

**HKEx GUIDANCE LETTER**  
**HKEx-GL24-11 (March 2011) (Updated in March 2014)**

<b>Subject</b>	<b>Simplification Series – Disclosure requirements for IPO cases – Formal Notice</b>
<b>Listing Rules and Regulations</b>	<p><b>Main Board Rules 12.02, 12.04 and 12.05, Appendix 11 to the Main Board Rules</b></p> <p><b>GEM Rules 16.05, 16.09 and 16.10, Appendix 10 to the GEM Rules</b></p> <p><b>Section 38B and Nineteenth Schedule of the Companies Ordinance<sup>1</sup></b></p>
<b>Related Publications</b>	N/A
<b>Author</b>	<b>IPO Transactions Department</b>

**Important note:** *This letter does not override the Listing Rules and is not a substitute for advice from qualified professional advisers. If there is any conflict or inconsistency between this letter and the Listing Rules, the Listing Rules prevail. You may consult the Listing Division on a confidential basis for an interpretation of the Listing Rules, or this letter.*

**1. Purpose**

1.1 Guidance on the disclosure requirements in formal notices for new listing applicants.

**2. Background**

2.1 A formal notice is to inform investors of the commencement of a share offering. We noticed that recent published formal notices have become increasingly lengthy and legalistic.

**3. Relevant Requirements**

3.1 Main Board Rule 12.02 (GEM Rule 16.05) requires that a formal notice stating the information set out in Main Board Rule 12.04 (GEM Rule 16.09) must be published in accordance with Main Board Rule 2.07C (GEM Rules 16.17 and 16.18) on the date of issue of the prospectus.

3.2 Main Board Rule 12.04 (GEM Rule 16.09) sets out the minimum contents requirements of a formal notice. Model forms of formal notices are set out in Appendix 11 to the Main Board Rules (Appendix 10 to the GEM Rules).

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

3.3 Main Board Rule 12.05 (GEM Rule 16.10) provides that where prospectus has been registered with the Registrar of Companies under the Companies Ordinance<sup>1</sup>, every formal notice must comply with section 38B of the Companies Ordinance<sup>1</sup>. Subsection (2) of section 38B states that the publication of an advertisement which complies with the requirements of Nineteenth Schedule of the Companies Ordinance<sup>1</sup> and contains information as is permitted under subsection (2AA) shall not be unlawful **(Updated in March 2014)**.

#### **4. Guidance**

4.1 As a formal notice aims to inform investors of the commencement of a share offering, we consider that its contents must be concise, easy to read, and in plain language.

4.2 We take the view that a formal notice should contain the information described/prescribed in Main Board Rule 12.04 (GEM Rule 16.09) and the Companies Ordinance<sup>1</sup>. All other information can be removed, except, for ease of reference, information on how shares can be applied for under different channels through the white and yellow application forms, white form eIPO, and CCASS eIPO. We also consider that information on when and where publication of allotment results will be made is useful in formal notices for quick reference to investors **(Updated in March 2014)**.

4.3 If listing applicants consider that information on the structure of the public offering is material for investors, they may include a statement in the simplified formal notices cross-referencing the relevant sections in the prospectuses where full details are disclosed. We do not believe that investors will be disadvantaged by reading a simplified formal notice containing information set out in paragraph 4.2 above.

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