value per share. There will be no change to the nominal value per share as it is assumed that the share consolidation is conducted together with a capital reduction as it is under the current market practice.</li> <li>- For Hong Kong incorporated issuers listed on or after 3 March 2014, we shall apply a nominal value of HK\$0.25 per paragraph 2(2) of MB Appendix 8 (and the equivalent GEM Rule) as we have done for other issuers with no nominal value per share or a nominal value per share &lt; HK\$0.25 for calculating annual listing fees.</li> </ul>

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						(Please see the table appended at the end of these FAQs for additional examples of annual listing fee calculations.)
09/05/2008	Appendix 8	N/A	6	B14.	What are the listing fees for DR issuers?	The listing fees for DR issuers follow the same schedule as for issuers of shares, ie Appendix 8 of the Main Board Listing Rules applies. In the case of the annual listing fee, the term 'nominal value' in Appendix 8 refers to the nominal value of the shares represented by the DRs.
30/03/2004	Appendix 10	5.46 to 5.68	1	70.	Is there any requirement to formally adopt the Model Code if the issuer follows exactly the rules in the Model Code?	An issuer needs to <u>formally</u> adopt either the Model Code or a code of its own. If it adopts a code of its own, its terms must be no less exacting than the terms of the Model Code. Any breach of its own code will not be a breach of the Listing Rules unless it is also a breach of the required standard contained in the Model Code.
30/03/2004	Appendix 10	5.46 to 5.68	1	71.	The issuer has followed a code of conduct regarding securities transaction by directors for many years. However, such code has not been formally approved by resolution of the directors. Is it necessary to formally approve such Code of Conduct in directors meeting?	Yes, or else the code cannot be said to have been adopted.
30/03/2004	Appendix 10	5.46 to 5.68	1	72.	A director enters into a share dealing agreement prior to the black-out period.	This will not be treated as a dealing provided the pricing is fixed (in monetary terms) before the black-out period and completion takes place

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					Will the director be considered as dealing in shares if completion of the share dealing agreement takes place during the black-out period?	pursuant to the original terms of the agreement.
31/05/2011 (02/01/2013)	Appendix 10 – Paragraphs 6 and 7, and Rule A.3	5.51, 5.52, 5.56	14	1(a)	<p>Mr. X, a director of Company A, intends to make an offer for Company A's shares under the Takeovers Code.</p> <p>(i) Does a dealing in Company A's shares occur under the Model Code when the offer document is despatched?</p> <p>(ii) If Mr. X announces his firm intention to make the offer (with terms) during the black out period, would it be regarded as a dealing in Company A's shares under the Model Code?</p>	<p>Under the Model Code, an issuer's director must not deal in the issuer's securities when he is in possession of inside information<sup>1</sup> relating to those securities and during a black out period. Dealing includes an offer to acquire the issuer's securities.</p> <p>(i) In the takeover situation, the despatch of the offer document is a dealing by Mr. X under the Model Code because he has made an offer to acquire Company A's shares under the offer document.</p> <p>(ii) As an offer has not been made at the time of the announcement, it is not a dealing under the Model Code.</p> <p>However, we understand that if a director announces a firm intention to make an offer, he will be required to proceed with the offer in accordance with the Takeovers Code. Therefore, Mr. X should apprise himself of all applicable rules and regulations before he announces the offer, and ensure that the offer (i.e. the despatch of the offer document)</p>

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						would not take place within the black out period. Please also refer to the SFC's Takeovers Bulletin – Issue No. 15.
31/05/2011	Appendix 10 – Paragraph 7, and Rule A.3	5.52, 5.56	14	1(b)	Mr. X has announced a firm intention to make an offer for Company A's shares (with terms) under the Takeovers Code before the commencement of the black out period.  If the offer document is to be despatched during the black out period and there are no change to the offer terms, would the dealing restriction under the Model Code apply?	Yes.
31/05/2011	Appendix 10 – Paragraph 7, and Rule A.3	5.52, 5.56	14	1(c)	If during the black out period Mr. X seeks and obtains irrevocable undertakings from Company A's shareholders to tender their shares under the offer, would these be considered as dealings under the Model Code?	The undertakings would not themselves be regarded as dealings by Mr. X under the Model Code.
31/05/2011	Appendix 10 – Paragraph 7	5.52	14	2.	For the purpose of the Model Code, does dealing include a takeover of a listed issuer by way of scheme of arrangement under which the issuer's shares would be cancelled in exchange for cash or securities?	The dealing restrictions in the Model Code also apply to schemes of arrangement as they have similar effect to takeovers by way of general offer.

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31/05/2011	Appendix 10 – Paragraphs 6 and 7, and Rules A.3 and A.6	5.51, 5.52, 5.56, 5.59	14	3.	<p>An entity makes an offer to acquire Listco’s shares under the Takeovers Code.</p> <p>Mr. Y is a director of each of Listco and the offeror. The offer is not a dealing in which Mr. Y is treated as interested under Part XV of the Securities and Futures Ordinance.</p> <p>Would the offer be regarded as dealing by Mr. Y in Listco’s shares under the Model Code by virtue of his directorship in the offeror?</p>	No. However, Mr. Y should note that under the Model Code he must not make any unauthorised disclosure of confidential information of Listco to any person (even those to whom he owes a fiduciary duty).
30/03/2004	Appendix 10 Paragraph 7(d)(iv)	5.52(4)(d)(iv)	1	73.	Is the exercise of share options by a director under an employee share option scheme pursuant to Chapter 17 (where the Exchange has approved the listing of the shares granted under the scheme) subject to the black-out period in respect of dealings by directors?	No, it is not subject to the black-out period provided that a director exercise his share options at the pre-determined exercise price, being a fixed monetary amount, determined at the time the options were granted. However, unless there are exceptional circumstances, a director may not otherwise <u>deal</u> in shares during the black-out period. One should also keep in mind that, under the Model Code, the <u>granting</u> of options is subject to the same black-out period.
28/11/2008	Appendix 10, paragraph 7(d)(viii)	5.52(4)(h)	8	60. <i>Issue 18</i>	Please clarify the meaning of “beneficial ownership is transferred from another party by operation of law”.	This refers to the situation where the transfer occurs automatically as a result of applicable laws rather than any act on the part of the relevant parties. For example, the director may

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						be entitled to receive an interest in securities as a result of the laws governing intestacy or, where the director is a joint holder of securities, the director may obtain ownership of the securities if the other joint holder dies.
30/03/2004	Appendix 10 R.A.3	5.56	1	74.	A Main Board issuer proposes to publish its quarterly results on a voluntary basis. Is it subject to any black-out period for directors' dealings?	Yes, under rule A.3 of Appendix 10/ GEM rule 5.56, it is subject to the same black-out period as for publication of annual or interim results.
28/11/2008 (13/03/2009)	Appendix 10, Rule A.3	5.56	8	61. <i>Issue</i> 18	How does the new Rule on the black out period affect: (a) share repurchase; (b) grant of share options; (c) exercise of share options; (d) new issue of shares; and (e) top-up placing?	(a) The current dealing restriction for share repurchases under Main Board Rule 10.06(2)(e)/ GEM Rule 13.11(4) remains unchanged;  (b) the current dealing restriction for granting options under Main Board Rule 17.05 / GEM 23.05 remains unchanged;  (c) the exercise of share options is not subject to the provisions of Appendix 10 of the Main Board Rules (GEM Rule 5.56), being excluded from the definition of "dealing" (see paragraph 7(d)(iv) of Appendix 10 of the Main Board Rules/ GEM Rule 5.52(4)(d));  (d) new issues of shares or securities by the issuer are not caught under the Model Code, which governs directors' conduct; and

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						(e) top-up placings by directors or their associates may be exempted under paragraph 7(d)(vii) of Appendix 10 of the Main Board Rules/ GEM Rule 5.52(4)(g).
28/11/2008 (13/03/2009)	Appendix 10, Rule A.3	5.56	8	63. <i>Issue</i> 18	When should the black out period start if an issuer anticipates a delay in publishing its results announcement?	The default position is that the latest any black out period can start is 60 days or 30 days before the intended reporting day for annual or interim results. This is so even if it expects that the publication date will be later than the deadline imposed by the Listing Rules.
28/11/2008 (13/03/2009)	Appendix 10, Rule A.3	5.56	8	64. <i>Issue</i> 18	An issuer has notified the Exchange of the commencement date of the black out period under paragraph (b) of Rule A.3 of Appendix 10 of the Main Board Rules/ GEM Rule 5.56. If it later decides to postpone publication, should the black out period be based on the revised publication date?	No. The commencement date of the black out period does not change if the issuer decides to postpone publishing the results after it has notified the Exchange. The black out period will be extended and end on the date of publication.
28/11/2008 (13/03/2009)	Appendix 10, Rule A.3	5.56	8	65. <i>Issue</i> 18	(a) Does the new requirement to give prior notice to the Exchange of the commencement of the black out period effectively mean that issuers have to give the Exchange at least 60 days' notice (for annual results) and at least 30 days' notice (for interim results) of the board meeting	(a) Main Board Rule 13.43/ GEM Rule 17.48 is separate from the black out Rule. Main Board Rule 13.43/ GEM Rule 17.48 requires issuers to give advance notice of board meetings to both the Exchange and the public, while the new black out Rule requires issuers to give advance notice of the black out period to the Exchange subject, in each case, to its own

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					<p>date, as opposed to the current requirement of at least 7 clear business days' advance notice under Main Board Rule 13.43/ GEM Rule 17.48?</p> <p>(b) If an issuer informs the Exchange of the board meeting date under Main Board Rule 13.43/ GEM Rule 17.48 when it gives notice of the commencement of the black out period under the new Rule, will it be required to publish the notice of board meeting date at the same time as it gives the notice to the Exchange?</p>	<p>deadline.</p> <p>(b) Main Board Rule 13.43/ GEM Rule 17.48 requires an issuer to inform the Exchange and publish an announcement at least seven clear business days in advance of the date fixed for a board meeting to approve its financial results. The issuer may choose to give notice of the commencement of the black out period at the same time as it notifies the Exchange of the board meeting but to publish the required announcement at a later date at least seven clear business days in advance of the date fixed for the board meeting.</p>
28/11/2008 (13/03/2009)	Appendix 10, Rule A.3	5.56	8	67. <i>Issue</i> 18	Is a director permitted to deal on the actual day on which the issuer's financial results are published?	No. Rule A.3(a) states that a director must not deal in any securities of the issuer on any day on which its financial results are published.
28/11/2008 (13/03/2009)	Appendix 10, Rule A.3	5.56	8	68. <i>Issue</i> 18	Does the notification to the Exchange under Rule A.3(b) have to be in writing?	Yes.
28/11/2008 (13/03/2009)	Appendix 10, Rule A.3	5.56	8	69. <i>Issue</i> 18	Rule A.3 of Appendix 10 of the Main Board Rules/ GEM Rule 5.56 provides that, "if shorter", the black out period is "from the end of the relevant financial year up to the publication date of the results". Please clarify whether the	The period commences on the day following the financial year end.



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					period commences on the day the financial year end or the day following the financial year end.	
30/03/2004	Appendix 10 R.A.6	5.61	1	75.	According to the Model Code, a director needs to notify the chairman or a designated director in writing before he deals in the issuer's shares. Does this requirement apply to his spouse and infant child as well?	Yes, dealings by the spouse or any minor child will be treated as dealings of the director.
30/03/2004	Appendix 10 R.A.6	5.61	1	76.	If the spouse of a director who is living apart from the director deals in shares of the issuer, is the director responsible for non-reporting of dealings by the spouse?	Dealings by the spouse will be treated as dealings of the director under the Model Code. The director is therefore responsible for the spouse's share dealings. However, the Exchange, in deciding what (if any) follow-up action is appropriate in any particular case, will consider all the relevant facts and circumstances.
19/12/2011	Appendix 14	Appendix 15	17	30.	Is a Note under a Code Provision subject to "comply or explain"?	No, it is not. A Note is normally to clarify the meaning or illustrate the practical application of the Code Provision.
27/03/2013 (06/05/2016)	Appendix 14, Code Provision A.1.8	Appendix 15, Code Provision A.1.8	21	1.	What are the requirements for the insurance cover that an issuer should provide in respect of legal action against its directors?	Issuers should take out appropriate insurance cover in respect of the possible legal liabilities that directors may face. It is up to the individual issuer to determine the appropriate sum. For example, directors of a large multi-national company may need more comprehensive insurance cover than an issuer with local

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						operations only. It also depends on other factors such as the nature of the issuer's business. The board of each issuer should consider its own risks and take out appropriate directors' liability insurance accordingly.
28/02/2013	Appendix 14, Code Provision A.2.7	Appendix 15, Code Provision A.2.7	20	29.	Under Code Provision A.2.7, the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present.  Is the Code Provision applicable to an issuer if its chairman is an executive director?	Yes. The chairman should hold these meetings even if he is an executive director.
19/12/2011 (06/05/2016)	Appendix 14, Code Provision A.3.2	Appendix 15, Code Provision A.3.2	17	20.	Code Provision A.3.2 requires publication of an updated list of directors identifying their role and function. Please clarify the information that should be disclosed in this list of directors.	An issuer should identify whether each director is an executive director, non-executive director or independent non-executive director and, if applicable, specify his role in the company (e.g. chairman of one or more board committee(s), etc.).
19/12/2011	Appendix 14, Code Provisions A.3.2, A.5.3, B.1.3 and C.3.4	Appendix 15, Code Provisions A.3.2, A.5.3, B.1.3 and C.3.4	17	20B.	Can an issuer publish the terms of reference of its board committees and its list of directors in a single language (i.e. English or Chinese only)?	No, these documents must be published in both English and Chinese.

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19/12/2011 (06/05/2016)	Appendix 14, Code Provisions A.3.2, A.5.3, B.1.3 and C.3.4	Appendix 15, Code Provisions A.3.2, A.5.3, B.1.3 and C.3.4	17	20C.	Does an issuer have to publish the terms of reference of its board committees and its list of directors by way of an announcement?	No, the terms of reference do not need to be published by way of an announcement. An issuer should select the current Tier 1 Headline Categories for Announcements and Notices, which includes, amongst others, the following Headline Categories:  <ul style="list-style-type: none"> <li>(a) List of Directors and their Role and Function</li> <li>(b) Terms of Reference of the Audit Committee</li> <li>(c) Terms of Reference of the Remuneration Committee</li> <li>(d) Terms of Reference of the Nomination Committee</li> </ul>

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19/12/2011 (06/05/2016)	Appendix 14, Code Provisions A.3.2, A.5.3, B.1.3 and C.3.4	Appendix 15, Code Provisions A.3.2, A.5.3, B.1.3 and C.3.4	17	20D.	<p>If an issuer amends the terms of reference of its board committees and/ or amends its list of directors from time to time:</p> <p>(a) When is the issuer expected to post the updated documents on the HKEXnews website and on its own website?</p> <p>(b) If an issuer announces on 22 February that a new director will be appointed with effect from 25 April, should it upload the new list of directors on the announcement date or the effective date?</p>	<p>(a) Issuers are expected to post the updated documents as soon as reasonably practicable after the announcement, and in any event, no later than the effective date of the changes.</p> <p>(b) In this case, the issuer may upload the new list of directors onto its website and the HKEXnews website on or before 25 April.</p>
19/12/2011 (06/05/2016)	Appendix 14, Code Provision A.4.3	Appendix 15, Code Provision A.4.3	17	21.	<p>If an independent non-executive director has served an issuer for 9 years or more, should further appointment of the director be subject to re-election every year at the AGM (using a separate AGM resolution), or can he continue to be re-elected on the regular rotation basis (e.g. every 2 or 3 years)?</p>	<p>Code Provision A.4.3 is intended to draw attention to the fact that if an independent non-executive director has served on the board for more than 9 years, this fact may be relevant to the determination of his independence. It is not intended to prohibit further appointment of such a director. So, the director's further appointment may be carried out by re-election on the regular rotation basis (e.g. every 2 or 3 years).</p>
27/03/2013 (06/05/2016)	Appendix 14, Code Provision A.5.1	Appendix 15, Code Provision A.5.1	21	2.	<p>If an issuer's nomination committee is not chaired by an independent non-executive director or the chairman of the board, what might the Exchange</p>	<p>Issuers vary significantly in their individual characteristics, size and complexity of operations, and the risks and challenges they face. No single set of corporate governance</p>

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					consider an acceptable explanation for this deviation from Code Provision A.5.1?	standards fits all issuers, just as no single set of explanations for deviations from a Code Provision is applicable to all. Issuers should give meaningful explanations on why they choose to deviate from the Code Provision based on their own circumstances.
13/12/2012	Appendix 14, Code Provision A.5.6, Paragraph L(d)(ii)	Appendix 15, Code Provision A.5.6, Paragraph L(d)(ii)	19.	3.	Will the Exchange provide samples of the board diversity policy?	The Exchange will not provide samples of the policy because each company has a unique business model and specific needs. Each company should therefore develop a policy according to its own circumstances. Providing samples may encourage box-ticking compliance. The issuer should develop a policy that has been debated at the board level, having taken into account the board's business strategy and existing composition in terms of balance of skills, experience and diversity of perspectives.
19/12/2011	Appendix 14, Code Provision A.6.5	Appendix 15, Code Provision A.6.5	17	22.	Are there any Exchange accredited training courses for the purposes of Code Provision A.6.5?	No. Directors should attend training relevant to their duties and responsibilities that they consider appropriate.
19/12/2011 (06/05/2016)	3.08, Appendix 5, Appendix 14, Principle A.6, Code Provision A.6.5 and	5.01, Appendix 6, Appendix 15, Principle A.6, Code Provision	17	22A.	What are directors' duties and what is appropriate directors' training?	Under Main Board Rule 3.08/ GEM Rule 5.01, directors must fulfil fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong law. Delegating their functions is permissible but does not absolve them from their responsibilities or from applying the required

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	Paragraph I(i)	A.6.5 and Paragraph I(i)				<p>levels of skill, care and diligence. Directors do not satisfy these required levels if they pay attention to the issuer's affairs only at formal meetings. At a minimum, they must take an active interest in the issuer's affairs and obtain a general understanding of its business. They must follow up anything untoward that comes to their attention.</p> <p>The Corporate Governance Code (Principle A.6) emphasises that executive and non-executive directors have the same duties of care and skill and fiduciary duties.</p> <p>Code Provision A.6.5 on directors' training can be satisfied in a number of ways, e.g. by attending in-house briefings, by attending training relevant to the issuer's business including those conducted by lawyers, and even by reading materials relevant to directors' duties and responsibilities.</p> <p>Pursuant to Main Board Rules Appendix 5 / GEM Rules Appendix 6, every director has undertaken to:</p> <ul style="list-style-type: none"> <li>• comply to the best of his ability with the Rules;</li> <li>• use his best endeavours to procure that the issuer shall comply; and</li> </ul>

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						<ul style="list-style-type: none"> <li>use his best endeavours to procure that any alternate of his so comply.</li> </ul> <p>The Listing Rules change and evolve over time. It is the responsibility of all directors to ensure that they participate in sufficient training provided by suitably qualified professional individuals and bodies to refresh and update their knowledge and skills so as to enable them to discharge their duties and responsibilities for the benefit of the company.</p>
19/12/2011 (06/05/2016)	Appendix 14, Code Provision A.6.5 and Paragraph I(i)	Appendix 15, Code Provision A.6.5 and Paragraph I(i)	17	22B.	If a director sits on the boards of several issuers, can the same training record be provided to each issuer in order to comply with Code Provision A.6.5 and the Mandatory Disclosure Requirement under Paragraph I(i)?	Yes, he can provide the same training record to all the issuers.
27/03/2013 (06/05/2016)	Appendix 14, Code Provision A.6.7 and Paragraph I(c)	Appendix 15, Code Provision A.6.7 and Paragraph I(c)	21	3.	Code Provision A.6.7 states that the independent non-executive directors and other non-executive directors " <i>should also attend general meetings and develop a balanced understanding of the views of shareholders</i> ". Is it a deviation from the Code Provision if one or more of an issuer's independent non-executive directors or other non-executive directors do not attend a general meeting?	We would not consider the absence of one or more of an issuer's independent non-executive directors or other non-executive directors from a general meeting to be a deviation from Code Provision A.6.7. However, non-executive directors' attendance at general meetings is important. An independent non-executive director is often the chairman or a member of board committees and as such, he should be accountable to shareholders by being available to respond to questions and enquiries in

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						relation to their work. Without attending general meetings, the director will not be able to develop a balanced understanding of the views of shareholders. For these reasons, the Mandatory Disclosure Requirement under Paragraph I(c) serves the regulatory objective of encouraging all directors (not just independent non-executive directors and other non-executive directors) to attend general meetings.
19/12/2011 (06/05/2016)	Appendix 14, Code Provisions A.7.2, B.1.2, B.1.5, B.1.8, C.3.3 and D.3.1, Paragraph Q, Appendix 16 Paragraph 12	Appendix 15, Code Provisions A.7.2, B.1.2, B.1.5, B.1.8, C.3.3 and D.3.1, Paragraph Q, 18.39	17	23.	Are there any particular criteria for defining "senior management"?	The Corporate Governance Code states that senior management is the same category of persons referred to in the issuer's annual report and required to be disclosed under paragraph 12 of Main Board Rules Appendix 16/ GEM Rule 18.39.
19/12/2011 (06/05/2016)	Appendix 10, Rules A.1 and A.3(a), Appendix 14, Code Provision C.1.2	5.54, 5.56(a), Appendix 15, Code Provision C.1.2	17	24.	If the monthly management accounts have been reviewed by directors, is there any change to the blackout period for directors regarding their dealings in the issuers' shares?	The Rules prohibit a director from dealing in any of the securities of the issuer at any time when he possesses inside information in relation to those securities (see Rule A.1 of Main Board Rules Appendix 10 / GEM Rule 5.54).  The blackout period for directors refers to the period immediately preceding the publication of



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						<p>the issuers' annual results and half-year results (and quarterly results, if applicable); or the period from the end of the relevant financial year or half-year period (or quarterly period, if applicable) up to the publication date of the results (see Rule A.3(a) of Main Board Rules Appendix 10 / GEM Rule 5.56(a)).</p> <p>Monthly management accounts may or may not contain inside information. If they do not, then directors would not be precluded from dealing in the issuer's securities by reviewing the monthly management accounts. If they do, however, then directors are prohibited from dealing, in accordance with Rule A.1 of Main Board Rules Appendix 10 / GEM Rule 5.54.</p> <p>The blackout period remains unchanged regardless of whether or not the monthly management accounts contain inside information.</p>
19/12/2011 (02/01/2013)	Appendix 14, Code Provision C.1.2	Appendix 15, Code Provision C.1.2	17	24A	Should the issuer send the monthly management accounts/ management updates to directors 60 days after the month-end? Is there a deadline?	Monthly updates should be provided to directors as soon as practicable after the month-end. Although Code Provision C.1.2 does not specify a deadline, it is unhelpful to directors if they receive the information two months after the month-end. Directors will not be able to monitor the issuer's financial affairs and inside information disclosure unless the information is timely.

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19/12/2014 (06/05/2016)	Appendix 14, Sections C.2 and C.3, Paragraphs L and Q	Appendix 15, Sections C.2 and C.3, Paragraphs L and Q	30	1.	What is the implementation date of the amendments to the Corporate Governance Code and Corporate Governance Report (“revised Code”) in relation to internal controls?	<p>The revised Code applies to accounting periods beginning on or after 1 January 2016.</p> <p>An issuer must state in its first interim or annual report covering a period beginning on or after 1 January 2016 whether it has, for that period, complied with the new Code Provisions in the revised Code.</p> <p>Example A: An issuer with a 31 December financial year-end must implement and report on the revised Code from 1 January 2016.</p> <p>Example B: An issuer with a 30 June financial year-end must report on the old Code up to 30 June 2016, and implement and report on the revised Code from 1 July 2016.</p> <p>Example C: An issuer with a 30 September financial year-end must report on the old Code up to 30 September 2016, and implement and report on the revised Code from 1 October 2016.</p> <p><b>(Updated on 14 July 2015)</b></p>
19/12/2014	Appendix 14, Principle C.2	Appendix 15,	30	2.	Principle C.2 states that the management should provide a	“Management” is a commonly understood term; each company may have its own definition of

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		Principle C.2			confirmation to the board on the effectiveness of the risk management and internal control systems. Is there a definition for the term “management”?	“management”. We consider the “management” of an issuer should be determined by the issuer.
19/12/2014	Appendix 14, Principle C.2 and Code Provision C.2.6	Appendix 15, Principle C.2 and Code Provision C.2.6	30	3.	For the management to provide a confirmation to the board on the effectiveness of the issuer’s risk management and internal control systems, is it necessary for the management to first obtain a confirmation from an independent third party?	We intended the term “confirmation” to mean that the management should inspire confidence in the board on the effectiveness of the systems, as opposed to requiring assurance given by independent third parties.
19/12/2014	Appendix 14, Code Provision C.2.1	Appendix 15, Code Provision C.2.1	30	4.	The board is required to oversee the issuer’s risk management and internal control systems “on an ongoing basis”. Is this a day-to-day responsibility of the board?	It is the role of management to implement and take day-to-day responsibility for board policies on risk management and internal control. However, the board needs to satisfy itself that management has understood the risks, has implemented and is monitoring appropriate policies and controls, and is providing the board with timely information so that it can discharge its own responsibilities.
28/11/2008 (06/05/2016)	Appendix14 Code Provision C.2.2	Appendix15 Code Provision C.2.2	8	12. <i>Issue 3</i>	Under Code Provision C.2.2, can a PRC qualified accountant be appointed to be in charge of an H-share issuer's accounting, internal audit and financial reporting functions? Would a person who is not a member of	A listed issuer can decide which accounting qualifications are suitable for the personnel appointed to oversee the issuer’s accounting, internal audit and financial reporting functions. The board of directors has the responsibility to ensure the adequacy of resources, staff

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					a professional accounting body but who has other qualifications (for example an MBA (Finance) Degree from a USA graduate school of business, with over 20 years' financial management experience) be considered a person who possesses adequate qualifications and experience to be employed to oversee an issuer's accounting, internal audit and financial reporting functions?	qualifications and experience, training programmes and budget of the issuer's accounting, internal audit and financial reporting functions.
19/12/2014	Appendix 14, Code Provision C.2.5	Appendix 15, Code Provision C.2.5	30	5.	Code Provision C.2.5 states that the issuer should have an internal audit function. Is it a deviation from the Code Provision if an issuer outsources the internal audit function?	We understand that in practice it is common for issuers to engage external service providers to perform the internal audit function. We would not consider outsourcing the internal audit function to competent persons as a deviation from Code Provision C.2.5.
19/12/2014	Appendix 14, Code Provision C.2.5	Appendix 15, Code Provision C.2.5	30	6.	What does the Exchange expect of an issuer's internal audit function?	While the Exchange does not intend to prescribe the manner in which issuers carry out their internal audit function, we note that it may be helpful for issuers to refer to the Institute of Internal Auditors' International Professional Practices Framework ("IAIPPF") for guidance. The IAIPPF defines "internal auditing" as "an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate

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						and improve the effectiveness of risk management, control, and governance processes”.
19/12/2014	Appendix 14, Code Provision C.2.5	Appendix 15, Code Provision C.2.5	30	7.	Note 2 to Code Provision C.2.5 states that a group with multiple listed issuers may share group resources to carry out the internal audit function for members of the group. Which of the listed issuers in the group should carry out the internal audit function?	We consider that a group should have the flexibility to decide which of its group companies, holding or subsidiaries, is best equipped to carry out the internal audit function for other members of the group, based on expertise and resources planning and allocation. However, it is not the case that a group should always share resources to carry out the internal audit function. In some cases, it may be more appropriate for issuers within a group to carry out the internal audit function separately. This is a matter for each issuer, or group of issuers, to consider and decide upon in the light of their individual circumstances.
19/12/2011 (06/05/2016)	Appendix 14, Code Provision D.1.4	Appendix 15, Code Provision D.1.4	17	25.	Does Code Provision D.1.4 (which states that directors should clearly understand delegation arrangements in place and issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment) apply to newly appointed directors as well as to existing directors? What are the key terms and conditions that need to be included in the letter of appointment?	There should be a letter of appointment for existing as well as newly appointed directors. We will not prescribe the terms and conditions of the letter of appointment and will leave it to issuers to decide.

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21/02/2014 (06/05/2016)	Appendix 14, Principle E.1 and Guide on General Meetings, General Principle 2.3	Appendix 15, Principle E.1 and Guide on General Meetings, General Principle 2.3	26	16.	Can issuers hold a meeting at two or more places using technology that enables members to listen, speak and vote, as provided for under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong, s. 584(1))?	Yes. The <a href="#">Guide on General Meetings (issued 24 September 2010) (last updated 1 April 2015)</a> provides that issuers may use (and should consider using) technology (e.g. webcasts or video conferencing) in order to maximise shareholder participation.
19/12/2011	Appendix 14, Code Provision E.1.1	Appendix 15, Code Provision E.1.1	17	26.	Please give an example of “bundling” resolutions. Would the amendment of several articles included in one special resolution be considered “bundling”?	If an amendment to the issuer’s articles of association is likely to be controversial, the resolution in respect of the amendment should not be “bundled” with the less controversial resolutions. This is so even if the other resolutions are related to the controversial resolution.
14/12/2009 (06/05/2016)	Appendix 14, Code Provision E.1.3	Appendix 15, Code Provision E.1.3	9	26.	Code Provision E.1.3 provides that an issuer should give a minimum of 20 clear business days’ notice before an AGM. What if an issuer plans to convene its AGM 20 clear business days after the despatch of the AGM notice, but the stock market closes for one day during the notice period due to a typhoon? Would the issuer be considered to have deviated from the Code Provision if it	The issuer has complied with Code Provision E.1.3 at the time of despatch of the AGM notice. Subject to its articles of association, the issuer may convene the AGM as planned. It would not be considered to have deviated from the Code Provision in the circumstances described.

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					convenes the AGM as planned?	
14/12/2009 (06/05/2016)	Appendix 14, Code Provision E.1.3, 13.70	Appendix 15, Code Provision E.1.3, 17.46B	9	27.	If a shareholder proposes a person for election as a director at the forthcoming AGM after the issuer has issued the AGM notice, the issuer will issue a supplemental notice for the nomination of the director. Is the issuer required to comply with the minimum 20 clear business days' notice period under Code Provision E.1.3 for the despatch of this supplemental notice?	For nomination of directors in the circumstances described, Main Board Rule 13.70 / GEM Rule 17.46B specifically requires the issuer to assess whether it is necessary to adjourn the general meeting to give shareholders at least 10 business days to consider the information disclosed in the supplemental notice. It would normally be acceptable for the issuer to issue the supplemental notice 10 business days before the AGM or the adjourned AGM.
19/12/2011	Appendix 14, Code Provision F.1.1	Appendix 15, Code Provision F.1.1	17	27.	If a company secretary serves a group of issuers, but is an employee of only one of these issuers, would this be considered a deviation from Code Provision F.1.1?	No, it would not be considered a deviation from the Code Provision F.1.1.
19/12/2011 (06/05/2016)	Appendix 14, Code Provisions F.1.1 and F.1.3	Appendix 15, Code Provisions F.1.1 and F.1.3	17	28.	Code Provision F.1.3 states that the company secretary should report to the chairman and/or the chief executive. Is this requirement applicable to an external service provider acting as company secretary?	Code Provision F.1.3 does not apply to an external service provider acting as company secretary. However, as stated in Code Provision F.1.1, where an issuer engages an external service provider as its company secretary, it should disclose the identity of a person with sufficient seniority (e.g. chief legal counsel or chief financial officer) at the issuer whom the external provider can contact.
27/03/2013	Appendix 14,	Appendix	21	4.	Under Paragraph L(a), it is a Mandatory	Where the board committees' terms of

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(06/05/2016)	Paragraph L(a)	15, Paragraph L(a)			Disclosure Requirement for an issuer to disclose in its Corporate Governance Report the role and function of its board committees. Could the issuer refer to its board committees' terms of reference published on its website rather than reproducing the information in the Corporate Governance Report?	reference have been published on the issuer's website, the issuer may refer to them in its Corporate Governance Report in satisfaction of Paragraph L(a). However, if a board committee's terms of reference are not published on the issuer's website (e.g. for a risk committee or ESG committee), then the issuer would need to set out the committee's role and function in its Corporate Governance Report.
19/12/2011 (06/05/2016)	Appendix 14, Paragraphs I(d) and L(c)	Appendix 15, Paragraphs I(d) and L(c)	17	29.	Regarding the disclosure of directors' attendance at committee meetings, does the Exchange expect that such disclosure should cover the directors' attendance at all board committee meetings (not merely those of the remuneration, nomination, audit and risk committees, and corporate governance functions of the board which are mentioned in Paragraph L(c))?	Paragraph I(d) requires disclosure of directors' attendance at all board committee meetings including, but not limited to, their attendance at meetings of the board committees mentioned in Paragraph L(c). Paragraph L(c) only relates to the remuneration committee, nomination committee, audit committee, risk committee (if any, from 1 January 2016) and corporate governance functions of the board (or a committee delegated by the board responsible for corporate governance matters).
06/02/2015 (21/12/2015)	Appendix 16	Chapter 18	31	1.	What is the effective date of the Rule amendments in relation to Main Board Rules Appendix 16 and GEM Rules Chapter 18 adopted in the Consultation Conclusions with reference to the New Companies Ordinance (Cap. 622 of the Laws of Hong Kong) ("New Companies	The revised Main Board Rules Appendix 16 and GEM Rules Chapter 18 adopted in the Consultation Conclusions with reference to the New Companies Ordinance and Hong Kong Financial Reporting Standards will be applicable for preliminary announcements of results, quarterly reports (for GEM only), interim reports



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					Ordinance”) and Hong Kong Financial Reporting Standards?	<p>and annual reports with accounting periods ending on or after 31 December 2015.</p> <p>Example: An issuer with a 31 December financial year-end must comply with the revised Main Board Rules Appendix 16 (GEM Rules Chapter 18) in its annual report for the year ending 31 December 2015 and in its interim report covering the period from 1 January to 30 June 2016.</p> <p>Hong Kong incorporated issuers should comply with the New Companies Ordinance regardless of the above effective date as Part 9 “Accounts and Audit” of the New Companies Ordinance came into effect for the first financial reporting year beginning on or after 3 March 2014, the commencement date of the New Companies Ordinance. For example, for those Hong Kong incorporated companies with a financial year starting from 1 April 2014, the New Companies Ordinance will first impact their financial statements and directors’ reports for the year ending on 31 March 2015.</p> <p><i>(Updated on 21 December 2015)</i></p>
06/02/2015 (21/12/2015)	Appendix 16	Chapter 18	31	2.	Can an issuer implement the Rule amendments in relation to Main Board Rules Appendix 16 (GEM Rules Chapter 18) adopted in the Consultation	Early implementation is permitted in relation to the revised Main Board Rules Appendix 16 and GEM Rules Chapter 18 adopted in the Consultation Conclusions with reference to the

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					Conclusions with reference to the New Companies Ordinance and Hong Kong Financial Reporting Standards earlier than the effective date?	<p>New Companies Ordinance and Hong Kong Financial Reporting Standards. However, issuers should not adopt the revised Rules prior to the effective date of Part 9 “Accounts and Audit” of the New Companies Ordinance. Part 9 of the New Companies Ordinance came into effect for the first financial reporting year beginning on or after 3 March 2014, the commencement date of the New Companies Ordinance.</p> <p>Example: An issuer with a 28 February financial year-end should not adopt the revised Main Board Rules Appendix 16 (GEM Rules Chapter 18) for its annual report for the financial year ending on 28 February 2015.</p> <p>Example: An issuer that publishes its quarterly report (if applicable), interim report or annual report for the accounting period ending on 30 June 2015 can adopt the revised Main Board Rules Appendix 16 (GEM Rules Chapter 18).</p> <p><i>(Updated on 21 December 2015)</i></p>
30/03/2004 ( 21/12/2015)	Appendix 14 Recommended Best Practice C.1.6, Appendix 16	18.02	1	79.	<p>A Main Board issuer proposes to publish its quarterly results on a voluntary basis.</p> <p>What are the disclosure requirements for quarterly results?</p>	<p>For quarterly reporting, the Main Board issuer can follow all the disclosure requirements governing half-year results.</p> <p>In the Corporate Governance Code and Corporate Governance Report set out in Main</p>

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					Does the issuer need to follow the same requirements as for half-year results announcements or reports?	<p>Board Rules Appendix 14 (GEM Rules Appendix 15), Main Board issuers are recommended to publish their quarterly results within 45 days after the quarter end.</p> <p>Quarterly reporting is mandatory for GEM issuers.</p> <p><i>(Updated on 21 December 2015)</i></p>
28/11/2008	Appendix 16	18.39	8	72. <i>Issue 3</i>	Are issuers required to disclose in its annual report the engagement of an accountant who is to be in charge of the issuer's accounting and financial reporting function together with details of his qualifications?	<p>The current Rules already require an issuer to disclose biographical details (including positions held with the listed group) of "senior management" in its annual reports. If an accountant who is in charge of the issuer's accounting and financial reporting function falls under this category his biographical details should be similarly disclosed.</p> <p>Since an accountant who is in charge of the issuer's accounting and financial reporting function plays an important role, issuers are encouraged to disclose the identity of such persons in their annual reports.</p>
06/02/2015	Note 6.3 and note 40.3 of Appendix 16	Note 4 to Rule 18.07, note 10 to Rule 18.55 and note 6	31	12.	Will the new referencing in Main Board Rules Appendix 16 (GEM Rules Chapter 18) relating to disclosure requirements for periodic financial reports set out in other parts of the	Although the notes to the relevant Rules are new, they do not impose any new disclosure requirements. The purpose of providing referencing in Main Board Rules Appendix 16 (GEM Rules Chapter 18) is to remind issuers to

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
		to Rule 18.68			Listing Rules create any new disclosure requirements?	comply with the existing disclosure requirements for periodic financial reports contained in other parts of the Listing Rules.
30/03/2004	Appendix 16 Paragraph 24	18.28	1	77.	For disclosure of directors' emoluments on a named basis, is it necessary to disclose the comparative figures for the corresponding previous period?	Comparative figures of individual directors' emolument must be disclosed for the corresponding previous period.
06/02/2015	Paragraphs 28(2)(d) and 32 of Appendix 16	Rules 18.07A(2)(d) and 18.41	31	5.	How should the discussion and analysis of an issuer's performance and the business review be presented in the annual report? Would it be appropriate to include a cross reference in the issuer's business review to its discussion and analysis?	<p>According to section 388 and Schedule 5 of the New Companies Ordinance, a business review under the New Companies Ordinance must be part of a directors' report. Therefore, it cannot be part of the discussion and analysis unless the discussion and analysis forms part of a directors' report. However, the law does not mention whether cross referencing is prohibited.</p> <p>The Exchange does not propose to dictate the way issuers present their business review and discussion and analysis as long as the issuer provides in its periodic financial reports the disclosures required under both paragraphs 28(2)(d) and 32 of Main Board Rules Appendix 16 (GEM Rules 18.07A(2)(d) and 18.41).</p> <p>If the discussion and analysis information has been disclosed in a business review in the directors' report, there is no need to repeat the disclosures in a separate section of the annual</p>

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
						report.
06/02/2015	Paragraphs 28(2)(d), 45(3) and 46(3) of Appendix 16	Rules 18.07A(2)(d), 18.50(2) and 18.78(3)	31	6.	Will an issuer be required to disclose in its preliminary results announcement a business review under the New Companies Ordinance?	A business review under the New Companies Ordinance is only required to be included in the annual reports of issuers, not in their preliminary results announcements. There is no change to the disclosure requirements for the preliminary results announcement. It is up to issuers to decide how they would like to present the disclosures to meet the Listing Rule requirements in their preliminary results announcements. To avoid confusion with the term “business review” used under the New Companies Ordinance, the term “a business review” under paragraph 45(3) of Main Board Rules Appendix 16 (GEM Rule 18.50(2)) (annual results announcement) and paragraph 46(3) of Main Board Rules Appendix 16 (GEM Rule 18.78(3)) (interim results announcement) has been changed to “a commentary”.
06/01/2017	4.18 & 4.19, 14.67(6)(a)(i), 14.86, Paragraph 5 of Practice Note 3, Paragraph 35 of Appendix 1A,	7.22 & 7.23, 18.50(8), 18.51, 18.64, 18.76, 18.78(5), 19.67(6)(a)(i), 19.86, Paragraph	N/A	001-2017	Given the new and revised Hong Kong Standards on Auditing (“HKSAAs”) on auditor reporting (the “Auditor Reporting Standards”) issued by the HKICPA on 31 August 2015 are effective for audits of financial statements for periods ending on or after 15 December 2016, will the Exchange update the audit terminology used in the Rules with	Yes. The Exchange is aware that the words “qualified” auditors’ reports and “qualification” used in the current Rules are out of date audit terminology. The table below summarises the terminologies used in the current Rules and HKSAAs:

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response												
	Paragraph 42(2) of Appendix 1C, Paragraph 35 of Appendix 1E, Paragraphs 45(7) and 46(8) of Appendix 16, Appendix 24	35 of Appendix 1A, Paragraph 42(2) of Appendix 1C, Appendix 17			reference to the new and revised Auditor Reporting Standards?	<table border="1"> <thead> <tr> <th data-bbox="1518 411 1803 491">Meanings</th> <th colspan="2" data-bbox="1803 371 2168 411">Terminology used</th> </tr> <tr> <th data-bbox="1518 491 1803 691"></th> <th data-bbox="1803 411 1993 491">Current Rules</th> <th data-bbox="1993 411 2168 491">HKSA's</th> </tr> </thead> <tbody> <tr> <td data-bbox="1518 491 1803 691">Matters that do affect the audit opinion: - qualified opinion - adverse opinion - disclaimer of opinion</td> <td data-bbox="1803 491 1993 691">Qualified / Qualification</td> <td data-bbox="1993 491 2168 691">Modified opinion</td> </tr> <tr> <td data-bbox="1518 691 1803 1265">Matters that do affect the audit opinion: - qualified opinion - adverse opinion - disclaimer of opinion  <b>AND/OR</b> Matters that do <u>not</u> affect the audit opinion: - emphasis of matter - material uncertainty related to going concern</td> <td data-bbox="1803 691 1993 1265">Modified / Modification</td> <td data-bbox="1993 691 2168 1265">No specific equivalent term</td> </tr> </tbody> </table> <p data-bbox="1518 1297 2168 1396">The Exchange will update the audit terminology used in the Rules with reference to the new and revised Auditor Reporting Standards. We intend</p>	Meanings	Terminology used			Current Rules	HKSA's	Matters that do affect the audit opinion: - qualified opinion - adverse opinion - disclaimer of opinion	Qualified / Qualification	Modified opinion	Matters that do affect the audit opinion: - qualified opinion - adverse opinion - disclaimer of opinion  <b>AND/OR</b> Matters that do <u>not</u> affect the audit opinion: - emphasis of matter - material uncertainty related to going concern	Modified / Modification	No specific equivalent term
Meanings	Terminology used																	
	Current Rules	HKSA's																
Matters that do affect the audit opinion: - qualified opinion - adverse opinion - disclaimer of opinion	Qualified / Qualification	Modified opinion																
Matters that do affect the audit opinion: - qualified opinion - adverse opinion - disclaimer of opinion  <b>AND/OR</b> Matters that do <u>not</u> affect the audit opinion: - emphasis of matter - material uncertainty related to going concern	Modified / Modification	No specific equivalent term																

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						<p>to consult the market on proposed Rule amendments in this regard in due course.</p> <p>In the meantime, issuers are reminded that their audit committee should have in-depth conversations with their auditors at an early stage (e.g. about key audit matters, going concern issues and other significant events or transactions that occurred during the reporting period). Doing so may help to minimise the risk of last minute surprises and avoid delays in releasing their annual results (see paragraph 51 of the Exchange’s Financial Statements Review Report 2015, which is available on the HKEX website at: <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/guidref/Documents/frm-15.pdf">http://www.hkex.com.hk/eng/rulesreg/listrules/guidref/Documents/frm-15.pdf</a>).</p>
06/01/2017	Paragraphs 45(7) and 46(8) of Appendix 16, Appendix 24	18.50(8), 18.51, 18.64, 18.76, 18.78(5), Appendix 17	N/A	002-2017	<p>The new and revised Auditor Reporting Standards require the issuer’s auditors to report “Key Audit Matters” (“KAM”) in their audit report. Will the issuer need to:</p> <p>(i) provide details of KAM in the preliminary results announcement; and</p> <p>(ii) select the headline category “Qualified and/or Modified Audit</p>	<p>(i) Currently, there is no specific requirement under the Rules for an issuer to provide details of KAM in its results announcement.</p> <p>For investors to better understand the financial statements and the audit that was performed, it is considered more appropriate that KAM should be read and considered together with the full audit report and complete set of financial statements. Therefore, the issuer is recommended to publish its full annual report as soon as</p>

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
					Report” when submitting the results announcement for publication?	<p>practicable after the preliminary results announcement has been issued.</p> <p>(ii) No. Given that KAM is part of a clean audit report, the issuer should not select the headline category “Qualified and/or Modified Audit Report” when submitting the results announcement for publication on the HKEXnews website.</p> <p>The issuer is reminded that paragraphs 45(7) and 46(8) of Appendix 16 to the Main Board Rules and GEM Rules 18.50(8) and 18.78(5) require an issuer to provide details of the modification in the results announcement and select the headline category “Qualified and/or Modified Audit Report” in the following situations:</p> <p>(a) where the audit opinion in the auditors’ report is a “modified opinion” (i.e. a qualified opinion, an adverse opinion or a disclaimer of opinion); and/or</p> <p>(b) where the auditors’ report contains any of the following without modifying the audit opinion:</p> <ul style="list-style-type: none"> <li>- an emphasis of matter paragraph; and</li> <li>- a material uncertainty related to going concern.</li> </ul>



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						There is no policy change to the Rules in this regard.
06/01/2017	Paragraphs 45(7) and 46(8) of Appendix 16, Appendix 24	18.50(8), 18.51, 18.64, 18.76, 18.78(5), Appendix 17	N/A	003-2017	When the auditors express an unmodified opinion but include an “Emphasis of Matter” paragraph or a separate section under the heading “Material Uncertainty Related to Going Concern”, will the issuer need to provide details in the preliminary results announcement and select the headline category “Qualified and/or Modified Audit Report” when submitting the results announcement for publication?	<p>Yes. For the purpose of the Rules, the headline category “Qualified and/or Modified Audit Report” will continue to cover the following situations:</p> <p>(a) where the audit opinion in the auditors’ report is a “modified opinion” (i.e. a qualified opinion, an adverse opinion or a disclaimer of opinion); and/or</p> <p>(b) where the auditors’ report contains any of the following without modifying the audit opinion:</p> <ul style="list-style-type: none"> <li>- an emphasis of matter paragraph; and</li> <li>- a material uncertainty related to going concern.</li> </ul> <p>Where the auditors’ report is expected to include an “Emphasis of Matter” paragraph or a separate section under the heading “Material Uncertainty Related to Going Concern”, the issuer should provide details in its results announcement. In such case, the issuer should also select the headline category “Qualified and/or Modified Audit Report” when submitting its results announcement for publication on the HKEXnews website.</p>

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
06/02/2015	Paragraphs 45(9) and 46(10) of Appendix 16	Rules 18.50(10) and 18.78(9)	31	8.	If a results announcement contains prior period adjustments, should an issuer select the new headline category "Prior Period Adjustments due to Correction of Material Errors"?	<p>This depends on whether the prior period adjustments are made due to correction of material errors. If the issuer and its auditors decide that the prior period adjustments are made due to material errors, the issuer should select this new headline category.</p> <p>However, issuers are not required to select this new headline category if a prior period adjustment is made due to the adoption of a new accounting standard.</p>
06/02/2015	Paragraphs 45(9) and 46(10) of Appendix 16	Rules 18.50(10) and 18.78(9)	31	9.	Would a prior period adjustment made due to a correction of a material error in a results announcement constitute "inside information"?	<p>Issuers have to determine whether a prior period adjustment made due to a correction of a material error in a results announcement constitutes "inside information" under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO"). Whether such information is "inside information" will be determined on a case by case basis. If it is "inside information", it should be released to the market as soon as the directors become aware of it. Where the information constitutes "inside information", issuers have to select both the "Inside Information" and "Prior Period Adjustments due to Correction of Material Errors" headline categories.</p>
06/02/2015	Paragraphs	Rules	31	10.	Should an issuer with financial year	The new headline category "Prior Period

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	45(9) and 46(10) of Appendix 16, Appendix 24	18.50(10) and 18.78(9), Appendix 17			ended 31 December 2014 whose financial statements contain prior period adjustments due to the correction of material errors select the headline category "Prior Period Adjustments due to Correction of Material Errors" for the publication of its annual results announcement in March 2015?	Adjustments due to Correction of Material Errors" in Main Board Rules Appendix 24 (GEM Rules Appendix 17) will be available on 1 April 2015. An issuer in this situation will therefore not be able to select this headline category.  However, if the issuer publishes its results announcement (which contains prior period adjustments due to the correction of material errors) on or after 1 April 2015, it will be required to select the new headline category.
06/01/2017	Paragraphs 46(5), 46(6) & 46(7) of Appendix 16, Appendix 24	18.61, 18.78(5), 18.78(6) & 18.78(7), Appendix 17	N/A	004-2017	When the interim results have been <u>reviewed</u> by the issuer's auditors and where the review report is modified, will the issuer need to provide details in the review report in the interim results announcement and select the headline category "Qualified and/or Modified Audit Report" when submitting the announcement for publication?	Paragraphs 46(6) & (7) of Appendix 16 to the Main Board Rules and GEM Rules 18.78(6) & (7) require a statement as to whether or not the interim results have been reviewed and where there is any disagreement by the auditors or the audit committee with the accounting treatment adopted by the issuer, full details should be disclosed.  Accordingly, the issuer should disclose in its interim results announcement the fact that the interim results have been reviewed by its auditors. There is no specific requirement under the Rules for an issuer to provide details of the modifications in the review report issued by its auditors in an interim results announcement, except where the modification relates to the auditors' disagreement with the accounting

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						<p>treatment adopted by the issuer.</p> <p>However, paragraph 46(5) of Appendix 16 to the Main Board Rules and GEM Rule 18.78(5) require an issuer to include any supplementary information which in the opinion of the directors of the issuer is necessary for a reasonable appreciation of the results for the relevant period. Therefore, the issuer is expected to provide details of the modifications in its interim results announcement and interim report. In such case, the issuer should also select the headline category "Qualified and/or Modified Audit Report" when submitting the results announcement for publication on the HKEXnews website.</p>
31/08/2012 (21/12/2015)	13.91, Appendix 16 Paragraphs 6 and 53, Appendix 27	17.103, 18.07, 18.84, Appendix 20	18	3	What is the implementation date of the amendments to the Rules and the Guide adopted in the "Consultation Conclusions on Review of the Environmental, Social and Governance Reporting Guide" published in December 2015?	The amendments to Main Board Rule 13.91 and Main Board Rules Appendix 16 Paragraphs 6 and 53 (GEM Rules 17.103, 18.07 and 18.84), the upgrade of the General Disclosures under each Aspect of the Guide from recommended to "comply or explain", and the amendments to the recommended disclosures will be effective for issuers' financial years commencing on or after 1 January 2016. An ESG report, if not presented in the issuer's annual report, should be published no later than three months after the publication of the issuer's annual report; and the issuer's annual report must be published no more than four months (in the case of a Main Board issuer)

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
						<p>and three months (in the case of a GEM issuer) after the end of the financial year.</p> <p>So, for an issuer with a financial year starting from 1 January, its 2016 ESG report must contain the information required under the General Disclosures of each Aspect of the Guide, or else it must give considered reasons. At the latest, a Main Board issuer with a financial year starting from 1 January must publish its 2016 annual report by 30 April 2017, and should publish its 2016 ESG report by 31 July 2017. However, if the issuer publishes its 2016 annual report earlier, say on 31 March 2017, then it should publish its 2016 ESG report by 30 June 2017.</p> <p>The upgrade of the KPIs in the “Environmental” Subject Area from recommended to “comply or explain” will be effective for issuers’ financial years commencing on or after 1 January 2017. So, for an issuer with a financial year starting from 1 January, its 2017 ESG report must contain the information required under the “Environmental” KPIs (in addition to the information required under the General Disclosures of each Aspect of the Guide), or else it must give considered reasons. Similar to the example given above, a Main Board issuer with a financial year starting from 1 January must, at the latest, publish its 2017 annual report by 30 April</p>

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						<p>2018, and should publish its 2017 ESG report by 31 July 2018. However, if the issuer publishes its 2017 annual report earlier, say on 31 March 2018, then it should publish its 2017 ESG report by 30 June 2018.</p> <p><i>(Updated on 21 December 2015)</i></p>
31/08/2012 (21/12/2015)	Appendix 27	Appendix 20	18	4	An issuer may have many operations/subsidiaries. Does it need to report on all its operations/subsidiaries?	<p>The Guide does not prescribe which entities in an issuer's group and/or which operations should be included in the ESG report. An issuer should decide on the operational boundaries of its ESG report in view of its individual circumstances. An issuer should disclose the operational boundaries of its ESG report and, if there is any change, explain the difference and reason for the change.</p> <p>In relation to determining operational boundaries for reporting on greenhouse gas ("GHG") emissions, issuers may refer to the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong", published by the HKSAR Environmental Protection Department ("EPD") and Electrical and Mechanical Services Department  <a href="http://www.epd.gov.hk/epd/english/climate_change/files/Guidelines_English_2010.pdf">http://www.epd.gov.hk/epd/english/climate_change/files/Guidelines_English_2010.pdf</a>).</p>

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						<i>(Updated on 21 December 2015)</i>
31/08/2012 (21/12/2015)	Appendix 27	Appendix 20	18	5	How does an issuer determine materiality? Are there resources that issuers may refer to in this regard?	<p>“Materiality” is defined in the Guide as “the threshold at which ESG issues become sufficiently important to investors and other stakeholders that they should be reported”.</p> <p>Whether a particular ESG issue is material is a matter of judgment that depends on the facts involved and the circumstances of the specific issuer. Issuers should bear in mind that materiality can have different meanings for different stakeholder groups. It is up to the issuer to identify its material ESG issues, with reference to the views of its key stakeholders.</p> <p>Issuers may also refer to the following resources on how to determine materiality:</p> <ul style="list-style-type: none"> <li>• The GRI and RobecoSAM’s “Defining Materiality: What Matters to Reporters and Investors” (<a href="https://www.globalreporting.org/resource/library/Defining-Materiality-What-Matters-to-Reporters-and-Investors.pdf">https://www.globalreporting.org/resource/library/Defining-Materiality-What-Matters-to-Reporters-and-Investors.pdf</a>); and</li> <li>• The Business Environment Council’s “BEC Handbook: Understanding Materiality for Environmental, Social and Governance Reporting” (<a href="http://bec.org.hk/files/images/BEC_advisor_ygroups/BEC_ESG_Handbook_web.pdf">http://bec.org.hk/files/images/BEC_advisor_ygroups/BEC_ESG_Handbook_web.pdf</a>).</li> </ul>

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						<i>(Updated on 21 December 2015)</i>
31/08/2012 (21/12/2015)	Appendix 27	Appendix 20	18	6	The Guide does not set out calculation/measurement methods for KPIs. Issuers may need more resources and guidance to help them with the reporting process. Where may issuers find resources in this regard?	<p>The HKEX website provides various resources for issuers: <a href="http://www.hkex.com.hk/eng/rulesreg/listrules/liststoptop/esg/index.htm">http://www.hkex.com.hk/eng/rulesreg/listrules/liststoptop/esg/index.htm</a>.</p> <p>We set out in the table below the provisions of a number of international standards and guidelines that broadly correspond to the provisions of the ESG Guide, as well as other references and resources that an issuer may find useful in preparing its ESG report. The provisions of the international standards and guidelines included in the table may not be strictly equivalent to the corresponding provisions of the ESG Guide, but relate to the same ESG issue. Please note that the references and resources listed below are not exhaustive and are for reference only.</p>



ESG Reporting Guide		Guidelines/ Reference/Resources	
	<b>“Comply or explain” Provisions</b>	<b>Recommended Disclosures</b>	<i>(Please note that these references/ resources are not exhaustive and are for reference only.)</i>
<b>A. Environmental</b>			
<b>Aspect A1 : Emissions</b>	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. <i>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluoro-carbons, perfluoro-carbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</i></p>		GRI: G4-EN29 DJSI: 2.2.1
	KPI A1.1	The types of emissions and respective emissions data.	GRI: G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN21 CDP: CC8.2, CC8.3a, CC12.2, CC12.3, CC14.1 ISO: 6.5.3.2, 6.5.5.2.1 DJSI: 2.3.2, 2.3.3 References/Resources:  • The Clean Air Charter – A Business Handbook ,
	KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	

ESG Reporting Guide			Guidelines/ Reference/Resources
	“Comply or explain” Provisions	Recommended Disclosures	<i>(Please note that these references/ resources are not exhaustive and are for reference only.)</i>
			<p>published by The Hong Kong General Chamber of Commerce and the Hong Kong Business Coalition on the Environment (<a href="http://www.cleanair.hk/eng/guidebook/guidebook_eng_r.pdf">http://www.cleanair.hk/eng/guidebook/guidebook_eng_r.pdf</a>)</p> <ul style="list-style-type: none"> <li>• Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, residential or Institutional Purposes) in Hong Kong, EPD and Electrical and Mechanical Services Department (<a href="http://www.epd.gov.hk/epd/english/climate_change/files/Guidelines_English_2010.pdf">http://www.epd.gov.hk/epd/english/climate_change/files/Guidelines_English_2010.pdf</a>)</li> <li>• Carbon Audit Toolkit for Small and Medium Enterprises in Hong Kong, published by The University of Hong Kong and City University of Hong Kong (<a href="http://www6.cityu.edu.hk/aerc/sme/images/sme_eng.pdf">http://www6.cityu.edu.hk/aerc/sme/images/sme_eng.pdf</a>)</li> <li>• EMFAC-HK Vehicle Emission Calculation Tool by EPD(<a href="http://www.epd.gov.hk/epd/english/environment/hk/air/guide_ref/emfac-hk.html">http://www.epd.gov.hk/epd/english/environment/hk/air/guide_ref/emfac-hk.html</a>)</li> <li>• Greenhouse Gas Protocol – Calculation Tools (<a href="http://www.ghgprotocol.org/calculation-tools/all-tools">http://www.ghgprotocol.org/calculation-tools/all-tools</a>)</li> <li>• MOBILE6.1 Particulate Emission Factor Model Technical Description – Final Report, published by United States Environmental Protection Agency (<a href="http://www3.epa.gov/otaq/models/mobile6/r03001.pdf">http://www3.epa.gov/otaq/models/mobile6/r03001.pdf</a>)</li> </ul>

ESG Reporting Guide			Guidelines/ Reference/Resources
	“Comply or explain” Provisions	Recommended Disclosures	(Please note that these references/ resources are not exhaustive and are for reference only.)
			<ul style="list-style-type: none"> <li>Other carbon footprint tools suggested by the EPD (<a href="http://www.epd.gov.hk/epd/english/climate_change/individ_actions_carboncalculator.html">http://www.epd.gov.hk/epd/english/climate_change/individ_actions_carboncalculator.html</a>)</li> </ul>
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI: G4-EN23, G4-EN25 ISO: 6.5.3.2 DJSI: 2.3.6 References/Resources: <ul style="list-style-type: none"> <li>Waste guidelines &amp; references, published by EPD (<a href="http://www.epd.gov.hk/epd/english/environmentinhk/waste/guide_ref/waste_guidelines.html">http://www.epd.gov.hk/epd/english/environmentinhk/waste/guide_ref/waste_guidelines.html</a>)</li> </ul>
	KPI A1.4	Total non- hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI: G4-EN23 ISO: 6.5.3.2 DJSI: 2.3.6
	KPI A1.5	Description of measures to mitigate emissions and results achieved.	GRI: G4-EN19 CDP: CC3.1, CC3.1a, CC3.1b, CC3.1c, CC3.1e, CC3.3, CC3.3a, CC3.3b, CC12.1, CC14.3  ISO: 6.5.3.2, 6.5.5.2.1
	KPI A1.6	Description of how hazardous and non- hazardous wastes are handled, reduction initiatives and results achieved.	GRI: G4-EN23, G4-EN25 ISO: 6.5.3.2  References/Resources: <ul style="list-style-type: none"> <li>Hong Kong Waste Reduction Website of EDP</li> </ul>

ESG Reporting Guide			Guidelines/ Reference/Resources
	<b>“Comply or explain” Provisions</b>	<b>Recommended Disclosures</b>	<i>(Please note that these references/ resources are not exhaustive and are for reference only.)</i>
			<a href="https://www.wastereduction.gov.hk/en/quickaccess/resource_centre_index.htm">https://www.wastereduction.gov.hk/en/quickaccess/resource_centre_index.htm</a> )
<b>Aspect A2: Use of Resources</b>	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>		CDP: W6.3, W6.3a DJSI: 2.2.1
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).		GRI: G4-EN3, G4-EN4, G4-EN5 CDP: CC11.2, CC11.3, CC11.5 ISO: 6.5.4.2 DJSI: 2.3.4
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).		GRI: G4-EN8 CDP: W1.2a, W1.2c ISO: 6.5.4.2 DJSI: 2.3.5
	KPI A2.3 Description of energy use efficiency initiatives and results achieved.		GRI: G4-EN6 CDP: CC3.1, CC3.1d, CC3.1e ISO: 6.5.4.2, 6.5.5.2.1

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	“Comply or explain” Provisions		Recommended Disclosures
			<i>(Please note that these references/ resources are not exhaustive and are for reference only.)</i>
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	GRI: G4-EN9, G4-EN10 CDP: W3.2c, W8.1, W8.1a, W8.1b ISO: 6.5.4.2
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	GRI: G4-EN1 ISO: 6.7.5.2
<b>Aspect A3: The Environment and Natural Resources</b>	General Disclosure: Policies on minimising the issuer’s significant impact on the environment and natural resources.		DJSI: 2.2.1
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GRI: G4-EN12, G4-EN27, G4-EN30 CDP: CC2.1, CC2.1a, CC5.1, CC6.1 ISO: 6.5.3.2, 6.5.4.2, 6.5.5.2.1, 6.5.5.2.2, 6.5.6.2
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<b>Aspect B1: Employment</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal,		GRI: G4-LA2 ISO: 6.3.10.3, 6.4.3.2, 6.4.4.2 DJSI: 3.6.2, 3.6.3

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	recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		
		KPI B1.1	Total workforce by gender, employment type, age group and geographical region. GRI: G4-10 DJSI: 3.2.1
		KPI B1.2	Employee turnover rate by gender, age group and geographical region. GRI: G4-LA1 DJSI: 3.4.3
<b>Aspect B2: Health and Safety</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		ISO: 6.4.6.2 DJSI: 3.6.2, 3.6.3
		KPI B2.1	Number and rate of work-related fatalities. GRI: G4-LA6
		KPI B2.2	Lost days due to work injury. GRI: G4-LA6 DJSI: 3.6.1
		KPI B2.3	Description of occupational health GRI: G4-LA5 ISO: 6.4.6.2

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	“Comply or explain” Provisions	Recommended Disclosures		(Please note that these references/ resources are not exhaustive and are for reference only.)
			and safety measures adopted, how they are implemented and monitored.	DJSI: 3.6.2
<b>Aspect B3: Development and Training</b>	General Disclosure Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>			ISO: 6.4.7.1 DJSI: 3.3.3
		KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	GRI: G4-LA9, G4-LA10 ISO: 6.4.7.2 DJSI: 3.3.2, 3.3.3
		KPI B3.2	The average training hours completed per employee by gender and employee category.	
<b>Aspect B4: Labour Standards</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant			ISO: 6.3.10.3 DJSI: 1.6.3

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	impact on the issuer relating to preventing child and forced labour.			
		KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	GRI: G4-HR5, G4-HR6 ISO: 6.3.10.3 DJSI: 1.6.3
		KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
<b>Operating Practices</b>				
<b>Aspect B5: Supply Chain Management</b>	General Disclosure Policies on managing environmental and social risks of the supply chain.			DJSI: 1.6.2, 2.2.1
		KPI B5.1	Number of suppliers by geographical region.	GRI: G4-12 DJSI: 1.6.1
		KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being	GRI: G4-HR10, G4-HR11, G4-EN32, G4-EN33, G4-LA14, G4-LA15, G4-SO9, G4-SO10 DJSI: 1.6.1, 1.6.3 ISO: 6.4.3.2



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	“Comply or explain” Provisions	Recommended Disclosures	
			implemented, how they are implemented and monitored.
<b>Aspect B6: Product Responsibility</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		
			GRI: G4-PR2, G4-PR3, G4-PR4, G4-PR7, G4-PR9 ISO: 6.6.7.2, 6.7.4.2, 6.7.9.2 DJSI: 2.2.1
		KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.
		KPI B6.2	Number of products and service related complaints received and how they are dealt with.
		KPI B6.3	Description of practices relating to observing and protecting

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			intellectual property rights.
		KPI B6.4	Description of quality assurance process and recall procedures.
		KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.
<b>Aspect B7: Anti-corruption</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		
		KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the

*(Please note that these references/ resources are not exhaustive and are for reference only.)*

ISO: 6.7.4.2

GRI: G4-PR8  
ISO: 6.7.7.2  
DJSI: 1.4.5

GRI: G4-SO4, G4-SO5  
ISO: 6.6.3.2  
DJSI: 1.3.3, 1.3.5

GRI: G4-SO5

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			issuer or its employees during the reporting period and the outcomes of the cases.	
		KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	GRI: G4-58 ISO: 6.6.3.2 DJSI: 1.3.3, 1.3.5
<b>Community</b>				
<b>Aspect B8: Community Investment</b>	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.			GRI: G4-SO1, G4-SO2 ISO: 6.8.3.2, 6.8.4.2, 6.8.5.2, 6.8.6.2, 6.8.7.2, 6.8.8.2, 6.8.9.2 DJSI: 3.5.2, 3.5.3
		KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
		KPI B8.2	Resources contributed (e.g. money or time) to	

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		the focus area.	

**Key:**

1. GRI – Global Reporting Initiative’s G4 Sustainability Reporting Guidelines(<https://www.globalreporting.org/Pages/default.aspx>)
2. CDP – CDP’s Climate Change Information Request and Water Information Request(<https://www.cdp.net/en-US/Pages/HomePage.aspx>)
3. ISO – International Organization for Standardization’s Guidance on Social Responsibility (ISO 26000:2010) (<http://www.iso.org/iso/home/standards/iso26000.htm>)
4. DJSI – Corporate Sustainability Assessment for inclusion in the Dow Jones Sustainability Indices (<http://www.sustainability-indices.com/sustainability-assessment/recognition.jsp>)

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21/12/2015	Appendix 27	Appendix 20	18	7.	Both Aspect A2 and Aspect A3 concern “resources”. What is the difference between the information called for under each of these Aspects?	The main distinction between the two is that: (a) Aspect A2 relates to the use of resources – i.e. it is concerned with the quantity (e.g. how much an issuer is consuming); whilst (b) Aspect A3 is concerned with the impact of an issuer’s activities on natural resources and the environment (e.g. the effect that an issuer’s activities have on water supply or biodiversity).
21/12/2015	Appendix 16 Paragraph 28(2)(d), Appendix 27	18.07A(2)(d), Appendix 20	18	8.	The new Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (“New Companies Ordinance”) requires all Hong Kong incorporated companies (unless exempted) to include in the business review section of their annual directors’ reports a discussion of certain ESG matters (New Companies Ordinance Schedule 5, sections 2(b)(i), 2(b)(ii) and 2(c)). Does this requirement also apply to issuers incorporated outside Hong Kong?	<p>The New Companies Ordinance requirement in this regard will be incorporated under Main Board Rules Appendix 16 Paragraph 28(2)(d) (GEM Rule 18.07A(2)(d)) and will apply to all issuers listed on the Exchange, regardless of their place of incorporation, for financial years ending on or after 31 December 2015.</p> <p>Following a public consultation carried out between August and October 2014, this new requirement was adopted in the “Consultation Conclusions on Review of Listing Rules on Disclosure of Financial Information with reference to the New Companies Ordinance and Hong Kong Financial Reporting Standards and Proposed Minor/Housekeeping Rule Amendments” published in February 2015 (<a href="http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201408cc.pdf">http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201408cc.pdf</a>).</p>
21/12/2015	Appendix	18.07A(2)(d),	18	9.	Does an issuer fulfil its	An issuer does not fulfil its obligation to discuss

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	16 Paragraph 28(2)(d), Appendix 27	Appendix 20			obligation to discuss certain ESG matters in the business review section of its annual directors' report, as required by Main Board Rules Appendix 16 Paragraph 28(2)(d) (GEM Rule 18.07A(2)(d)), by cross-referencing its ESG report?	<p>certain ESG matters in the business review section of its annual directors' report, as required by Main Board Rules Appendix 16 Paragraph 28(2)(d) (GEM Rule 18.07A(2)(d)), by cross-referencing its ESG report.</p> <p>The requirement under Main Board Rules Appendix 16 (GEM Rules Chapter 18) is separate and distinct from the information called for under the ESG Guide. The requirement under Main Board Rules Appendix 16 (GEM Rules Chapter 18) requires a discussion of certain ESG matters (as set out in sections 2(b)(i), 2(b)(ii) and 2(c) of Schedule 5 of the New Companies Ordinance), whilst the Guide calls for greater details including data in relation to the environmental and social performance of the issuer. The disclosure under the ESG Guide should complement, rather than be a substitute for, the information disclosed in the business review section of the annual directors' report.</p>
21/12/2015	Appendix 16 Paragraph 28(2)(d), Appendix 27	18.07A(2)(d), Appendix 20	18	11.	Under Main Board Rules Appendix 16 Paragraph 28(2)(d) (GEM Rule 18.07A(2)(d)), an issuer must include a discussion of its compliance with the relevant laws and regulations that have a significant impact on it	In determining what to cover in the discussion of its compliance with relevant laws and regulations, an issuer should assess which laws and regulations have a significant impact on it in the context of its own specific circumstances, bearing in mind recent legislative and/ or regulatory changes. For example, an issuer with operations in Hong Kong should consider the potential

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					(as set out in section 2(b)(ii) of Schedule 5 of the New Companies Ordinance), along with a discussion of other ESG matters (as set out in sections 2(b)(i) and 2(c) of Schedule 5 of the New Companies Ordinance). What should the issuer include in the discussion of its compliance with relevant laws and regulations?	impact of the Competition Ordinance (Cap 619 of the Laws of Hong Kong), which came into effect on 14 December 2015.
21/12/2015	Appendix 27	Appendix 20	18	10.	What is the difference between direct and indirect GHG emissions? For the purposes of reporting on KPI A1.2, is an issuer expected to report on both direct and indirect GHG emissions?	<p>The difference between direct and indirect GHG emissions is that: (a) direct GHG emissions are emissions from sources that are owned or controlled by the reporting issuer; and (b) indirect GHG emissions are emissions that are a consequence of the activities of the reporting issuer, but occur at sources owned or controlled by another entity.</p> <p>Globally, direct and indirect GHG emissions are further categorised into three broad scopes:</p> <ul style="list-style-type: none"> <li>• “Scope 1” covers direct emissions from operations that are owned or controlled by the company;</li> <li>• “Scope 2” covers “energy indirect” emissions resulting from the generation of purchased or acquired electricity, heating, cooling and</li> </ul>

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						<p>steam consumed within the company; and</p> <ul style="list-style-type: none"> <li>“Scope 3” covers all other indirect emissions that occur outside the company, including both upstream and downstream emissions. It captures emissions from a wide range of activities (e.g. employee business travel, transporting fuel and the use of a company’s products).</li> </ul> <p>Scopes of emissions are defined in accordance with the international reporting framework published by the World Resources Institute / World Business Council for Sustainable Development, as reported in <i>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard</i>. Also see the Hong Kong Government’s “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” (<a href="http://www.epd.gov.hk/epd/english/climate_change/files/Guidelines_English_2010.pdf">http://www.epd.gov.hk/epd/english/climate_change/files/Guidelines_English_2010.pdf</a>).</p> <p>Issuers are encouraged to report in accordance with the scope classifications.</p>
02/05/2008	Practice Note 15	Practice Note 3	5	33.	In a case of transfer of listing from GEM to the Main Board, will the 3-year cooling period for spin-offs run from the	Practice Note 15 has been amended so that the 3-year cooling period runs from the original date of listing on GEM, instead of from the date of listing on Main Board pursuant to the transfer.



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					listing on GEM or the listing on the Main Board?	See Note to Paragraph 3 of PN 15.
30/03/2004	Practice Note 15 Paragraph 3(c)	N/A	1	82.	<p>Under paragraph 3(c) of Practice Note 15, a listed issuer (the “Parent”) proposing to spin-off its subsidiary (the “Newco”) for listing must on its own, excluding its interest in Newco, independently satisfy the requirements of Chapter 8. Practice Note 15 only refers to the profits requirements in Chapter 8.</p> <p>Can the Parent meet the qualification by satisfying one of the other two tests in rule 8.05 (the market capitalisation/ revenue/ cash flow test and the market capitalisation/ revenue test) in respect of its remaining business?</p>	Yes.
26/07/2013	Paragraphs 3 and 9 to Practice Note 22,	Paragraphs 2 and 8 to Practice Note 5,	24	21	Is an applicant required to submit both the English and Chinese versions of the Application Proof to the	Paragraphs 3 and 9 of Main Board Practice Note 22/ paragraphs 2 and 8 of GEM Practice Note 5 require that both the English and Chinese versions of the Application Proof be published on

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	Guidance Letter HKEX-GL57-13	Guidance Letter HKEX-GL57-13			Exchange during the six-month suspension period from 1 October 2013 to 31 March 2014 (both dates inclusive)?	the Exchange's website. During the suspension period from 1 October 2013 to 31 March 2014 (both dates inclusive), applicants are required to submit only the English version of the Application Proofs to the Exchange. (see paragraph A.15 of Guidance Letter HKEX-GL57-13)
26/07/2013	Paragraphs 6 to 8 to Practice Note 22, Guidance Letter HKEX-GL57-13	Paragraph 5 to 7 to Practice Note 5, Guidance Letter HKEX-GL57-13	24	23	What is the Exchange's expected wording of the confirmation from an applicant's legal adviser in relation to the redactions of an Application Proof and a PHIP for publication of these documents?	The Exchange expects the legal confirmation to follow the wording set out in paragraph 7 to Main Board Practice Note 22/ paragraph 6 to GEM Practice Note 5.
22/04/2014 (11/11/2016)	Paragraph 5 to Practice Note 22, Guidance Letter HKEX-GL56-13	Paragraph 4 to Practice Note 5, Guidance Letters HKEX-GL56-13	24	23A	For the purpose of publication on the Exchange's website, can an applicant redact more information in an Application Proof or a PHIP than that set out in Table A of HKEX-GL56-13?	An applicant may not redact information other than what is stipulated in HKEX-GL56-13 in an Application Proof or a PHIP unless prior consent is obtained from the Exchange.  Paragraph 5 to Practice Note 22 to the Main Board Rules (Paragraph 4 to Practice Note 5 to the GEM Rules) provides that a new applicant must redact an Application Proof and a PHIP only to the extent necessary for these documents not to be in breach of the prospectus or advertisement requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Securities and

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						<p>Futures Ordinance. The rationale is that additional redactions in these documents unnecessarily deprives investors of relevant information would reduce their information value.</p> <p>To facilitate compliance with the Listing Rules, Table A of HKEX-GL56-13 set out all the information that should be redacted. Any information not included in Table A may not be redacted without prior consent from the Exchange. The Exchange has noted that certain information not listed in Table A, such as the sponsor's name, the identity of the other professional parties, and the sponsor's views on connected transactions have been redacted in recent Application Proofs to be posted on the Exchange's website.</p> <p>Failure to adhere to the permitted redactions in Table A of HKEX-GL56-13 can be a breach of the Listing Rules. The Exchange will require the applicant to repost on the Exchange's website the Application Proof (or the PHIP, as the case may be) to provide the missing information.</p>
26/07/2013	Paragraph 9 to Practice Note 22, Guidance	Paragraph 8 to Practice Note 5, Guidance Letter HKEX-	24	4	For the Listing Rule changes to complement the Commission's new sponsor regulation effective on 1 October 2013, is there any	Please refer to paragraphs A.15 to A.17 of Guidance Letter HKEX-GL57-13 which list out details of the transitional arrangements.

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	Letter HKEX-GL56-13, Guidance Letter HKEX-GL57-13	GL56-13, Guidance Letter HKEX-GL57-13			transitional arrangement?	
26/07/2013	Practice Note 22, Guidance Letter HKEX-GL57-13	Practice Note 5, Guidance Letter HKEX-GL57-13	24	28	Can a PHIP be submitted for publication on the Exchange's website on a day where there is no HKEX-ESS service available?	A PHIP can be submitted for publication on the Exchange's website on a day where there is no HKEX-ESS service available, subject to an advance notice given to the Exchange not later than 2:00 p.m. on a business day immediately before the day for the special arrangements to take place. Please refer to Guidance Letter HKEX-GL57-13 for details.
03/09/2013	Paragraph 9 to Practice Note 22, Paragraph A.15 to Guidance Letter HKEX-GL57-13	Paragraph 8 to Practice Note 5, Paragraph A.15 to Guidance Letter HKEX-GL57-13	24	31	Will an Application Proof be published on the Exchange's website after 1 April 2014 if the listing application is made between 1 October 2013 and 31 March 2014?	An Application Proof submitted during the suspension period between 1 October 2013 and 31 March 2014 will not be required to be published after 1 April 2014 unless the listing application is re-filed on or after 1 April 2014.
03/09/2013	Paragraph 9 to	Paragraph 8 to Practice Note	24	32	Whether an applicant is required to submit an	An applicant is not required to submit an Application Proof for publication on the

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	Practice Note 22	5			Application Proof for publication on the Exchange's website when it updates its stub period financial statements?	Exchange's website when it updates its financial information if the application is still valid.  When an applicant re-files a listing application (e.g. due to lapse of the last application or changes in sponsor(s), etc.), the Application Proof that accompanies the re-filed listing application which includes updated financial information will be required to be published on the Exchange's website.
26/07/2013	Paragraph 12 to Practice Note 22	Paragraph 11 to Practice Note 5	24	22	Does the six-month suspension period from 1 October 2013 to 31 March 2014 (both dates inclusive) apply to PHIP in terms of publication on the Exchange's website and submission of both English and Chinese versions?	The six-month suspension period does not apply to PHIP in terms of publication on the Exchange's website and submission of both English and Chinese versions. Therefore when o PHIP is used, an applicant is required to submit and publish both the English and Chinese versions of the PHIPs on the Exchange's website in accordance with the Listing Rules.
26/07/2013	Paragraph 12 to Practice Note 22, Guidance Letter HKEX-GL57-13	Paragraph 11 to Practice Note 5, Guidance Letter HKEX-GL57-13	24	27	Should the sponsor and the applicant address all comments of the Exchange before the PHIP can be submitted for publication? How will an applicant know if all comments have been addressed?	An applicant's directors should form their own view to conclude that the material comments raised by the Exchange have been addressed before a PHIP is published on the Exchange's website.
03/09/2013	Paragraph	Paragraph 11	24	33	If an applicant does not	An applicant is still required to publish a PHIP as

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	12 to Practice Note 22	to Practice Note 5			intend to book build or distribute a red herring prospectus before it publishes its prospectus, is it still required to publish a PHIP?	<p>the Rules require a PHIP to be published at the earliest practicable time upon receiving:-</p> <p>(i) a post hearing letter with a request for posting a PHIP from the Exchange (or an approval in principle with a request for posting a PHIP from the Commission in the case of a CIS applicant who is required to publish a PHIP); and</p> <p>(ii) the directors conclude that the material comments of the Exchange or the Commission (as the case may be) have been addressed.</p> <p>This requirement is applicable to all listing applicants and certain CIS applications, irrespective of whether their applications involve a public offer, distribution of red-herring prospectus or book-building.</p>
03/09/2013	Paragraph 12 to Practice Note 22	Paragraph 11 to Practice Note 5	24	34	<p>When an applicant resubmits a listing application, is it necessary to mark-up the Application Proof against:-</p> <ul style="list-style-type: none"> <li>the last Application Proof that was published on the Exchange's website; or</li> </ul>	<p>For publication purpose, any new Application Proof submitted for publication purpose on Exchange's website (that is submitted through the Exchange's ESS) does not need to be marked-up against the last Application Proof that was published on the Exchange's website.</p> <p>For vetting purpose, upon re-submission of a listing application (e.g. upon lapse of the last</p>

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					<ul style="list-style-type: none"> <li>the last draft listing document that was submitted to the Exchange for vetting?</li> </ul>	listing application), the Application Proof that accompanies the application form (Form A1/ Form 5A) should be marked-up against the latest draft listing document to enable the Exchange's vetting team to identify the changes made.
26/07/2013	Paragraph 19 to Practice Note 22, Guidance Letter HKEX-GL57-13	Paragraph 18 to Practice Note 5, Guidance Letter HKEX-GL57-13	24	15	For spin-offs/ dual listings/ deemed new listings (reverse takeover), are the applicants required to follow the Listing Rule changes to complement the Commission's new sponsor regulation effective on 1 October 2013, including the eight weeks moratorium for Returned Applications, and publication of Application Proofs on the Exchange's website?	Applicants are subject to the new requirements including the eight weeks moratorium for Returned Applications. Unless a waiver is granted, the applicants are required to publish their Application Proofs on the Exchange's website. Please refer to the relevant Listing Rules and Guidance Letter HKEX-GL57-13.
26/07/2013	Paragraph 19 to Practice Note 22, Guidance Letter HKEX-GL57-13	Paragraph 18 to Practice Note 5, Guidance Letter HKEX-GL57-13	24	16	Under what circumstances will the Exchange consider a waiver from the publication requirements of the Application Proof?	<p>The Exchange or the Commission may waive or modify the publication requirements based on the facts and circumstances of the applicant. Applicants are encouraged to consult the Exchange at an early stage if they envisage any difficulties in complying with the requirements.</p> <p>In the case of a spin-off from an overseas listed parent, HKEX-GL57-13 paragraph A.12 sets out some of the factors which the Exchange or the</p>

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						Commission (as the case may be) will take into account when considering a waiver from the publication requirements but these factors are not meant to be exhaustive and applicants are encouraged to consult the Exchange at an early stage.
26/07/2013	Paragraph 21 to Practice Note 22, Guidance Letter HKEX-GL57-13	Paragraph 20 to Practice Note 5, Guidance Letter HKEX-GL57-13	24	24	Once an Application Proof is published on the Exchange's website, will it be removed if an applicant's application is subsequently returned?	<p>An applicant's Application Proof will be removed from the Exchange's website upon completion of all the review procedures for the return decision or the time for invoking such review has lapsed.</p> <p>All information relating to the applicant originally under the "Active" status mark on the Exchange's website will be removed, and the Exchange's website will only publish the name of the applicant and its sponsor, and the date of the return.</p>
26/07/2013	Paragraph 21 to Practice Note 22, Guidance Letter HKEX-GL57-13	Paragraph 20 to Practice Note 5, Guidance Letter HKEX-GL57-13	24	25	Will the details of a Returned Application be removed from the Exchange's website when the application is re-submitted subsequently?	The name of the applicant and its sponsor, and the date of the return will not be removed from the Exchange's website even if the application is subsequently re-submitted.
02/05/2008	N/A	3.09	5	1.	Will cancellations of listings continue to be handled by the GEM Listing Committee?	Yes, the GEM Listing Committee will approve all delistings from GEM except for transfers of listings from GEM to the Main Board, as these are



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						not regarded as withdrawals of listing from the Exchange.
02/05/2008	N/A	3.10	5	2.	Where a GEM-listed company has successfully transferred its listing to the Main Board, how will previous breaches of GEM Listing Rules (committed at the time when the company was still listed on GEM) be handled?	Any company that has breached relevant GEM Listing Rules will be held accountable under such Rules even if subsequently it has transferred its listing to the Main Board. The full range of remedies available to the GEM Listing Committee will continue to be available. Where appropriate, the Exchange may impose additional requirements on the company under relevant Main Board Listing Rules to address any remaining issues arising from the breach.
02/05/2008	N/A	Chapter 11 general	5	3.	Will the new GEM listing requirements apply to listing applicants whose applications are submitted before the commencement date?	The transitional arrangement is set out on the last page of the Consultation Conclusions. For applicants who have submitted their formal application form on or before 2 May 2008, the old Rules continue to apply. For applicants submitting their formal application form after the 2 May 2008, the applicable listing qualifications and admission requirements will be those that are in effect on the date of listing.
02/05/2008	N/A	11.04	5	4.	Can the management/controlling shareholder have a business that competes with that of the GEM listing applicant?	The existing Rule 11.04 has been revised. "Management shareholder" has been replaced by "controlling shareholder". Where the interest of the controlling shareholder may have an impact on the ability of the listing applicant to carry out its business independently, the newly inserted

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
						paragraph 27A in Appendix 1 states that the applicant must be able to demonstrate its independence and make the prescribed disclosure in the listing document. This requirement will be the same as for the Main Board after the new Rules become effective.
02/05/2008	N/A	11.05	5	5.	Will companies incorporated in jurisdictions outside Hong Kong, the PRC, Bermuda and the Cayman Islands be able to list on GEM?	Yes. Please refer to our Joint Policy Statement with the Securities and Futures Commission dated 7 March 2007.
02/05/2008	N/A	11.12A(1)	5	6.	If a company has achieved the requisite level of positive operating cash flow in less than 2 years, will it be eligible for listing?	Subject to Rule 11.14, which covers infrastructure and mineral companies and exceptional circumstances under which the Exchange considers it desirable to accept a shorter trading period, all other companies which have less than two full financial years track record will not be eligible for listing on GEM.  Applicants must have an accountants' report with audited financial statements for at least two full financial years and the required operating cash flow must have been attained during this period.
02/05/2008	N/A	11.12A(1)	5	7.	Please elaborate on the calculation of "positive operating cash flow"	For the purpose of satisfying Rule 11.10A, a new applicant must submit to the Exchange a statement of cash flows from operating activities using the indirect method as described under

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
						<p>International Accounting Standard 7 (IAS7) or Hong Kong Accounting Standard 7 (HKAS 7) for the two immediate preceding financial years.</p> <p>For the purpose of Rule 11.12A (1), under the indirect method described in HKAS7, positive cash flow from operating activities is determined by adjusting profit or loss for the effects of:</p> <p>(a) non-cash items including depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, undistributed profits of associates, and minority interests; and</p> <p>(b) all other items for which the cash effects are investing or financing cash flows.</p> <p>The figure we normally use to assess compliance can be illustrated by reference to the figure “3,740” of HK Accounting Standard 7 on page 15.</p> <p>However, there is certain modification to that, and for the avoidance of doubt, changes during the period in inventories and operating receivables and payables must not be added back when arriving at the net operating cash flow, notwithstanding the requirement of paragraph 20 (a) of HKAS7.</p> <p>Applicants are reminded that only cash flow generated from operating activities in the ordinary</p>

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
						and usual course of business will be counted towards the \$20 million.
02/05/2008	N/A	11.12A(1)	5	8.	How will the positive cash flow test be applied to the cash flow generated by associated companies and jointly controlled entities?	Cash flow from associated companies and jointly controlled entities will be excluded for the purpose of measuring the HK\$20 million threshold.
02/05/2008	N/A	11.12A(1)	5	9.	What preparation method and form of disclosure is required for the cash flow statement?	See Note to Rule 11.12A(1). The cash flow statement should be prepared under the indirect method and be contained within the prospectus, if not already forming part of the accountant's report.
02/05/2008	N/A	11.12A(2)-(3)	5	10.	What is the time requirement for ownership and management continuity for a GEM IPO applicant under the new Rules?	The Exchange will look for management continuity for at least 2 completed financial years and ownership continuity for at least 1 completed financial year immediately before the issue of listing document. In both cases continuity must continue to the date of listing.
02/05/2008 (02/07/2010)	N/A	11.14	5	11.	Where the Exchange accepts a shorter operating period for infrastructure project companies, Mineral Companies and other circumstances stated under Rule 11.14, will there be a corresponding relaxation of	No. The relaxation will be granted only in relation to the length of the trading record (i.e. 2 financial years) stated in Rule 11.12A(1). The listing applicant must still meet the minimum operating cash flow and other entry requirements. This GEM requirement is different from the requirement of the Main Board Rule 8.05B because the Exchange wish to standardize

Release Date (Last Update Date)	Main Board Rules	GEM Rules	Series No.	FAQ No.	Query	Response
					the minimal operating cash flow requirement?	treatment for all industries.
02/05/2008	N/A	11.23	5	12.	For the purpose of satisfying the market capitalization requirement of HK\$100 million and the public float requirements, should GEM applicants be required to meet these requirements at the time of application, or at the time of listing?	As in current listings on GEM or the Main Board, the requirements refer to the time of listing. In practice, however, at the time when a listing is applied for, the issuer must be able to satisfy the Exchange that there is a reasonable likelihood of the requirements being met at the expected time of listing.
02/05/2008	N/A	11.23(6), 11.23(9)	5	13.	For purpose of calculating market capitalization, are "non -share securities" included within "all issued share capital"	Only equity securities are included in the calculation. Different classes of equity securities, such as "H" and "A" shares are all included, but not debt securities.

## DESTINATION TABLE

	2007 JPS	REVISED JPS
<b>Shareholder Protection Matters</b>		
1.	<p><b>2007 JPS Schedule Item 1(a)</b> For any change to an overseas company's constitutional document, however framed, there should be a general requirement for the company to obtain the approval of members on terms comparable to those required of a Hong Kong incorporated public company (e.g. currently a three-quarter majority vote in general meeting is required).</p>	<p><b>Revised JPS paragraphs 31 to 33</b> A super-majority vote of members is required to approve:</p> <ul style="list-style-type: none"> <li>(a) changes to the rights attached to any class of shares of an overseas company (vote by members of that class);</li> <li>(b) material changes to an overseas company's constitutive documents, however framed; and</li> <li>(c) voluntary winding up of an overseas company.</li> </ul> <p>Some jurisdictions have a super-majority threshold of a three-quarter or a two-third majority of votes by members present at the general meeting with no special requirement as to the quorum. Others impose a higher quorum requirement with a lower majority, such as, a quorum of 50% of share capital plus a majority of more than 50% of share capital, or a quorum of two-thirds of share capital plus a simple majority approval by those members present.</p> <p>We require a super-majority vote to mean at least a two-thirds majority where an overseas company has a low quorum requirement (e.g. two members). When an overseas company's threshold for deciding the matters set out above is a simple majority only (50% plus 1 vote), these matters must be decided by a significantly higher quorum.</p>
2.	<p><b>2007 JPS Schedule Item 1(b)</b> Rights attached to any class of shares of an overseas company may only be varied with the approval of members on terms comparable to those required of a Hong Kong incorporated public company (e.g. currently a three-quarter majority vote in general meeting is required, subject to rights of members holding not less than 10% of the nominal value of the issued shares of that class to make a petition to the court to have the variation cancelled).</p>	See Item 1

	<b>2007 JPS</b>	<b>REVISED JPS</b>
3.	<p><b>JPS Schedule Item 1(c)</b> Notwithstanding anything in the constitutional document of an overseas company, any alteration in the constitutional document to increase an existing member's liability to the company is not binding unless such liability increase is agreed by such member in writing.</p>	<p><b>Revised JPS paragraph 34</b> There should not be any alteration in an overseas company's constitutional document to increase an existing member's liability to the company unless such increase is agreed by such member in writing.</p>
4.	<p><b>JPS Schedule Item 1(d)</b> Voluntary winding up of an overseas company must be approved by members on terms comparable to those required of a Hong Kong incorporated public company (e.g. currently a three-quarter majority vote in general meeting is required).</p>	See Item 1.
5.	<p><b>JPS Schedule Item 1(e)</b> Appointment, removal and remuneration of auditors must be approved by members on terms comparable to those required of a Hong Kong incorporated public company (e.g. currently a majority vote in general meeting is required).</p>	<p><b>Revised JPS paragraph 35</b> Appointment, removal and remuneration of auditors must be approved by a majority of an overseas company's members or other body that is independent of the board of directors, for example the supervisory board in systems that have a two tier board structure.</p>
6.	<p><b>JPS Schedule Item 1(f)</b> An overseas issuer must ensure that its branch register of members in Hong Kong shall be open to inspection by members. Closure of the register on terms comparable to the current provisions of Hong Kong law will be allowed.</p>	<p><b>Revised JPS paragraph 70(d)</b> An applicant is encouraged to notify the SEHK at an early stage of the nature of the securities it plans to issue and list, particularly as to how its branch register of members in Hong Kong is maintained and when the register is open to inspection by members. The overseas company must also inform members of the conditions for inspection.</p>
7.	<p><b>JPS Schedule Item 1(g)</b> The circumstances under which the minority shareholders of an overseas company may be bought out or may require an offeror to buyout their interests after a successful takeover or share repurchase must be clearly stated.</p>	Not retained.
8.	<p><b>JPS Schedule Item 2(a)</b> Overseas companies are required to hold a general meeting each year as its annual general meeting. Not more than 15 months shall</p>	<p><b>Revised JPS paragraph 36</b> An overseas company is required to hold a general meeting each year as its annual general meeting. Generally not more than 15 months</p>

	<b>2007 JPS</b>	<b>REVISED JPS</b>
	elapse between the date of one annual general meeting of the company and the next.	should elapse between the date of one annual general meeting of the overseas company and the next.
9.	<b>JPS Schedule Item 2(b)</b> Members holding not less than 5% of the paid up capital of the overseas company may require the company to convene an extraordinary general meeting and may request the company to circulate a resolution proposed by the requisitionists to members entitled to receive notice of that meeting.	<b>Revised JPS paragraph 39</b> Members holding a minority stake in an overseas company must be allowed to convene an extraordinary general meeting and add resolutions to a meeting agenda. The minimum level of members' support required to convene a meeting must be no higher than 10%.
10.	<b>JPS Schedule Item 2(c)</b> Overseas companies must ensure that any annual general meeting or any extraordinary general meeting at which a resolution that requires the approval of members by three-quarter majority vote will be proposed shall be convened on at least 21 days' written notice; and that any other general meeting shall be convened on at least 14 days' notice.	<b>Revised JPS paragraph 37</b> An overseas company must give its members reasonable written notice of its general meetings.
11.	<b>JPS Schedule Item 2(d)</b> Overseas companies must adopt general provisions as to meetings and votes on terms that are comparable to those required of a Hong Kong incorporated public company.	Not retained.
12	<b>JPS Schedule Item 2(e)</b> Proxies/corporate representatives may be appointed by any recognised clearing house within the meaning of section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571) for attending general meetings and creditors meetings on terms comparable to those permitted under Hong Kong law; and such proxies/corporate representatives should enjoy statutory rights, including the right to speak in such meetings, comparable to those appointed with respect to a Hong Kong incorporated public company.	<b>Revised JPS paragraphs 40 and 41</b> A recognised Hong Kong clearing house must be entitled to appoint proxies or corporate representatives to attend general meetings and creditors meetings. These proxies/corporate representatives should enjoy statutory rights comparable to those of other shareholders, including the right to speak and vote. Where the laws of an overseas jurisdiction prohibit a recognised clearing house from appointing proxies/corporate representatives, the overseas company must make the necessary arrangements with Hong Kong Securities Clearing Company Nominees Limited ("HKSCC Nominees") to ensure that Hong Kong investors holding shares through



	2007 JPS	REVISED JPS
		HKSCC Nominees enjoy the rights to vote, attend (personally or by proxy) and speak at general meetings.
13.	<p><b>JPS Schedule Item 2(f)</b> The right of members of an overseas company to demand a poll must be comparable to that available to members of a Hong Kong incorporated public company.</p>	Not retained.
14.	<p><b>JPS Schedule Item 3(a)</b> Appointment of a director is required to be voted on individually.</p> <p>Unanimous approval of members is required to pass a resolution permitting appointment of two or more directors by a single resolution.</p>	Not retained.
15.	<p><b>JPS Schedule Item 3(b)</b> A director is required to declare any material interest in any contract with the overseas company at the earliest meeting of the board of directors of the company.</p>	Not retained.
16.	<p><b>JPS Schedule Item 3(c)</b> An overseas company is required to include in notices of its intention to move a resolution at a general meeting or class meeting, particulars of the relevant interests of directors in the matter dealt with by the resolution.</p>	Not retained.
17.	<p><b>JPS Schedule Item 3(d)</b> The circumstances under which an overseas company may make loans, including quasi loans and credit transactions, to a director must be confined to circumstances no less stringent than those permitted for a Hong Kong incorporated public company.</p>	Not retained.
18.	<p><b>JPS Schedule Item 3(e)</b> Any payment to a director or past director of an overseas company</p>	Not retained.

	2007 JPS	REVISED JPS
	as compensation for loss of office or retirement from office is required to be approved by members of the company on terms comparable to those required of a Hong Kong incorporated public company (e.g. currently a majority vote in general meeting is required).	
19.	<p><b>JPS Schedule Item 4(a)</b> Any alteration of share capital in an overseas company must be approved by members on terms comparable to those required of a Hong Kong incorporated public company (e.g. currently a majority vote in general meeting is required).</p>	Not retained.
20.	<p><b>JPS Schedule Item 4(b)</b> Any reduction of share capital in an overseas company must be subject to confirmation by the court and be approved by members on terms comparable to those required of a Hong Kong incorporated public company (e.g. currently a three-quarter majority vote in general meeting is required).</p>	Not retained.
21.	<p><b>JPS Schedule Item 4(c)</b> An overseas company may only redeem its shares out of distributable profits or fresh proceeds from a new issue of shares or under other circumstances comparable to those under which a Hong Kong incorporated public company may be allowed to make such redemption.</p>	Not retained.
22.	<p><b>JPS Schedule Item 4(d)</b> An overseas company may only distribute its assets to its members in circumstances comparable to those under which a Hong Kong incorporated public company may be allowed to make such distribution, that is, out of realised profits and if out of assets, the remaining net assets must not be less than the share capital plus undistributable reserves.</p>	Not retained.

	2007 JPS	REVISED JPS
23.	<p><b>JPS Schedule Item 4(e)</b> The circumstances under which an overseas company may give financial assistance for the acquisition of its own shares must be clearly stated.</p>	Not retained.
24.	<p><b>JPS Schedule Item 5(a)</b> An overseas company must state whether the statutory securities regulator of the overseas company's home jurisdiction (i) is a full signatory of the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information; or (ii) has entered into an appropriate bi-lateral agreement with the SFC which provides adequate arrangements with the SFC for mutual assistance and exchange of information for the purpose of enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong.</p>	<p><b>Revised JPS paragraphs 42 to 45</b> The statutory securities regulator in an overseas company's jurisdiction of incorporation and place of central management and control (if different) must:</p> <ul style="list-style-type: none"> <li>(a) be a full signatory of the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information ("IOSCO MMOU");<sup>1</sup> or</li> <li>(b) have entered into an appropriate bi-lateral agreement with the SFC which provides adequate arrangements with the SFC for mutual assistance and exchange of information for the purpose of enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong.<sup>2</sup></li> </ul> <p>This will enable the SFC to seek regulatory assistance and information from the overseas statutory securities regulator thereby facilitating the SFC's investigations and enforcement actions where an overseas company has its records, business operations, assets and management outside Hong Kong.</p> <p>The SEHK may make exceptions from the above requirements, in an individual case. The SEHK will not do so without the SFC's explicit consent.</p> <p>The SEHK will consider the following factors to determine an overseas company's place of central management and control:</p> <ul style="list-style-type: none"> <li>(a) the location from where the company's senior management direct, control, and coordinate the company's activities;</li> <li>(b) the location of the company's principal books and records; and</li> <li>(c) the location of the company's business operations or assets.</li> </ul>

<sup>1</sup> Current signatories to the IOSCO MMOU can be viewed here: [http://www.iosco.org/library/index.cfm?section=mou\\_siglist](http://www.iosco.org/library/index.cfm?section=mou_siglist)

<sup>2</sup> Details of the SFC's cooperative arrangements with overseas regulators can be viewed here: <http://www.sfc.hk/web/EN/about-the-sfc/collaboration/overseas/>

	2007 JPS	REVISED JPS
25.	<p><b>JPS Schedule Item 5(b)</b>            If neither (i) or (ii) applies, the overseas company must explain what other regulatory cooperation exists between its home securities regulator and the Hong Kong securities regulator.</p>	See Item 24.
	<b>“Nexus Test”</b>	
26.	<p>Applicants should demonstrate a nexus between its place of incorporation and place of principal business operations.            (2007 JPS, “Factors Affecting Eligibility for Listing Particular to Overseas Companies”, second paragraph, page 5)</p>	Not retained.

## CALCULATING 2014 ANNUAL LISTING FEES FOR HONG KONG-INCORPORATED ISSUERS

(See FAQ Series 26, Question 10)

### Hong Kong-incorporated issuers listed before 3 March 2014

Annual listing fees for the remainder of 2014 (i.e. from 3 March 2014) and thereafter will be calculated by reference to the latest nominal value per share that was used to calculate the issuer's 2014 annual listing fees (i.e. the latest nominal value before the issuer's shares ceased to have a nominal value). Going forward, this will be known as the "**notional nominal value per share**".

### Hong Kong-incorporated issuers listed on or after 3 March 2014

The nominal value shall be deemed to be HK\$0.25 for the purposes of calculating annual listing fees, in accordance with Main Board Appendix 8, paragraph 2(2). This is consistent with the current practice in respect of issuers with no nominal value per share or a nominal value per share less than HK\$0.25.

The table below sets out examples showing the nominal value per share that will be used to calculate annual listing fees for Hong Kong-incorporated issuers on or after 3 March 2014 depending on their date of listing. These examples assume that the issuer does not carry out any corporate actions (e.g. subsequent issues, share subdivisions or consolidations).

### Calculation of Annual Listing Fees (absent any corporate action)

Examples	Listing Date	Nominal value per share on 2 March 2014 (i.e. Notional nominal value per share)	Nominal value per share used to calculate annual listing fee on or after 3 March 2014	Effect of change on annual listing fee as compared to current regime
A	Before end of 2013	HK\$1.00	HK\$1.00	None
B	28 February 2014	HK\$0.50	HK\$0.50	None
C	3 March 2014	No nominal value	HK\$0.25	None
D	3 July 2014	No nominal value	HK\$0.25	None

### Subsequent Issues

If an issuer conducts a placing, bonus issue, rights issue or open offer, or consideration issue on or after 3 March 2014 (when its shares cease to have a nominal value), we will calculate the annual listing fee payable for the remainder of that year based on the number of new shares issued and the notional nominal value per share.

The table below sets out examples showing the nominal value per share that will be used to calculate annual listing fees for Hong Kong-incorporated issuers from the date of a subsequent issue depending on the date of issue. Examples A, B & C are for issuers listed prior to 3 March 2014.

### Calculation of Annual Listing Fees (in the event of a subsequent issue)

Examples	Date of issue	Nominal value per	Nominal value per share	Nominal value per	Effect of change on annual
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		share at time of issue	on 2 March 2014 (i.e. Notional nominal value per share)	share used to calculate annual listing fee from the date of issue	listing fee as compared to current regime
A	28 February 2014	HK\$1.00	HK\$1.00	HK\$1.00	None
B	3 March 2014	No nominal value	HK\$1.00	HK\$1.00	None
C	3 September 2014	No nominal value	HK\$1.00	HK\$1.00	None
D: Issuer listed on or after 3 March 2014	3 October 2014 <sup>1</sup>	No nominal value	No nominal value	HK\$0.25 <sup>2</sup>	None

<sup>1</sup> Note that no further issues of securities within six months of listing are generally allowed.

<sup>2</sup> For Hong Kong-incorporated issuers listed on or after 3 March 2014 that conduct a subsequent issue, the nominal value per share shall be deemed to be HK\$0.25 for the purposes of calculating annual listing fees from the date of the issue.

### Share Subdivision

If an issuer conducts a share subdivision on or after 3 March 2014, the notional nominal value per share will be adjusted accordingly, subject to a minimum of HK\$0.25 per paragraph 2(2) of Main Board Appendix 8. The annual listing fee payable for the remainder of that year will be calculated based on the number of subdivided shares and this new nominal value per share.

The table below sets out examples showing the nominal value per share that will be used to calculate annual listing fees for Hong Kong-incorporated issuers from the date of a share subdivision depending on the date it is carried out. Examples A, B & C are for issuers listed prior to 3 March 2014.

### Calculation of Annual Listing Fees (in the event of a share subdivision)

Examples	Date of subdivision	Nominal value per share at time of subdivision	Nominal value per share after subdivision	Nominal value per share on 2 March 2014 (i.e. Notional nominal value per share)	Nominal value per share used to calculate annual listing fee from the date of subdivision	Effect of change on annual listing fee as compared to current regime
A	28 February 2014	HK\$1.00	(i) HK\$0.50 (for a 2-for-1 split); or (ii) HK\$0.10 (for a 10-for-1 split)	(i) HK\$0.50 (for a 2-for-1 split); or (ii) HK\$0.10 (for a 10-for-1 split)	(i) HK\$0.50 (for a 2-for-1 split); or (ii) HK\$0.25 (for a 10-for-1 split) (per App 8, para 2(2))	None

Examples	Date of subdivision	Nominal value per share at time of subdivision	Nominal value per share after subdivision	Nominal value per share on 2 March 2014 (i.e. Notional nominal value per share)	Nominal value per share used to calculate annual listing fee from the date of subdivision	Effect of change on annual listing fee as compared to current regime
B: Issuer conducts 2-for-1 split	3 March 2014	No nominal value	No nominal value	HK\$1.00	HK\$0.50	None
C: Issuer conducts 10-for-1 split	3 September 2014	No nominal value	No nominal value	HK\$1.00	HK\$0.25 Nominal value per share after the split would be HK\$0.10.  However, per App 8, para 2(2), nominal value per share used to calculate annual fee for remainder of the year would be HK\$0.25.	None
D: Issuer listed on or after 3 March 2014	3 October 2014	No nominal value	No nominal value	No nominal value	HK\$0.25 <sup>3</sup>	None

<sup>3</sup> For Hong Kong-incorporated issuers listed on or after 3 March 2014 that conduct a share subdivision, the nominal value per share shall be deemed to be HK\$0.25 for the purposes of calculating annual listing fees from the date of the subdivision.

### Share Consolidation

If an issuer conducts a share consolidation on or after 3 March 2014, together with a capital reduction (a common market practice), the annual listing fee payable for the remainder of that year will be calculated based on the number of consolidated shares and the notional nominal value per share. Even if an issuer conducts a share consolidation on or after 3 March 2014 without an accompanying capital reduction, the annual listing fee payable for the remainder of that year will still be calculated by reference to the notional nominal value per share, as if the share consolidation had been carried out together with a capital reduction.

The table below sets out examples showing the nominal value per share that will be used to calculate annual listing fees for Hong Kong-incorporated issuers from the date of a share consolidation depending on the date it is carried out. Examples A<sub>1</sub>, A<sub>2</sub>, B<sub>1</sub>, B<sub>2</sub>, C<sub>1</sub> & C<sub>2</sub> are for issuers listed prior to 3 March 2014.

**Calculation of Annual Listing Fees (in the event of a share consolidation)**

Examples	Date of consolidation	Nominal value per share before consolidation	Nominal value per share after consolidation	Nominal value per share after capital reduction	Nominal value per share on 2 March 2014 (i.e. Notional nominal value per share)	Nominal value per share used to calculate annual listing fee from date of consolidation	Effect of change on annual listing fee as compared to current regime
A <sub>1</sub> : Issuer conducts 1-for-2 consolidation with capital reduction	28 February 2014	HK\$0.50	HK\$1.00	HK\$0.50	HK\$0.50	HK\$0.50	None
A <sub>2</sub> : Issuer conducts 1-for-2 consolidation without capital reduction	28 February 2014	HK\$0.50	HK\$1.00	[No capital reduction carried out]	HK\$1.00	HK\$1.00	None
B <sub>1</sub> : Issuer conducts 1-for-2 consolidation with capital reduction	3 March 2014	No nominal value	No nominal value	No nominal value	HK\$0.50	HK\$0.50	None
B <sub>2</sub> : Issuer conducts 1-for-2 consolidation without capital reduction	3 March 2014	No nominal value	No nominal value	[No capital reduction carried out]	HK\$0.50	<p>HK\$0.50</p> <p>Under current regime, nominal value per share after consolidation would be HK\$1.00.</p> <p>Under new regime, nominal value per share on 2 March 2014 (HK\$0.50) will still be used to calculate annual listing fee from date of consolidation.</p>	Decrease



Examples	Date of consolidation	Nominal value per share before consolidation	Nominal value per share after consolidation	Nominal value per share after capital reduction	Nominal value per share on 2 March 2014 (i.e. Notional nominal value per share)	Nominal value per share used to calculate annual listing fee from date of consolidation	Effect of change on annual listing fee as compared to current regime
C <sub>1</sub> : Issuer conducts 1-for-2 consolidation with capital reduction	3 September 2014	No nominal value	No nominal value	No nominal value	HK\$0.25	HK\$0.25	None
C <sub>2</sub> : Issuer conducts 1-for-2 consolidation without capital reduction	3 September 2014	No nominal value	No nominal value	[No capital reduction carried out]	HK\$0.25	HK\$0.25 Under current regime, nominal value per share after consolidation would be HK\$0.50. Under new regime, nominal value per share on 2 March 2014 (HK\$0.25) will still be used to calculate annual listing fee from date of consolidation.	Decrease
D: Issuer listed on or after 3 March 2014 conducts 1-for-2 consolidation (with/without capital reduction)	3 October 2014	No nominal value	No nominal value	Where capital reduction carried out: No nominal value	No nominal value	HK\$0.25 <sup>4</sup>	None

<sup>4</sup> For Hong Kong-incorporated issuers listed on or after 3 March 2014 that conduct a share consolidation, the nominal value per share shall be deemed to be HK\$0.25 for the purposes of calculating annual listing fees from the date of the consolidation.

**Attachment 1: (See FAQ Series 29, Question 5)**

<b>Reasons for suspension</b>	<b>SSE/ SZSE</b>	<b>SEHK</b>
<b><i>Non-routine suspension</i></b>		
Insufficient public float	Suspend after the public float falls below the minimum requirement <sup>4</sup> for 20 consecutive days	Suspend when the public float falls below the minimum requirement <sup>4</sup> and there is a lack of open market in the listed securities
Delay in publication of annual results	Suspend when the issuer fails to publish the annual report by the deadline (which is 4 months from the year end date)	Suspend when the issuer fails to publish the results announcement by the deadline (which is 3 months from the year end date)
Failure to meet continued listing criteria	Listing may be suspended if the issuer fails to meet financial requirements after it is put under delisting risk warning: <ul style="list-style-type: none"> <li>- Net loss for the latest 3 consecutive years; or</li> <li>- Net liability in the latest 2 consecutive years; or</li> <li>- Revenue less than RMB10 million for the latest 2 consecutive years; or</li> <li>- Auditors issued a disclaimer opinion or adverse opinion on its financial statements for the latest 2 consecutive years</li> </ul>	Suspend if the issuer fails to maintain sufficient assets or operations for listing
Material asset restructuring <sup>5,7</sup>		
(a) An issuer announces that it may undertake a possible material asset restructuring	(a) Suspend for not more than three months (unless an extension is permitted) when the possible material asset restructuring is in contemplation	(a) No suspension where the announcement contains inside information concerning the possible material asset restructuring
(b) The issuer convenes a board meeting and announces details of its material asset restructuring proposal	(b) Suspend for not more than 10 days when the announcement is subject to post-vetting by SSE / SZSE	(b) No suspension after the announcement of the proposed transaction. <sup>6</sup>

(c) The issuer publishes an announcement upon the receipt of the CSRC's notice in relation to the vetting of the issuer's material asset restructuring proposal	(c) Suspend during the vetting period	(c) No suspension
Non-public issuance of new shares <sup>7</sup>	Suspend for not more than 10 days (unless an extension is permitted) when an issuer announces that it may undertake a possible issuance of new shares	No suspension where the announcement contains inside information concerning the possible issuance of new shares
Other material matters <sup>7</sup>	Suspend for not more than 10 days when an issuer announces that it is contemplating material matters (e.g. change in control, material contract, acquisition or disposal subject to shareholder approval, external investment)	No suspension where the announcement contains inside information concerning the possible material matters
<b><i>Routine suspension</i></b>		
Rights issue	Suspend during the acceptance period	No suspension
Delay in publication of quarterly results	Suspend for 1 day if the issuer fails to publish quarterly report by the due date	No suspension (There is no requirement under the SEHK Listing Rules for Main Board issuers to publish quarterly results.)
Issuers under delisting risk warnings	Suspend for 1 day if the issuer is put under the delisting risk warning (*ST) or other kinds of special treatment (ST) under the SSE/ SZSE rules	No suspension

*Note*

4: Under the SSE/SZSE listing rules, an issuer shall maintain a public of at least 25% of the total issued share capital (or 10% if the issuer's share capital exceeds RMB400 million).

Under SEHK Listing Rules, an issuer shall maintain a public of at least 25% of the total issued share capital (or a lower percentage if waiver was previously granted by SEHK).

- 5: See the “Measures for the Administration of the Material Asset Restructurings of Listed Companies” issued by the CSRC
- 6: Issuers are reminded that if the proposed transaction constitutes a very substantial disposal, very substantial acquisition or reverse takeover under the SEHK Listing Rules, the issuer should submit the draft announcement for the transaction to SEHK for pre-vetting.
- 7: See the “Guidelines on trading suspension and resumption for listed companies in contemplation of material matters” 《上市公司籌劃重大事項停復牌業務指引》 and the “Disclosure memorandum for Main Board no.9 – Listed companies’ trading suspension and resumption” 《主板信息披露業務備忘錄第9號—上市公司停復牌業務》 issued by SSE and SZSE respectively