



SECURITIES AND
FUTURES COMMISSION
證券及期貨事務監察委員會



Frequently Asked Questions Series 4
(Released on 12 February 2008 / Last Updated on 30 September 2009, 23 July 2010 and 17 April 2014)

Web Proof Information Pack (WPIP)

Status of “Frequently Asked Questions” Table

~~The FAQs appearing in this document memorialise questions raised in relation to WPIP posting. These FAQs are intended to assist Applicants and CIS listing applicants in meeting their obligations pursuant to the requirement of the Stock Exchange of Hong Kong Limited (“Exchange”) and the Securities and Futures Commission (“SFC”) to post the WPIP on the HKEX Website.~~

~~Tentative topics have been set out in the Table below for ease of reference and may be changed as we see appropriate. The “answers” should not be construed as being definitive and applicable 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.~~

~~Details of the WPIP posting requirement are set out in the Joint Policy Statement (Joint Policy Statement) of the Exchange and the SFC dated 5 November 2007 at www.hkex.com.hk and www.sfc.hk. Capitalised terms that are used but not defined in this document shall have the meanings given to them in the Joint Policy Statement. Where applicable, terms and references used in these FAQs applicable to Applicants shall have the meanings as set out in paragraph 2 of the Joint Policy Statement in the case of CIS listing applicants.~~

No.	Main Board Rules	GEM Rules	Query	Response
1	WPIP—Posting of Changes			
1A	N/A	N/A	<p>Company A posts its WPIP on the HKEx Website and distributes a Red Herring to a group of Institutional Investors on Day 1. On Day 3, Company A notices some mistakes in the Red Herring and intends to issue on Day 4 a supplemental document to the Institutional Investors to set out the changes made to the original Red Herring (“addendum to the original Red Herring”).</p> <p>How and when should Company A post such changes on the HKEx Website?</p>	<p>Company A must submit an addendum to the original WPIP to the Exchange for posting on the HKEx Website prior to distributing the addendum to the original Red Herring to the Institutional Investors.</p> <p>The addendum to the original WPIP must contain the same information as that set out in the addendum to the original Red Herring (except for information which relates to the placing tranche only) and all appropriate warning/disclaimer statements to advise viewers of the legal status of the WPIP and any addendum thereto.</p>
1B	N/A	N/A	<p>Circumstances are the same as those stated in 1A above except Company A intends to issue a revised Red Herring to the Institutional Investors on Day 4.</p> <p>How and when should Company A post the revisions to the previously posted WPIP on the HKEx Website?</p>	<p>Company A must submit a revised WPIP to the Exchange for posting on the HKEx Website prior to distributing the revised Red Herring to the Institutional Investors.</p> <p>The revised WPIP must contain the same information as that set out in the revised red herring document except for information which relates to the placing tranche only. The revised WPIP must be blacklined to show the changes made to the previously posted WPIP.</p>

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				<p>The revised WPIP must also contain all appropriate warning / disclaimer statements to advise viewers of the legal status of the WPIP and any revision thereto.</p>
1C	N/A	N/A	<p>If no allotment of shares follows the issue of a prospectus (“First Prospectus”) and the Applicant intends to issue a new prospectus (“New Prospectus”) for its subsequent public offer of shares, should the WPIP for the New Prospectus be (a) blacklined to show changes made to the previously posted WPIP (“Previous WPIP”) or (b) a clean, new version?</p>	<p>The obligation to revise a WPIP ends upon the issue of the prospectus to which the WPIP relates. As such, if no allotment of shares follows the issue of the First Prospectus, the Applicant should prepare a clean, new WPIP (“New WPIP”) to satisfy the WPIP posting requirement for its subsequent offering.</p> <p>In other words, where an Applicant is required to post a WPIP for its subsequent offering, the New WPIP should not be blacklined to show changes made to the Previous WPIP. It should be a clean, new version instead.</p> <p>(Updated on 23 July 2010)</p>
2	WPIP – Potential Liabilities			

No.	Main Board Rules	GEM Rules	Query	Response
2A	N/A	N/A	<p>Following the implementation of the WPIP-posting requirement, will Applicants and/or their sponsors remain obligated to address enquiries raised by the Exchange, or the SFC in the case of CIS listing applicants, regarding market speculation over, and/or leakage to the public of, information not included in the WPIP?</p>	<p>We are of the view that market speculation and leakage of information are issues separate from WPIP-posting.</p> <p>Where the Exchange, or the SFC in the case of CIS listing applicant, believes that there has been market speculation over, and/or leakage to the public of, information not included in the WPIP, it may require the Applicant or the CIS listing applicant, as the case may be, to respond to such enquiries as the Exchange, or the SFC in the case of CIS listing applicant, may raise.</p> <p>The Exchange, or the SFC in the case of CIS listing applicant, may also require an Applicant to respond to queries raised by members of the public regarding the accuracy, truthfulness or completeness of the WPIP where such queries do not appear to be baseless or malicious.</p>
2B	N/A	N/A	<p>In addition to liabilities under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) and the SFO as discussed in the Joint Policy Statement, is there any other liability which may arise as a result of the WPIP-posting requirement e.g. under tort and contract? <i>(Updated in April 2014)</i></p>	<p>We note that a number of respondents expressed concerns about potential contractual, tortious or other liabilities arising out of the posting of WPIP. While it is impossible to obtain a conclusive opinion addressing all potential types of liabilities which may arise from the WPIP-posting</p>

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				<p>requirement, we believe that Applicants and sponsors should be able to take comfort from the fact that WPIP posting is a requirement of a home regulator and not a voluntary act of the Applicants. The inclusion of appropriate warning/disclaimer statements in the WPIP should also accord additional comfort – see paragraph 19(d) and Attachment 1 to the Joint Policy Statement for further information on the required warning statements and disclaimer language. Where the WPIP satisfies the contents requirements set out in paragraph 19 of the Joint Policy Statement, the posting of WPIP pursuant to the request for posting issued by the Exchange/SFC will not, in the view of the SFC, constitute a prospectus or an extract from or abridged version of a prospectus or an advertisement in relation to a prospectus or proposed prospectus within sections 2 and 38B, respectively, of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) nor a prohibited advertisement within section 103(1) of the Securities and Futures Ordinance (<i>Updated in April 2014</i>).</p>
3	WPIP – Content Requirements of the WPIP			

No.	Main Board Rules	GEM Rules	Query	Response
3A	N/A	N/A	<p>Where the prospectus/ offering circular distributed to retail investors in Hong Kong (“Hong Kong Prospectus”) differs from the international prospectus (where the difference is not limited to the addition of an international wrapper but also its contents and format), should the contents of the WPIP follow those of the Hong Kong Prospectus or the Red Herring in the form of the international prospectus?</p>	<p>Given that it is the Hong Kong Prospectus which will be posted on the HKEx Website upon commencement of the public offering, we believe that the Hong Kong Prospectus is the appropriate document for the WPIP to generally follow. Please see Attachment 2 to the Joint Policy Statement for the recommended contents layout of the WPIP.</p>
3B	N/A	N/A	<p>Should a WPIP contain any and/ or all of the following sections/ chapters that are typically found in a prospectus?</p> <ol style="list-style-type: none"> 1. Information about this Prospectus and the Global Offering; 2. Cornerstone Investors; 3. Underwriting; 4. Structure and Conditions of the Global Offering; 5. How to Apply for Hong Kong Offer Shares; and 6. Terms and Conditions of the Hong Kong Public Offering. 	<p>Applicants are recommended NOT to include any of these sections in the WPIP. For the recommended contents layout of a WPIP, please refer to Attachment 2 to the Joint Policy Statement.</p> <p>It is the primary responsibility of the Applicant to ensure that the WPIP posted on the HKEx website does not contain any information regarding the proposed offering or other information which may result in the WPIP being construed as a prospectus or an offering advertisement under the CO regime or falling under the prohibition described in section 103 of the SFO.</p> <p>In addition, neither the Exchange nor the SFC will provide any advice or confirmation as to</p>

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				<p>whether a WPIP in the form posted by the Applicant constitutes a prospectus or an offering advertisement. If Applicants and/or sponsors have any doubt about the legal status of a WPIP, they should obtain independent legal advice.</p> <p>(updated on 12 February 2008)</p>
3C	N/A	N/A	<p>Should a WPIP address all concerns and incorporate all comments of the Listing Committee and/or Listing Division before it is submitted to the Exchange for posting?</p>	<p>Yes. A WPIP is expected to have addressed and incorporated all issues raised by the Listing Committee and the Listing Division.</p> <p>This is because a WPIP is expected to contain essentially the same contents as in a Red Herring distributed to Institutional Investors in the placement tranche and typically there is little difference between a Red Herring and a final prospectus, except for the offering and pricing related information. However, the Listing Division will not vet a WPIP when it is submitted for publication.</p> <p>(updated on 23 July 2010)</p>

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3D	N/A	N/A	Is it a mandatory requirement for a WPIP to include a profit forecast?	<p>The general rule is that a WPIP is expected to contain essentially the same contents as in a Red Herring distributed to Institutional Investors.</p> <p>It is not a mandatory requirement for WPIP to include a profit forecast. However, if a Red Herring to professional investors contains a profit forecast, the WPIP should contain a profit forecast.</p> <p>(updated on 23 July 2010)</p>
4	WPIP – Logistics for WPIP posting			
4A	N/A	N/A	<p>Are newspaper notifications and/or posting of notification on an Applicant's website required to enhance public awareness of each WPIP that is posted on the HKEx website?</p> <p>Alternatively, should we for purposes of enhancing publicity require the WPIP be posted on websites other than the Exchange's website?</p>	<p>While we acknowledge that newspaper notifications and/or posting of notifications on an Applicant's website may enhance publicity of each posting of a WPIP, we are mindful that the publication of newspaper notifications and the posting of the WPIP on other websites may subject the Applicant to an increased risk of liabilities under the prospectus and/or advertisement regimes. We are therefore not inclined to require any such newspaper notification or additional posting of the WPIP on websites other than the Exchange's website.</p>

No.	Main Board Rules	GEM Rules	Query	Response
				(Updated September 2009)
5	WPIP— WPIP and Pre-deal research			
5A	N/A	N/A	Can the underwriting syndicate and sponsors continue to authorise and/or publish pre-deal research following implementation of the Pilot Scheme?	The introduction of the Pilot Scheme requiring the posting of WPIP on the HKEx Website is independent of whether pre-deal research may be issued in relation to an initial public offering. The issue of pre-deal research will continue to be governed by Main Board Rule 8.21B and the Exchange's associated practices.
6	WPIP— Rollout Date			
6A	N/A	N/A	<p>At which point of time is an application considered to be tabled to the Listing Committee for the WPIP posting requirement to apply?</p> <p>Where an Applicant whose listing application involves two or more Listing Committee hearings and the first such meeting was held before 1 January 2008, will such Applicant be subject to the WPIP posting requirement?</p>	<p>The WPIP posting requirement will apply to an Applicant whose listing application is to be heard by the Listing Committee on or after 1 January 2008 for the purpose of determining whether to approve such application.</p> <p>That is to say, if an Applicant's listing application involves two or more Listing Committee hearings and any such meeting is to be held on or after 1 January 2008, such Applicant will be subject to the WPIP posting requirement.</p> <p>In any event, the obligation for WPIP posting</p>

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				<p>does not commence until an Applicant, via its sponsor, receives a “request for posting” from the Exchange, or the SFC in the case of CIS-listing applicants.</p> <p>Applicants are encouraged to contact the staff of the IPO Transactions Team of the Exchange, or in the case of CIS-listing applicants, the relevant staff of the Investment Products Department of the SFC to ascertain whether they are subject to the Pilot Scheme.</p>
7	Scope of WPIP—posting requirement			
7A	N/A	N/A	Please give examples of transactions that do not normally require WPIP-posting.	<p>The WPIP-posting requirement does not normally apply to the following transactions:</p> <ul style="list-style-type: none"> • CIS-listing applications with no public offering in Hong Kong; • GEM transfer applications (by way of introduction) with no fresh public offering in Hong Kong; • listing applications (by way of introduction) with no fresh public offering in Hong Kong; • deemed new listing cases (reverse

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				<p>takeovers) with no fresh public offering in Hong Kong; and</p> <ul style="list-style-type: none"> • rights issues (with or without nil paid rights) of listed issuers. <p>(updated on 23 July 2010)</p>